

	State of South Carolina South Carolina Public Employee Benefit Authority Request For Proposal	Solicitation Number: PEBA0402023 Date Issued: 02/23/2024 Procurement Officer: Georgia Gillens, CPPO, CPPB Phone: 803.734.0010 Email Address: GGillens@peba.sc.gov

DESCRIPTION: **Basic and Supplemental Long Term Disability Insurance**

SUBMIT OFFER BY (Opening Date/Time): **April 9, 2024 11:00 AM.**

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: Georgia Gillens, CPPO, CPPB	PHYSICAL ADDRESS: South Carolina Public Employee Benefit Authority 202 Arbor Lake Drive Columbia, S.C. 29223 Attention: Georgia Gillens, CPPO, CPPB
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AWARD & AMENDMENTS	Award will be posted on May 7, 2024 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: https://www.procurement.sc.gov/doing-biz/bid-ops/peba
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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 <small>(Full legal name of business submitting the offer)</small>		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 <small>(Person must be authorized to submit binding offer to contract on behalf of Offeror.)</small>		
TITLE <small>(Business title of person signing above)</small>		STATE VENDOR NO. <small>(Register to obtain S.C. Vendor No. at www.procurement.sc.gov)</small>
PRINTED NAME <small>(Printed name of person signing above)</small>	DATE SIGNED	STATE OF INCORPORATION <small>(If you are a corporation, identify the state of incorporation.)</small>

OFFEROR'S TYPE OF ENTITY: (Check one)			<small>(See "Signing Your Offer" provision.)</small>
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Corporate entity (not tax-exempt)	<input type="checkbox"/> Corporation (tax-exempt)	<input type="checkbox"/> Government entity (federal, state, or local)	

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.) <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"> Area Code - Number - Extension Facsimile </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div> Email Address </div>						
PAYMENT ADDRESS (Address to which payments will be sent.) <div> <input type="checkbox"/> Payment Address same as Home Office Address </div> <div> <input type="checkbox"/> Payment Address same as Notice Address (check only one) </div>	ORDER ADDRESS (Address to which purchase orders will be sent) <div> <input type="checkbox"/> Order Address same as Home Office Address </div> <div> <input type="checkbox"/> Order Address same as Notice Address (check only one) </div>						
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
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 PEBA0262019

BASIC AND SUPPLEMENTAL LONG TERM DISABILITY INSURANCE

SCHEDULE OF KEY DATES IN THE PROPOSAL PROCESS

All dates subject to change

1. Distribution of the Request for Proposal (RFP)	02/23/2024
2. Deadline for Submission of Questions	03/04/2024
3. Pre-Proposal Conference (10:00 a.m.)	03/12/2024
4. State's Written Responses to Questions Questions/Amendment Issued (tentative)	03/19/2024
5. Submission and Opening of Proposals (12:00 p.m.)	04/09/2024
6. Intent to Award Posting Date	05/07/2024
7. Intent to Award Becomes Official	05/20/2024
8. Contract Performance Date	01/01/2025

PART 1

INSTRUCTIONS TO OFFERORS-A. GENERAL INSTRUCTIONS

11 DEFINITIONS, CAPITALIZATION, AND HEADINGS: 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.

Member means an individual who participates in the plan. The term participant is used interchangeably with the term member.

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.”

PEBA means the South Carolina Public Employee Benefit Authority.

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.

Subcontractor means any person or entity having a contract to perform work or render service to the Contractor as part of the Contractor’s agreement arising from solicitation.

Subscriber means an active employee who is enrolled in the plan. The term enrollee is used interchangeably with the term subscriber.

State means the South Carolina Public Employee Benefit Authority (PEBA).

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.

12 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://www.procurement.sc.gov/doing-biz/bid-ops/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.

13 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.

14 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 calendar day immediately following the seventh business day after such notice is given.

15 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.

16 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.

17 BID IN ENGLISH & DOLLARS: Offers submitted in response to this solicitation shall be in the English language and in US dollars.

18 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 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.

19 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 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>

1.11 DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE

(JUL 2023)(“OCI FAQ for Contractors” is available at www.procurement.sc.gov)

(a) You certify that, after reasonable inquiry, to the best of your knowledge and belief:

(1) your offer identifies any services that relate to either this solicitation or the work and that have already been performed by you, a proposed subcontractor, or an affiliated business or consultant of either; and

(2) there are no relevant facts or circumstances that may give rise to an actual or potential organizational conflict of interest, as defined in S.C. Code Ann. Reg. 19-445.2127, or 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.

(b) If you, a proposed subcontractor, or an affiliated business or consultant of either, have an unfair competitive advantage or an actual or potential conflict of interest, the State may withhold award. Before withholding award on these grounds, the State will notify you of the concerns and provide a reasonable opportunity for you to respond. The State may consider efforts to avoid or mitigate such concerns, including restrictions on future activities.

(c) The certification in paragraph (a) of this provision is a material representation of fact upon which the State will rely when considering your offer for award. [02-2A047-3]

1.12 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)]

1.13 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.

1.14 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 the terms of this Solicitation. 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 the terms of this Solicitation. 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.

1.15 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.

1.16 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

1.17 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.

1.18 ORGANIZATIONAL CONFLICT OF INTEREST (JUL 2023)

(a) The Contractor agrees to immediately advise the Procurement Officer if an actual or potential organizational conflict of interest is discovered after award, and to make a full written disclosure promptly thereafter to the Procurement Officer. This disclosure shall include a description of actions which the Contractor has taken or proposes to take, after consultation with the Procurement Officer, to avoid, mitigate, or neutralize the actual or potential conflict.

(b) The State may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not increase the obligation of the State beyond what it would have been if the subcontract had contained such a clause.

(c) The disclosure required by paragraph (a) of this provision is a material obligation of the contract. If the Contractor knew or should have known of an organizational conflict of interest prior to award, or discovers an actual or potential conflict after award, and does not disclose, or misrepresents, relevant information to the Procurement Officer, the State may terminate the contract for default. [07-7A054-1]

1.19 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 Opening Date.*** [R. 19-445.2165]

1.20 PROTESTS (MAY 2019) If you are aggrieved in connection with the solicitation or award of the contract, you may be entitled to protest, but only as provided in Section 11-35-4210. To protest a solicitation, you must submit a protest within fifteen days of the date the applicable solicitation document is issued. To protest an award, you must (i) submit notice of your intent to protest within seven business days of the date the award notice is posted, and (ii) submit your actual protest within fifteen days of the date the award notice is posted. Days are calculated as provided in Section 11-35-310(13). Both protests and notices of intent to protest must be in writing and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". The grounds of the protest and the relief requested must be set forth with enough particularity to give notice of the issues to be decided. [02-2A085-2]

1.21 PUBLIC OPENING (JAN 2004): Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable.

1.22 QUESTIONS FROM OFFERORS: (a) Any prospective Offeror desiring an explanation or interpretation of the solicitation, specifications, etc. (see clause 1.14 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.

123 RECEIPT OF PROPOSALS: PEBA will receive sealed proposals until 10:00 A.M. local time on the opening date shown. The submitting proposer should have printed on the envelope or wrapping containing his offer the Proposal Titled specified on the Cover Page of the Request for Proposal (Page 1) and the proposal opening date/time. PEBA assumes no responsibility for unmarked or improperly marked envelopes. All envelopes received showing the Request for Proposal title and opening date/time will be placed directly under locked security until the date and time of opening. Proposals transmitted electronically or submitted via PEBA's facsimile machine will not be accepted.

124 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]

125 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.

(e) Do not submit bid samples or descriptive literature unless expressly requested. Unsolicited bid samples or descriptive literature will not be examined or tested, will not be used to determine responsiveness, and will not be deemed to vary any of the provisions of the solicitation. S.C. Code Ann. Reg. 19-445.2077(D).

126 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) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (c) 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.

127 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>

128 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 regarding 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 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.)

1.29 SUBMITTING REDACTED OFFERS (MAR 2015): If your offer includes any information that you marked as “Confidential,” “Trade Secret,” or “Protected” in accordance with the clause entitled “Submitting Confidential Information,” you must also submit one complete copy of your offer from which you have removed or concealed such information (the redacted copy). 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 magnetic media. (”) Except for the information removed or concealed, the redacted copy must be identical to your original offer, and the Procurement Officer must be able to view, search, copy and print the redacted copy without a password.

130 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. (c) Facsimile or email offers, modifications, or withdrawals, will not be considered.

131 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.

132 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 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>.)

133 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.

INSTRUCTIONS TO OFFERORS-B. SPECIAL INSTRUCTIONS

1.34 PRE-PROPOSAL CONFERENCE/SUBMISSION OF QUESTIONS:

There will be a pre-proposal conference at **10:00 p.m. Local Time on March 12, 2024**, at the South Carolina Public Employee Benefit Authority, 202 Arbor Lake Drive, PEBA Board Room, 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 three (3) 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 **March 4, 2024, at 9 a.m.** local time. No further questions regarding the RFP will be accepted after this deadline.

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 emailed to all prospective Offerors. The amendment will also be posted at the following web address: [Procurement Services \(sc.gov\)](https://procurement.sc.gov).

All questions, comments, and requests for information or clarifications regarding this RFP must be submitted as indicated below. All questions, comments, and 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, and requests for information or clarifications regarding this RFP should include the identity of the sender, firm name, mailing address, telephone number, and email address. Email is the preferred method for submitting questions with "Questions: Basic and Supplemental Long Term Disability Insurance" as the subject of the email. Submit questions in an easily copied format, such as Microsoft Word.

Mark envelopes on questions mailed: QUESTIONS

Title: Basic and Supplemental Long Term Disability Insurance

Attn: Georgia Gillens, CPPO, CPPB

SEND QUESTIONS TO:

MAIL TO:

South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive
Columbia, SC 29223
Attn: Georgia Gillens, CPPO, CPPB

HAND DELIVER/EXPRESS

South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive
Columbia, SC 29223
Attn: Georgia Gillens, CPPO, CPPB

EMAIL ADDRESS:

GGillens@peba.sc.gov

135 CONTENTS OF OFFER (FEB 2015): (a) Offers should be complete and carefully worded and should convey all 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 that 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.

136 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)]

137 PROTEST - CPO - MMO ADDRESS (JUN 2006): Any protest must be addressed to the Chief Procurement Officer, Materials Management Office, and submitted in writing (a) by email to: protest-mmo@mmo.state.sc.us (b) by facsimile at 803-737-0639 or (c) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201

138 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.

139 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.

140 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. 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 as provided in Section 11-35-1530.

PART 2

SCOPE OF PROPOSAL

It is the intent of the South Carolina Public Employee Benefit Authority (PEBA) in accordance with all requirements stated herein or attached hereto to solicit proposals and to contract with a single qualified vendor to provide Basic and Supplemental Long Term Disability Insurance.

This Request for Proposal (RFP) is solely for the provision of Basic and Supplemental Long Term Disability Insurance as described herein.

PEBA's contract with its current Basic and Supplemental Long Term Disability Insurance carrier, The Standard, will end on December 31, 2024. The Standard has served as PEBA's Basic and Supplemental Long Term Disability Insurance carrier since September 1, 1995.

2.1 INTRODUCTION

PEBA is the state agency responsible for administration and management of the state of South Carolina's insurance programs and retirement systems. Participating entities (all state agencies, public and charter school districts, public colleges and universities, and those eligible local governments that have chosen to participate) must offer to all their eligible employees the entire package of available state insurance benefits, and allow individual employees to refuse all or any part of the benefits package. The health, Basic Dental, Basic Life and Basic Long Term Disability plans are the core benefits that participating entities must provide for each employee by paying a minimum contribution for each plan. The voluntary employee pays all plans include Dental Plus, Optional and Dependent Life Insurance, Supplemental Long Term Disability Insurance, TRICARE Supplement Plan, MoneyPlus (PEBA's flexible benefits program) and the State Vision Plan. Health, dental, and vision benefits are available to retirees, survivors, and former spouses.

PEBA will have a new benefits administration system (PEBA:Connect) implemented during the course of the contract. The Contractor is expected to work with PEBA and the PEBA:Connect contractor, on the transition to the new benefits administration system without any additional cost to PEBA.

As of January 2024, there are 834 participating entities, with 316,766 subscribers enrolled in a benefit plan. PEBA constitutes one of the largest employer-based employee benefit programs in the United States. To maintain the highest quality services for its participants, PEBA seeks a single, qualified firm to:

- (1) Provide claims administration services for its Basic Long Term Disability Insurance Plan (BLTD Plan) and Supplemental Long Term Disability Insurance Plan (SLTD Plan);
- (2) Insure its SLTD Plan; and,
- (3) Advise, assist and provide periodic follow-up in its incapacitated child determinations.

Proposals will be accepted only from the offeror-insurer. PEBA will not consider proposals submitted directly by agents or brokers and will not pay any commissions. Businesses may submit only a single response to this solicitation.

The BLTD Plan is an entirely employer paid self-funded program and covers all eligible active employees who are enrolled in a health plan offered as a part of the state insurance program. As of January 2024, 205,342 participants are enrolled in the BLTD Plan. The SLTD Plan is an entirely employee paid, fully insured program available to all eligible active employees. As of January 2024, 122,451 participants are enrolled in the SLTD Plan.

PEBA has adopted certain features necessary to the unitary operation of the BLTD and SLTD Plans. First, PEBA seeks only one Contractor to provide both services. Second, PEBA has established that the BLTD Plan and the SLTD Plan must provide the same criteria for benefit eligibility. Third, PEBA seeks to maintain the successful financial operation of the BLTD Plan, which is funded by a limited and fixed state appropriation. Enrollees in the BLTD Plan are entitled to an internal review by the Contractor, an appeal at PEBA, as well as an appeal to the courts under the standard of review provided by the State's Administrative Procedures Act (S.C. Code Ann. § 1-11-710(c), § 1-23-380, and § 1-23-600). Fourth, PEBA believes that sound fiscal operation of the LTD Plans, as well as the best interest of the state and its employees, is served by a return to work program that identifies and assists appropriate individuals in disability status to return to work by altering existing work conditions or providing retraining for another position suitable for the individual's background and skills. Fifth, PEBA desires stability in administrative fees and insurance rates over the course of the contract.

PEBA will not accept any offers that will substantively change the existing benefits package in either Plan. In this regard, the BLTD Certificate and the SLTD Certificate are incorporated by reference as if restated herein. These certificates can be found, in PDF format, at <https://www.procurement.sc.gov/doing-biz/bid-ops/peba>.

All employees currently enrolled in the BLTD and/or SLTD Plans will be re-enrolled automatically on January 1, 2025, and will not be subject to preexisting condition limitations other than those currently applicable to an individual. **All employees actively at work as of October 1, 2024 may enroll in the SLTD Plan without medical evidence during the October 2024 open enrollment period.** Subsequently hired employees are automatically eligible for enrollment in the BLTD and SLTD Plans during the first thirty-one (31) days after commencing employment without medical evidence, subject to a twelve (12) month preexisting condition limitation with coverage to commence on the first day of the month following enrollment. The Contractor shall describe an electronic means for participants to complete medical evidence when it is required.

Rates are to be guaranteed for two (2) years, beginning January 1, 2025. Employees may cancel their SLTD coverage at will. However, any subsequent reentry is subject to medical evidence and preexisting benefit limitations.

PEBA defines an incapacitated dependent child as an unmarried child, 26 years or older, who is incapable of self-sustaining employment because of mental illness, intellectual disability or physical handicap and is principally dependent (more than 50%) on the subscriber for maintenance and support, provided that the child was covered continuously under the State Health Plan or a Predecessor Plan (as that term is defined in the State Health Plan document) prior to the date of incapacitation. For the purpose of determining eligibility for Dependent Life-Child insurance benefits, incapacitation must have begun before age 19 or before age 25 if the eligible covered dependent was enrolled as a full-time student. For the purposes of determining eligibility for health benefits, incapacitation must have begun before age 26. PEBA applies criteria contained in the State Health Plan in determining if the covered dependent child is eligible to continue coverage in the medical program.

To obtain the confidential data listed below, which contains data necessary to complete a Proposal in response to this RFP, each Offeror must print, complete and return Attachment One (1): Non-Disclosure Agreement, to the Procurement Officer prior to the adjournment of the pre-proposal conference on **March 12, 2024**. A scanned copy with the appropriate signature, transmitted by email, is acceptable. Upon receipt and approval of an executed

Non-Disclosure Agreement, vendors will receive the information following the pre-proposal conference. Only those vendors who plan to respond to this RFP should submit the Non-Disclosure Agreement. PEBA reserves the right, in its sole determination, to withhold the confidential data listed below from any Offeror who cannot demonstrate its ability to meet the minimum requirements and/or is not in the business of providing the required services.

The following information will be provided to attendees of the pre-proposal conference:

- Employee census data
- Claims experience

2.2 OBJECTIVE

PEBA seeks to obtain Basic and Supplemental Long Term Disability Insurance for up to four (4) years. The term will be a two (2) year initial term and two additional one (1) year renewal terms.

PART 3

SCOPE OF WORK

The Contractor shall provide the administrative services for PEBA's employer paid BLTD Plan and the employee paid SLTD Plan, provide the insured product for the SLTD Plan, as well as be responsible for advising, assisting and providing periodic follow-up to PEBA in its incapacitated child determinations. The Contractor shall provide the administrative services consistently and with a single application and claims procedure for persons enrolled in both plans. The same benefits and administrative determinations shall be made under the BLTD Plan as under the SLTD Plan.

The Contractor shall be responsible for claims administration and processing, communications and customer service, reporting, training and adherence to all proposed performance guarantees.

Any determinations made under the plans are to be correct on the facts of each case and are to be reached after thorough review of the available materials, referral to appropriate specialists, if necessary, and are to be accompanied with a detailed explanation of the decision with supporting materials.

Any determination made under the BLTD Plan or State Health Plan shall be subject to the Contractor's internal review, an internal review by PEBA staff, and judicial review in the courts under the standard of review provided by the state's Administrative Procedures Act (S.C. Code Ann. § 1-11-710(c), § 1-23-380 and § 1-23-600). For determinations under the SLTD Plan, the Contractor may defer to the final determination on the BLTD Plan but must make a separate decision on its own judgment. The Contractor will be responsible for providing independent legal representation to PEBA to defend the BLTD determinations under the BLTD Plan and incapacitated dependent child determinations under the State Health Plan when those determinations are appealed to the courts. The legal representation is subject to PEBA's approval, and PEBA may at any time during the course of the Contract, in its sole discretion, for any reason or no reason at all, reject the offered counsel and require new counsel be retained on its behalf. The legal representation must include attorneys experienced in employee benefits defense or appearance before the South Carolina Administrative Law Court.

A. Claims Processing

- a. The Contractor shall provide all of the personnel, goods and services necessary to process or administer a claim under the BLTD and SLTD Plans, from receipt of application through disability determination (initial and subsequent) to issuance of the benefit payments, including all periodic reviews of disability status. The Contractor shall describe its claim process to include both online and manual methods of filing a claim.
- b. PEBA shall provide the Contractor the ability to inquire into its online enrollment and eligibility system. The benefits administrator of the employing entity or PEBA submits information with the claim verifying that the insured was enrolled in the BLTD Plan and/or SLTD Plan. The Contractor shall utilize PEBA's system to verify a subscriber's enrollment and eligibility for benefits. The Contractor shall refer to PEBA for consideration and final decision any questions with respect to a subscriber's eligibility to participate in the LTD Plans. The Contractor shall immediately notify PEBA's Operations Manager when one of their employees, who have previously been granted access to PEBA's system, leaves employment so that the employee's user rights to PEBA's system can be deleted.
- c. The Contractor shall file all necessary government forms and required reports with the proper authorities, including the withholding of federal income and employment taxes as required, and withholding of state income taxes. The Contractor shall deposit such amounts with the Internal Revenue Service and the South Carolina Department of Revenue under the Contractor's employer identification number (EIN). The Contractor shall prepare and distribute Form W-2 reports for such taxes and benefits.
- d. The Contractor shall communicate with the Retirement Operations department at PEBA for timely, automatic monitoring and potential application of state retirement benefits to the BLTD and SLTD claims. For a list of other setoffs that apply to BLTD and SLTD benefits, refer to the BLTD and SLTD Certificates that can be found in PDF format at <https://www.procurement.sc.gov/doing-biz/bid-ops/peba>.
- e. The Contractor shall be responsible for the payment of the FICA and Medicare contributions on behalf of employers eligible to offer the BLTD and SLTD Plans to the Internal Revenue Service under the Contractor's EIN, including not more than once a year the billing and collection from the employers of the payments made by Contractor on their behalf.
- f. The Contractor shall be responsible for issuing all benefits as required by the BLTD Plan for all claims for benefits that it receives, processes and approves for payment after January 1, 2025. The Contractor selected as a result of this RFP shall administer current self-insured claims on the BLTD plan.
- g. The Contractor shall have settlements approved by PEBA to the extent that it includes a BLTD claim should the Contractor desire to settle a case.

B. Communications and Training

- a. The Contractor shall furnish communication information on the BLTD and SLTD Plans to participants and employers. Provide communication information between the Contractor and BLTD and SLTD participants, employers and PEBA that describes the features, operations and any changes of the BLTD and SLTD benefits, and increases awareness of the Plan(s) benefits and changes. Communications with PEBA, participants and employers will be undertaken to ensure that electronic data transfer, fax, telephone and hard copy transfer of information are accurate as determined by PEBA.

- b. The Contractor shall work collaboratively with PEBA's Communications Department and Insurance Policy staff to develop an annual marketing plan to increase participation in the BLTD and SLTD Plans each calendar year. Contractor should provide recommendations to meet the long-term and short-term goals for increasing participation. PEBA will produce the final marketing plans with input from the Contractor. All collateral the Contractor produces is subject to approval by PEBA's Communications Department prior to actual use. Materials provided to BLTD and SLTD Plan participants and employers include, but are not limited to content for multiple, targeted, digital campaigns to promote BLTD and SLTD benefits, services and initiatives; and a manual/paper form needed to file for benefits. The Contractor should develop, store and distribute electronically such a form as necessary and provide upon request. Both PEBA and the Contractor will house the form in interactive, fillable format online in a PDF or similar format.
- c. The Contractor shall provide at least one staff member with experience in marketing and communications for a quarterly communications conference call in which initiatives, campaigns and progress will be discussed. Recommend specific communications plans and goals in accordance with the overall management of the BLTD and SLTD Plans during these calls. Reporting of general and targeted metrics and status updates, as well as operational updates, will be required as well. Other calls may be scheduled in addition to quarterly calls to meet deadlines for campaigns.
- d. The Contractor shall ensure all informational materials, letters, notices and collateral are cobranded with PEBA's logo and the Contractor's logo according to PEBA's brand guidelines for vendors. The Contractor's logo should be labeled as "Administered by:" to reflect the relationship between PEBA and the Contractor. The Contractor should follow other guidelines including size of logo, colors, typography, and other styles as identified in the identity guidelines and will also adhere to Associated Press style guidelines. All materials must be reviewed and approved by PEBA's Communications Department prior to use.
- e. The Contractor shall develop and distribute approved BLTD and SLTD Plan communications materials and items.
- f. The Contractor shall develop and distribute approved participant account-specific communications materials and items. Information specific to a participant's account shall be printed and mailed to the employee's address on file unless the employee has elected a paperless delivery option. These include but are not limited to notification of benefits elections and changes to participants. Notices and materials must be reviewed and approved by PEBA's Communications Department prior to use.
- g. The Contractor shall provide a customized website that is accessible without entering a password that includes information specific to the BLTD and SLTD Plans benefits and features. The website shall explain the benefits and value of enrolling in the BLTD and SLTD plans and provide helpful resources. Website content must be reviewed and approved by PEBA's Communications Department prior to use.
- h. The Contractor must not conduct any mass mailings or electronic mailings to enrolled participants, eligible employees, employers or other state group benefits personnel without the prior express permission of PEBA's Communications Department.

- i. The Contractor shall provide materials and an adequate number of its personnel as needed to train employers and PEBA personnel about the BLTD and SLTD Plans and operational procedures of the Contractor. Provide training and education sessions upon PEBA or employer request at PEBA and various employer sites statewide or via webinars. In the event a new entity joins the State Insurance Benefits Program, the Contractor shall supply its personnel and materials to assist in the entity's setup upon the request of PEBA or the new entity. All materials and training items distributed to employers by the Contractor are subject to prior approval by PEBA's Communications Department.
- j. The Contractor shall provide materials and an adequate number of its personnel, upon PEBA or employers' request to attend promotional events to promote enrollment in and to inform Participants of rules, updates, changes and the features of the BLTD and SLTD Plans, especially prior to and during the annual October open enrollment period. In the event a new entity joins the State Insurance Benefits Program and its employees become eligible to enroll in the BLTD and SLTD Plans during the year, the Contractor shall supply its personnel and materials to assist in explaining the BLTD and SLTD Plans during the initial enrollment, upon the request of PEBA or the new entity. All materials distributed to Participants and eligible employees are subject to prior approval by PEBA's Communications Department.
- k. If requested, provide personnel at PEBA's Benefits at Work conference should the agency host a conference.
- l. The Contractor shall research and compile data requested by PEBA's Communications Department for the creation of PEBA developed communication materials.

C. Customer Service

- a. The Contractor shall provide participants with an internal appeals process in accordance with the LTD Plan provisions, and cooperate with PEBA in its review process for appeals under the LTD Plan.
- b. The Contractor shall provide assistance to covered employees, employers and PEBA staff via toll-free customer service telephone line(s), staffed with customer service representatives (not a recording), knowledgeable on the specific features of the BLTD and SLTD Plans. The Contractor's customer service representatives shall be available between the hours of 8:30 a.m. and 5 p.m. EST and on the same business days as PEBA.
- c. The Contractor shall provide customer service representatives with training on the specific features of the BLTD and SLTD Plans, to respond promptly and correctly to all written and telephone inquiries from covered employees, employers and PEBA staff, to answer questions regarding specific details of the BLTD and SLTD Plans, provide assistance with accessing benefits and resolve any claims payment problems. The Contractor shall ensure the confidentiality of subscriber information in responding to all inquiries.
- d. The Contractor shall conduct an annual Member Satisfaction Survey for participants to gauge satisfaction with the Contractor. The Member Satisfaction Survey must be approved by PEBA prior to distribution. Results must be submitted to PEBA.

D. Incapacitated Child Determinations

- a. The Contractor shall be responsible for assisting PEBA in all of its incapacitated child determinations. PEBA currently uses its *Incapacitated Child Certification Form* to gather information, which is used to substantiate incapacity for an eligible dependent child. This form is available at www.peba.sc.gov/forms, and is available for use by the Contractor.
- b. The Contractor shall gather documentation from the medical provider, review it and make a timely written recommendation to PEBA no later than thirty-one (31) days after receipt as to whether the otherwise eligible child's condition establishes a finding of medical incapacity that makes the individual incapable of self-support, and to whether the condition is likely to be resolved in the future. PEBA will use the written recommendation and supporting documentation from the Contractor to render a final decision about incapacitated child eligibility for continuation of benefits beyond the limiting age.

E. Performance Standards and Guarantees

- a. The Contractor shall adhere to the set of proposed performance standards and guarantees (liquidated damages) outlined in its proposal to ensure timeliness and accuracy in the following areas:
 - Timeliness of disability determinations;
 - Payment accuracy (including offsets);
 - Payment timeliness;
 - Timeliness of incapacitated determinations;
 - Timeliness to respond to written inquiries, appeals and grievance solutions;
 - Timeliness of providing standard reporting package to include performance standards and related liquidated damages quarterly reporting;
 - Customer satisfaction; and
 - Implementation.
- b. The Contractor shall report quarterly to PEBA's Procurement Officer, on the achievement of performance standards for the previous quarter and identify all performance standards that were not met and the related liquidated damages.
- c. Performance guarantees will continue to apply during the transition period.

F. Meeting During Contract Term

The Contractor shall meet with PEBA and/or PEBA's designated representative as necessary, but not less than annually, to review the quality and level of services being provided and to take corrective action as directed and approved by PEBA. During these meetings, the Contractor shall also advise PEBA as to the following:

- Follow-up to and status of any agreed upon corrective action resulting from any preceding meetings;
- Developments in the long term disability insurance and administrative services industry as a whole including, but not limited to, new programs, techniques, models and the like; and
- Legal developments including, but not limited to, regulatory, administrative, statutory and judicial developments relating to long term disability insurance and administrative services administration. However, the Contractor shall promptly notify PEBA of any changes in the law or regulations affecting long term disability insurance or claims administration activities. PEBA shall be kept abreast of trends, developments and any other information that may be useful in connection with long term disability insurance and claims

administration activities provided for hereunder, for the purpose, among others, of learning about activities, programs, techniques, or similar matters which PEBA may consider adopting for its program.

G. Duty of Confidentiality

- a. The Contractor shall keep confidential all information and material that has or will come into its possession or knowledge in connection with the performance of services under this Contract; and shall not release, use or disclose any such information without prior written consent of PEBA. The Contractor shall comply with all state and federal laws and regulations concerning the confidentiality of records, including, but not limited to, the Privacy Act of 1974.

H. Financial Arrangements

BLTD Administrative Fee

- a. The Contractor's administrative fee per participant per month (see Exhibit II under Part 5 of the RFP) shall be full and complete compensation by PEBA for all administrative services rendered by the Contractor for the BLTD Plan and for the Contractor's assistance to PEBA in all of its incapacitated child determinations.
- b. The administrative fee shall be determined by PEBA by multiplying the Contractor's administrative fee per participant per month times the number of employees eligible for the BLTD Plan and determined monthly based upon PEBA's billing cycle.
- c. Administrative fees shall be remitted to the Contractor monthly by the 15th working day of the current month per the state's working schedule. All disbursements of administrative fees shall be processed via Automated Clearing House (ACH) transaction to the financial institution provided by the Contractor. The ACH transaction will be initiated by the S.C. State Treasurer. The Contractor should not provide invoices for administrative fees to PEBA.
- d. The first monthly payment of the administration fee will become due and payable by PEBA to the Contractor on the 15th working day of January 2025.

Responsibility for BLTD Benefits

- a. PEBA shall assume the liability for providing funds for the payment of benefits provided by the BLTD Plan. PEBA shall transfer the requested amount of the benefit payments to be issued that month within five (5) business days following the request from the Contractor. The Contractor shall forward a *Claims Reimbursement Invoice* supporting the transfer request (dollar amount of benefits issued less refunds, voided checks and other credits) to PEBA's Insurance Operations department via electronic transmission.
- b. The Contractor shall issue benefit payments once a month. The Contractor shall be responsible for ensuring that all claimants receive their benefit payment for the current month no later than the end of that month.
- c. The Contractor shall provide PEBA via electronic file a monthly accounting of net claims expense with a reconciliation of the monthly transfers and the credits to PEBA. The file will include all elements requested by PEBA.
- d. The Contractor shall provide PEBA a monthly *Aging Accounts Receivable Report* for claims overpayments. If the Contractor issues an overpayment of benefits for any reason, the Contractor will be responsible for indemnifying PEBA.

- e. The Contractor shall provide PEBA a monthly group claims experience report that includes individual benefit amounts paid for current period, total paid for claim, reserve at end of period, reserve at beginning of period.
- f. The Contractor shall provide PEBA with any additional available financial data if requested by PEBA.

Collection of SLTD Premiums/Payment to Insurer

- a. PEBA shall bill employers for the premiums required for the SLTD Plan based on PEBA enrollment files at the end of each monthly cycle. This amount plus any retroactive adjustments and any journal entries determine the total premium to be sent to the Contractor. Premiums shall be remitted to the Contractor monthly by the 15 working day of the current month per the state's working schedule. All disbursements of premiums shall be processed via Automated Clearing House (ACH) transaction to the financial institution provided by the Contractor. The ACH transaction will be initiated by the S.C. State Treasurer.
- b. PEBA shall have the right to adjust retroactively for premiums billed in error. Retroactive changes are limited to one (1) year past the current billing cycle.
- c. The Contractor shall issue benefit payments once a month. The Contractor shall be responsible for ensuring that all claimants receive their benefit payment for the current month no later than the end of that month.

Electronic Funds Transfer

- a. The Contractor shall provide an electronic funds transfer option. BLTD and/or SLTD claimants shall have the option of requesting their benefit payment via electronic funds transfer.

Administration Fee

- a. The Contractor shall pay PEBA a flat fee of one hundred twenty five thousand dollars (\$125,000) each year as its administrative fee for billing and other administrative services performed by PEBA. This fee shall be paid to PEBA and is due February 28 of each year.

Payments

- a. All payments from PEBA to the Contractor, including BLTD monthly administrative fees, BLTD monthly claims and SLTD monthly premiums, will be processed via Automated Clearing House to one (1) bank account (under one (1) Federal Employer Identification Number).

I. Information Security

1. The Contractor shall comply with Health Insurance Portability and Accountability Act of 1996 (HIPAA) provision related to Electronic Transaction Standards.
2. PEBA conforms to the standard X12 834 data transmission. PEBA shall provide the Contractor with file transfers of enrollment through electronic data interchange. Data transfers shall be performed by SFTP or by other means as approved by PEBA.
3. The Contractor shall be responsible for transmitting and maintaining data security and confidentiality as required by state and federal law, including HIPAA.
4. The Contractor shall maintain backups in a manner that will eliminate disruption of service or loss of data due to system or program failures.

5. The Contractor shall maintain a disaster preparedness plan that will limit service interruption in case of emergency (force majeure) and will ensure compliance with all requirements under the contract.
6. The Contractor shall maintain security breach plan.
7. The Contractor will destroy all government data at the request of PEBA in a manner approved by PEBA.
8. All government data must be encrypted at rest.
9. The Contractor will work with PEBA to implement forced TLS for email communications.
10. The Contractor will be subject to PEBA security assessments and audits at the request of PEBA.

J. Implementation Plan

- a. The Contractor shall prepare, implement and execute a Final Implementation Plan. The Final Implementation Plan shall be based upon the proposed implementation plan and shall outline, in detail, all the tasks necessary to begin full operations on January 1, 2025. The Final Implementation Plan shall specify expected dates of completion of all necessary tasks, how the tasks will be accomplished and the identity of the person(s) responsible for each task.
- b. The Contractor shall submit a Final Implementation Plan to PEBA's Procurement Officer for review and approval within 10 calendar days after the notice of intent to award becomes the final statement of award. Implementation activities shall not commence prior to PEBA's approval of the Final Implementation Plan.
- c. The Contractor shall pay PEBA the amount of \$500 per business day in the event of any failure by the Contractor to adhere to the Final Implementation Plan, as agreed upon between the Contractor and PEBA (and without the express written waiver of PEBA before the date of the agreed upon time for completion). If, after fifteen (15) days' notice, the Contractor has failed to pay any amount due hereunder, the amount shall be withdrawn from the security (See Clause 7.46).

K. Schedule of Benefits

- a. The terms and conditions of coverage will be the same under the BLTD and SLTD Plans and are to conform to the existing coverage. Please find a complete description of both the BLTD and SLTD Plans at <https://www.procurement.sc.gov/doing-biz/bid-ops/peba>.

L. PORS Medical Reviews

- a. The Contractor shall provide at least three physicians to serve on the PORS Medical Board who are employed or contracted by the Offeror, who are licensed physicians in good standing in the United States, and who are not members of the South Carolina Police Officers Retirement System (PORS).

The members of the PORS Medical Board, a panel of three physicians, shall review and make a written determination of disability on all claims for PORS disability retirement benefits referred to it by PEBA. The members of the PORS Medical Board may meet to consider and issue their determinations on these claims; however, decisions may also be rendered in writing through the PEBA imaging system or other electronic system used by PEBA. The determination of disability shall be made under the standard set out in Section 9-11-80 of the South Carolina Code of Laws.

- b. The Contractor shall provide PEBA with a quarterly invoice for the PORS Medical Board reviews performed during the prior quarter. Such invoice will be separate from any other invoice, billing or administrative fee due to the Contractor. The fee for these reviews will be priced for files up to 200 pages and for files more than 200 pages, with an additional price for each additional 125 pages above 350 pages.

PART 4

QUALIFICATIONS

4.1 QUALIFICATIONS OF OFFEROR: (1) To be eligible for award, You must have the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance. We may also consider a documented commitment from a satisfactory source that will provide you with a capability. We may consider information from any source at any time prior to award. We may elect to consider key personnel, any predecessor business, and any key personnel of any predecessor business, including any facts arising prior to the date a business was established. (2) You must promptly furnish satisfactory evidence of responsibility upon request. Unreasonable failure to supply requested information is grounds for rejection. (3) **Corporate subsidiaries are cautioned that the financial capability of an affiliated or parent company will not be considered in determining financial capability;** however, we may elect to consider any security, e.g., letter of credit, performance bond, parent-company corporate guaranty, that you offer to provide. Instructions and forms to help assure acceptability are posted on procurement.sc.gov, link to "Standard Clauses & Provisions."

Provide the following information or documentation for the Offeror. This information, and other information in PEBA's discretion, will be used to determine your responsibility:

- a. Your most current financial statement, financial statements for your last two fiscal years, and information reflecting your current financial position. If you have audited financial statements meeting these requirements, you must provide those statements.
- b. A list of failed projects, suspensions, debarments and significant litigation.

4.2 MANDATORY MINIMUM QUALIFICATIONS

For an Offeror to be considered for an award, it must demonstrate that it possesses, as of the date of proposal submission, all of the following minimum qualifications:

Offerors should demonstrate that they possess at a minimum the following qualifications:

- a. Offerors must have successfully implemented a long term disability program for at least one group of 50,000 active employees.
- b. Offerors must have been in the business of providing long term disability insurance coverage for at least five (5) years. Offerors should provide detailed information to establish that they have been in the business of providing long term disability insurance coverage for at least five (5) years.
- c. Offerors must have at least two hundred million dollars (\$200,000,000) in LTD premiums over the most recent four (4) quarters. Offerors should provide detailed information to establish that they have at least two hundred million dollars (\$200,000,000) in LTD premiums over the most recent four (4) quarters.

- d. Offerors must be currently licensed by and in good standing with the South Carolina Department of Insurance to do business in the state of South Carolina. Offerors should provide detailed information to establish that they are currently licensed by and in good standing with the South Carolina Department of Insurance to do business in the state of South Carolina.

Any Offeror not meeting these requirements will not be considered for award, and therefore will not be evaluated. In its proposal, each Offeror shall respond to this section and declare whether it meets the requirement and, if so, provide detailed specifics that satisfy that requirement.

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 a signed transmittal sheet indicating that it has submitted the following:**

- (a) Include Offeror's name, the solicitation number, and the appropriate title on the label for hard copies and for USBs submitted in response to this RFP. (i.e.: Acme Corp., PEBA0402023, Technical Proposal Original; Acme Corporation, PEBA0402023, Business Proposal Original; Acme Corporation, PEBA0372022, Copy 1 of 5, etc.) **Each USB should be labeled as above with the Offeror's name on each label.**
- (b) One (1) original and five (5) identical spiral bound paper copies of the Offeror's Technical Proposal. Label copies, 1 of 5, 2 of 5, etc. **(No GBC coil binding and no three ring binders.)**
- (c) One (1) original marked and five (5) labeled USB flash drives containing a copy of the Offeror's Technical Proposal Response (in Microsoft Word, Microsoft Excel and/or PDF format where appropriate). Label copies, 1 of 5, 2 of 5, etc.
- (d) One (1) original and one (1) spiral bound paper copy of the Offeror's Business Proposal. **(No GBC coil binding and no three ring binders.)**
- (e) One (1) labeled USB flash drives containing a copy of the Offeror's Business Proposal.
- (f) One (1) USB flash drive containing a redacted version of the Offeror's original Technical Proposal.
- (g) One (1) USB flash drive containing a redacted version of the Offeror's 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 2007 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

The Technical Proposal shall include the following sections and shall be presented in the listed order.

5.1.1 COVER PAGE

Offerors must submit a signed copy of the cover page (Pages one and two) with their offer. By submitting a Proposal, Offeror agrees to be bound by all 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.

Statement of Acceptance: Offerors shall reply to Part 1 Instructions to Offerors-A. General Instruction, Part 1 Instructions to Offerors-B. Special Instructions, Part 2 Scope of Proposal, Part 3 Scope of Work, Part 4 Mandatory Minimum Qualifications, Part 7 Terms and Conditions-A. General, and Part 7 Terms and Conditions-B. Special, by declaring that the Offeror fully understands, agrees to and will comply with all of the provisions/requirements/terms in each of these Parts. Offerors should include this Statement of Acceptance in their Executive Summary. Please note that PEBA considers unacceptable 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.

Mandatory Minimum Qualification: Offerors should provide detailed information to 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.

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.

5.1.4 OFFEROR'S APPROACH

Offerors should describe their approach to providing Basic and Supplemental Long Term Disability Insurance services under this contract. 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. Please list the item as stated below with your response immediately following the item. **All information should be presented in the listed order:**

A. Claims Processing

- a. Offerors should describe each step they will use to process or administer a claim from receipt of application through disability determination (initial and subsequent) to issuance of the benefits, including all periodic reviews of disability status. Offerors should describe in detail the procedures they will use to provide timely, efficient, accurate and complete claims processing under the BLTD and SLTD Plans.
- b. Offerors should describe their case management, rehabilitation and return to work services, including a listing of the number and type of clinical personnel and review services they will use to support the initial and ongoing management of the claim.
- c. Offerors should describe the documents they will require or generate during the claims administration process and how they will maintain hard copy files and documentation of all information needed to support claims payments, denials and appeals.
- d. Offerors should describe the standard forms and documentation requirements they will require claimants to submit when requesting payment of all LTD benefits provided under this contract. Offerors should provide copies of the same. (Note that all forms are subject to approval by PEBA.)
- e. Offerors should describe in as much detail as possible the claims review staff that will administer the BLTD and SLTD Plans. Offerors should include all medical and vocational rehabilitation consultants and independent medical examiners that will review files and manage files as necessary. Offerors should describe the structure and location of the disability management office that will adjudicate disability benefits and the number of employees in each position. Offerors should include an organizational chart.
- f. Offerors should describe how they will process both an SLTD and a BLTD claim with a single application process when the claimant is covered under both Plans, and how they will ensure that the same standards for coverage and benefits are applied to both the BLTD and SLTD Plans.
- g. Offerors should describe how they will obtain information from the benefits administrator in the employing entity or from PEBA for purposes of verifying that the insured was eligible and enrolled in the LTD Plan. (Note that any questions with respect to subscriber eligibility to participate in the LTD Plan shall be referred to PEBA for consideration and final decision.)
- h. Offerors should describe how they will communicate with the appropriate retirement department at PEBA to obtain retirement benefit information.
- i. Offerors should describe how they will advise claimants concerning the need to apply for “disability benefit offsetting income” and how they will assist them in the applications, if necessary. Offerors should describe how they will periodically verify the status of applications for receipt of “disability benefit offsetting income.”
- j. Offerors should describe their formal rehabilitation procedures or services they will use to identify and assist disabled claimants with transferable job skills or those who with reasonable accommodation, modified duty or other assistance, can become self-sufficient and gainfully employed on a full-time or part-time basis.

- k. Offerors should describe how they will develop, monitor and coordinate with third parties (i.e. S.C. Department of Vocational Rehabilitation) and their counselors about claimants who, through appropriate vocational retraining or an appropriate return to work plan, can return to work.
- l. Offerors should describe their guidelines for provision of benefits and how they will ensure the consistent use and application of those guidelines and protocols, including the review of claims to determine continued eligibility for benefits as frequently as the claimant's condition warrants, but at least once a year.
- m. Offerors should describe how they will handle claimants' initial appeals of any benefits denial, including reviews by consulting physicians skilled in the specialty germane to the client's disability, as well as how they will keep claimants informed of the review status, and following the evaluation, advise the claimant in writing of the results of the independent review and decision.
- n. Offerors should describe how they will support and assist PEBA in the operation of its internal appeals process for disputed BLTD plan claims, including but not limited to providing information, documents and personnel, including medical personnel and legal representation as necessary, to support the Offeror's claims decisions and assist PEBA in its internal review.
- o. Offerors should describe their procedures to collect any overpayment of benefits paid to claimants.
- p. Offerors should describe each step they will use to process an incapacitated child determination. Offerors should describe in detail the procedures they will use to provide timely recommendations no later than thirty-one (31) days after receipt. Offerors should describe any standard forms or documentation they will require PEBA to submit for incapacitated child determinations.

B. Communications and Training

- a. Describe the informational materials that may be used to ensure all eligible employees are aware of the BLTD and SLTD Plans. Provide examples of materials, such as brochures, forms, posters, websites, email messages, etc., that may be used to communicate Plan information to ensure that all eligible employees are aware of and understand the Plans.
- b. Describe your ability to customize communications for PEBA. Provide examples that illustrate cobranding.
- c. Describe your experience in creating and delivering a marketing plan with a large public employer, or multi-employer plan, including the outcomes. Provide an example.
- d. Describe in detail how you will work collaboratively with PEBA staff to develop and implement a comprehensive marketing plan to increase participation in the SLTD Plan each calendar year. Describe how you will play a collaborative role in managing the communications for the SLTD Plan to increase participation.
- e. Provide a sample form and describe in detail the information contained on the statement, as well as the capability for customization. Describe the methods used by your organization to distribute forms to Participants.

- f. Provide a detailed description of the website you will use that will be accessible without entering a password that explains the features, benefits and value of enrolling in the BLTD and SLTD plans. Detail the capability for customization.

C. Customer Service

- a. Offerors should describe the number of customer service representatives with training on the specific features of PEBA's BLTD and SLTD Plans they will make available to PEBA.
- b. Offerors should describe the assistance available to covered employees and administrative staff via a toll-free telephone line(s), including the average time that a caller must wait to speak to a customer service representative, or other measure of the efficiency of the customer services rendered over the dedicated telephone lines. Offerors should describe the number of qualified phone representatives that will be available for PEBA subscribers to contact from 8:30 a.m. to 5 p.m. EST, Monday through Friday, including shift supervisors. Offerors will provide a senior supervisor for PEBA staff to contact if necessary during the same hours listed.
- c. Offerors should describe their procedures to ensure a prompt response to all written or telephone inquiries from employees, subscribers, employers, claimants and PEBA staff, including the average time, from receipt of a written inquiry to a written or telephone response.
- d. Provide a sample of the member satisfaction survey you will use.

D. Incapacitated Child Determination

- a. Offerors should describe in detail how they will meet or exceed the stated criteria for this requirement. See Part 3, Scope of Work, Item D (a).
- b. Offerors should describe in detail how they will meet or exceed the stated criteria for this requirement. See Part 3, Scope of Work, Item D (b).

E. Meeting During Contract Term

- a. Offerors should describe, in detail, how they will meet or exceed the stated criteria for this requirement. See Part 3, Scope of Work, Item F.

F. Duty of Confidentiality

- a. Offerors should describe in detail how they will meet or exceed the stated criteria for this requirement. Offerors should also reference any policies and/or procedures they have that currently support this requirement. See Part 3, Scope of Work, Item G.

G. Financial Arrangements

- a. Offerors should describe in detail their process of releasing monthly BLTD benefits. Offerors should include a timeline between requesting funds from PEBA and releasing benefits to claimants.
- b. Offerors should describe in detail their process of releasing monthly SLTD benefits.

- c. Offerors should describe in detail how they will provide electronic funds transfer to those claimants requesting this option under the LTD Plans.

H. Reporting

- a. Offerors should describe in detail the type and frequency of reports or actuarial services it proposes to provide.

5.15 **BACKGROUND AND QUALIFICATIONS**

Offerors should describe in detail their background and qualifications in providing Basic and Supplemental Long Term Disability Insurance services. Offerors, in describing their background and qualifications, should restate each of the items below and provide their response to that item immediately thereafter.

- a. What are your main business activities?
- b. How long have you been in business? When did you enter the LTD market? When did you enter the LTD market in South Carolina?
- c. For how many clients do you currently provide group LTD management services?
- d. Please indicate your LTD premium volume for 2021 and 2022 Please indicate the approximate annual group LTD claims dollars adjudicated and covered lives in 2021 and 2022.

	Claims dollars	Covered lives
2021		
2022		

- e. For group LTD, what is your average case size for (a) insured and (b) for self-insured?
- f. How many group LTD accounts do you currently have with approximately 50,000 covered lives?
- g. Please list your two (2) largest active (a) insured LTD accounts and (b) self-insured LTD accounts. How many employees are covered under each contract? Include the contact person, title and telephone number for each.
- h. Please list the two (2) largest recently terminated (other than through acquisition) LTD accounts. How many employees were covered under each contract? Include the contact person, title and telephone number for each.
- i. Please provide a copy of your two (2) most recent independently audited financial statements, as well as your (a) latest ratings from A.M. Best Company, Moody's Investors Service, Standard & Poor's Insurance Rating Services, Weiss Ratings, Inc., and Duff and Phelps Credit Rating Company and (b) lowest ratings of the last ten years from the same rating services.

- j. Do you have Errors & Omissions Liability coverage? If yes, how much coverage do you have (limits of liability—specific and aggregate) and who is the carrier?
- k. Do you employ a legal staff to respond to legal and legislative issues? If not, how do you keep up to date in these areas? Who represents you in South Carolina?
- l. Provide a record of governmental and client litigation, including any debarments, within the last three (3) years.
- m. Provide the names and the qualifications of the top three (3) principal individuals who will be responsible for the implementation of your proposal and describe these individuals' background and experience in LTD benefits.
- n. On average, how many active LTD files is a disability analyst responsible for? How many LTD disability analysts do you now employ at the site that will provide service to PEBA? Will you need to hire additional disability analysts to administer LTD benefit payments for PEBA?
- o. What is the ratio of LTD disability analysts to covered employees for your company? What is your turnover rate for disability analysts at the office that would administer PEBA's LTD Plans?
- p. What are the education and experience qualifications necessary to be hired as an LTD disability analyst with your company?

5.16 PERFORMANCE STANDARDS AND GUARANTEES (LIQUIDATED DAMAGES)

Offerors shall describe in detail their proposed performance standards and guarantees (liquidated damages). Offerors shall propose, at a minimum, performance standards and guarantees in the following areas and describe how they will be reported to PEBA.

- Timeliness of disability determinations;
- Timeliness of incapacitated determinations;
- Payment accuracy (including offsets);
- Payment timeliness;
- Timeliness to respond to written inquiries, appeals and grievance solutions;
- Timeliness of providing standard reporting package to include performance standards and related liquidated damages quarterly reporting;
- Customer satisfaction; and
- Implementation.

5.1.7 IMPLEMENTATION PLAN

Offerors should submit a proposed implementation plan. The proposed implementation plan should outline in detail all the tasks necessary to begin full operations and performance of the contract on January 1, 2025. At a minimum, the proposed implementation plan should specify expected dates of completion of all tasks, how the tasks will be accomplished, the identity of the person(s) responsible for each task and any personnel who will be onsite during the implementation process. The proposed implementation plan will be converted to a Final Implementation Plan and will be strictly enforced. Offeror should provide the names and qualifications of the top three (3) principal individuals who will be responsible for the implementation of this Contract. Specific tasks and schedules to be included in the Offeror's proposed implementation plan include:

- a. The identification, selection and training of personnel necessary to review and process claims, with those personnel being ready to review and process claims on **January 1, 2025**.
- b. The loading and testing of the Offeror's data processing system with PEBA's coverage and benefits, no later than **December 1, 2024**.
- c. The assumption of responsibility for all BLTD Plan claims then pending with the current Contractor, no later than **December 1, 2024**.
- d. The assumption of responsibility for the payment of BLTD Plan claims that are being paid by the existing Contractor, no later than **December 1, 2024**, so that benefits due on or after **January 1, 2025**, will not be delayed.
- e. The generation of test reports no later **December 1, 2024**.
- f. Program description, marketing materials and website to be used beginning August 15, 2024, for open enrollment.
- g. Forms to be used beginning January 1, 2025.
- h. Letters to be used beginning January 1, 2025.
- i. The support and coordination required from PEBA.

5.1.8 All pertinent attachments.

5.2 BUSINESS PROPOSAL

5.2.1 PREMIUMS FOR THE SUPPLEMENTAL LONG TERM DISABILITY INSURANCE PLAN.
Offeror's premiums, paid by the employee, for the SLTD Plan. Offerors shall provide the premiums as outlined on the following page (Exhibit I)

5.2.2 FEE FOR ADMINISTERING THE BASIC LONG TERM DISABILITY INSURANCE PLAN
(Exhibit II)

5.2.3 PRICE FOR CONDUCTING PORS MEDICAL REVIEWS (Exhibit III)

EXHIBIT I

SUPPLEMENTAL LONG TERM DISABILITY INSURANCE PLAN

PART A 90-DAY BENEFIT WAITING PERIOD

AGE RANGE	(1) MONTHLY PREMIUMS AS A PERCENT OF PAYROLL	(2) PARTICIPANT MONTHLY PAYROLL *	(3) (1) x (2) MONTHLY PREMIUM
< 31	%	X	\$55,216,503 = \$
31 – 40	%	X	\$99,030,876 = \$
41 – 50	%	X	\$127,351,163 = \$
51 – 60	%	X	\$106,168,872 = \$
61 – 65	%	X	\$25,609,779 = \$
> 65	%	X	\$7,964,728 = \$

TOTAL MONTHLY PREMIUM FOR 90-DAY BENEFIT WAITING PERIOD

\$

PART B 180-DAY BENEFIT WAITING PERIOD

AGE RANGE	(1) MONTHLY PREMIUMS AS A PERCENT OF PAYROLL	(2) PARTICIPANT MONTHLY PAYROLL *	(3) (1) x (2) MONTHLY PREMIUM
< 31	%	X	\$2,329,169 \$
31 – 40	%	X	\$4,800,700 \$
41 – 50	%	X	\$7,424,819 \$
51 – 60	%	X	\$7,671,188 \$
61 – 65	%	X	\$2,529,614 \$
> 65	%	X	\$960,143 \$

TOTAL MONTHLY PREMIUM FOR 180-DAY BENEFIT WAITING PERIOD

\$

TOTAL OF PART A & PART B

\$

PROPOSING COMPANY:

* Participant monthly payroll is for comparison purposes only.

5.2.2 FEE FOR ADMINISTERING THE BASIC LONG TERM DISABILITY INSURANCE PLAN

Offeror's per participant monthly fee for administering the BLTD Plan and for assisting and advising in incapacitated child determinations. The Administration Fee quoted below shall be the only payment for the BLTD Plan and Incapacitated Child Determination Services. There shall be no other charges for administration of the BLTD Plan and Incapacitated Child Determination Services. Provide fees as outlined in Exhibit II below.

EXHIBIT II		
BASIC LONG TERM DISABILITY INSURANCE PLAN		
	PER EMPLOYEE MONTHLY FEE	ACTIVE EMPLOYEES
1) ADMINISTRATION FEE:	_____	208,910 × 12 months = _____ Evaluated Amount

5.2.3 PRICE FOR ADMINISTERING THE PORS MEDICAL REVIEW PROGRAM

The Contractor shall provide at least three physicians to serve on the PORS Medical Board who are employed or contracted by the Offeror, who are licensed physicians in good standing in the United States, and who are not members of the South Carolina Police Officers Retirement System (PORS). (See full requirements in Section K.) Provide fees as outlined in Exhibit III below.

EXHIBIT III	
PORS MEDICAL REVIEWS	
1) Files of less than 200 pages	\$ _____
2) Files of more than 200 pages	\$ _____
3) Price for each additional 125 pages over 350 pages	\$ _____

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.

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

- 1) Offeror's premiums, paid by the employee, for the SLTD Plan. The Procurement Officer will assign points to the Total of Part A and Part B, Exhibit I, using a mathematical formula.
- 2) Offeror's Approach to the Contract. Each evaluation panel member will assign points to this criterion subjectively.
- 3) Offeror's Background and Qualifications. Each evaluation panel member will assign points to this criterion subjectively.
- 4) Offeror's annual fee for administering the BLTD Plan and for assisting in incapacitated child determinations. The Procurement Officer will assign points to the annual fee (the evaluated amount) using a mathematical formula.
- 5) Offeror's Performance Standards and Guarantees (Liquidated Damages). Each evaluation panel member will assign points to this criterion subjectively.
- 6) Offeror's Implementation Plan. Each evaluation panel member will assign points to this criterion subjectively.

PART 7

TERMS AND CONDITIONS -- A. GENERAL

71 ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITY, 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.

72 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.

73 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.

74 CONTRACT DOCUMENTS & ORDER OF PRECEDENCE: (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 or discussions of an offer, if applicable, (4) your offer, (5) any statement reflecting the state's final acceptance (the "award"), and (5) 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 PEBA, (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.

75 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.

76 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: Any term or condition is void to the extent it requires PEBA to indemnify, defend, or pay attorney’s fees to anyone for any reason.

7.11 NOTICE (JAN 2006): (A) After award, any notices shall be in writing and shall be deemed duly given 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.

7.12 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 S.C. Code Section 11-35-5300.

7.13 PAYMENT & INTEREST: (a) PEBA 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 PEBA. (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, PEBA 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 PEBA 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) PEBA 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 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, HIPAA Compliance/Confidentiality and any provisions regarding warranty or audit.

7.17 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 PEBA. It shall be solely PEBA'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. If the Contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by PEBA to the Contractor, Contractor shall be liable to PEBA 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.

7.18 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.

7.19 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.

7.20 WAIVER (JAN 2006): PEBA 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 PEBA's rights under this Contract. Any waiver must be in writing.

PART 7

TERMS AND CONDITIONS -- B. SPECIAL

721 ADVERTISING USE AND REPRESENTATION: CONTACT WITH STATE ENTITIES: The Contractor agrees not to refer to the award of this contract in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the State or is considered by the State to be superior to other products or services. PEBA reserves the right to review and approve any commercial advertising to which PEBA's use of Contractor's services and/or supplies under this contract is referred. Such review shall be timely and approval shall not be unreasonably withheld. The Contractor shall not perform any mass mailings to participants without the permission of PEBA. At no time during the term of the contract or otherwise, shall any employee of the Contractor use any data, name, address or other information received by the Contractor or Subcontractor pursuant to this contract for any purpose other than performance of the contract.

722 ATTORNEY'S FEES: In the event that PEBA brings suit or action to compel performance of or recover for any breach of any stipulation, covenant, term, or condition of this Contract, or is required to defend itself against a suit or action brought by a third party for claims related to the supplies or services acquired under this Contract, PEBA may seek attorneys' fees from the Contractor and the Contractor will pay to the State such attorneys' fees as the court may award. Contractor will, in all instances, bear its own attorneys' fees and expenses.

723 BANKRUPTCY – GOVERNMENT INFORMATION (FEB 2015): (a) All government information (as defined in the clause herein entitled "Information Security - Definitions") shall belong exclusively to PEBA, 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 PEBA within forty-eight (48) hours of any determination that it makes to file for bankruptcy protection, and Contractor further agrees to turn over to PEBA, before such filing, all government information that is in Contractor's possession in a format that can be readily utilized by PEBA. (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.

724 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 to the term of the Contract or 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 PEBA 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.

(l) 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 PEBA promptly and duly makes such provisional

(2) 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 PEBA 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.

725 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.

726 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.

727 CONTRACT INTERPRETATION: In the event there are any disagreements between the parties with regards to the application of this Contract or the requirements of PEBA arising from any interpretation of the Request for Proposals, this Contract, or otherwise, Contractor agrees to defer to the reasonable interpretations of PEBA as from time to time may be made by PEBA. This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item including scope of work issues and whether particular items or services were included in the scope of work agreed to by the parties in this Contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the contract, Contractor agrees to defer to PEBA's interpretation.

The above requirements shall apply to any change orders, contract modifications, or other deviations to this agreement. Failure to receive the prior written and express approval of PEBA prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to PEBA, shall impose no liability for payment upon PEBA and may be rejected by PEBA without recourse.

728 CONTRACT LIMITATIONS (JAN 2006): No sales may be made pursuant to this contract for any item or service that is not expressly listed. No sales may be made pursuant to this contract after expiration of this contract. Violation of this provision may result in termination of this contract and may subject contractor to suspension or debarment. [07-7B045-1]

729 CONTRACTOR PERSONNEL (JAN 2006): The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

730 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 PEBA 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 PEBA 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. PEBA 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 PEBA 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 affect 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 PEBA. PEBA 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) PEBA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

731 CONTRACTOR’S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (FEB 2015):

(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 and its officers, officials, employees, and volunteers of any of them, 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 PEBA and its officers, officials, employees, and volunteers of any of them. Any insurance or self-insurance maintained by PEBA and its officers, officials, employees, and volunteers of any of them, 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 PEBA 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. PEBA 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 PEBA 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 PEBA a waiver of any right to subrogation which any insurer of said Contractor may acquire against 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 affect this waiver of subrogation, but this provision applies regardless of whether or not 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 PEBA. PEBA 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.

732 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 regarding all situations, including payment of all charges and the meeting of all other requirements.

733 DEFAULT (JAN 2006): (a) (1) PEBA 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) PEBA'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 PEBA 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 PEBA 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, PEBA may require the Contractor to transfer title and deliver to PEBA, 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 PEBA has an interest.

(f) PEBA 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. PEBA may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect PEBA 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 PEBA in this clause are in addition to any other rights and remedies provided by law or under this contract.

734 DUTIES UPON TERMINATION: Upon expiration or termination of the Contract for any reason, the Contractor shall provide full cooperation to PEBA and any successor Contractor so that the transition to PEBA or a subsequent Contractor will be efficiently accomplished without any disruption in claims processing, claims payments, or services to participants and providers.

Within ten (10) working days following notice of termination of the contract, the Contractor shall deliver to PEBA a detailed transition plan, including all information regarding current operations requested by PEBA, that PEBA, in its sole discretion, feels is necessary to effectuate a smooth transition to a successor contractor.

No later than sixty (60) days before the end of the term of the Contract, the Contractor shall provide any and all materials, data, records, databases, software, and all other things in the Contractor's possession to PEBA or the successor Contractor at no additional cost to the State, including:

- (1) all participants information received during the term of the contract,
- (2) claims processed during the preceding twenty-four (24) months; and
- (3) sufficient information and technical assistance on current operations to assure that the transition can be achieved without disruption of ongoing operations.

For a year following the termination of the contract, the Contractor shall provide any continuing support and/or information to PEBA and the successor contractor necessary to complete the transition and resolve outstanding claims, accounting, and customer service issues. Performance Guarantees will continue to apply during this period of transition.

If PEBA has not secured alternate sources for the supplies and/or services under this contract at the expiration of, or following termination of the Contract for any reason, the Contractor agrees to continue to perform hereunder at the then applicable prices and terms until such alternate source is obtained and any transition period required to maintain continuity has been successfully completed.

735 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.

736 LAWSUIT NOTIFICATION AND COOPERATION. The Contractor shall notify PEBA of any lawsuit or legal claim asserted, brought, filed, or served against the Contractor arising out of or in connection with the goods or services acquired hereunder. Notification shall be made within two (2) business days after the date Contractor first learns, by any means, of the legal claim or lawsuit. The Contractor will keep PEBA apprised of all documents filed in the lawsuit, and, to the extent possible, allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed. If PEBA is made a party to the lawsuit or legal claim, whether voluntarily or involuntarily, the Contractor shall indemnify PEBA and pay all PEBA's attorney's fees incurred relating to and during the course of the lawsuit or legal claim. PEBA will, at all times, retain the right to choose its own counsel and control its own defense. The Contractor also agrees to cooperate with PEBA and provide data, information, and documentation necessary to pursue litigation filed by or on behalf of PEBA against any party other than the Contractor.

737 INDEMNIFICATION – THIRD PARTY CLAIMS - GENERAL.

- (a) Notwithstanding any limitation in this Contract, and to the fullest extent permitted by law, Contractor will indemnify PEBA for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages from all suits or claims of any character brought by a third party, when the third party's claims arise out of or are in connection with the goods or services acquired under this Contract, whether 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, and regardless of whether or not caused in part by PEBA. The Contractor shall be required to indemnify under this section regardless of its own fault, but if PEBA's negligence is determined by the appropriate court to be the sole proximate cause of the suit or claim, the Contractor will not be required to indemnify PEBA under this paragraph. PEBA will, at all times, retain the right to choose its own counsel and control its own defense.
- (b) PEBA may, at its sole discretion, request Contractor to provide defense of the third party claim or suit. If PEBA elects defense, Contractor will bear full responsibility for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages resulting from the suit or claim. PEBA will give Contractor timely notice of the suit or claim. PEBA's failure to provide or delay in providing such notice will relieve Contractor of its obligations under this subparagraph only if and to the extent that such delay or failure materially prejudices Contractor's ability to defend such action. Contractor must provide counsel acceptable to PEBA. Contractor will keep PEBA apprised of all documents filed or sent to the third party in the claim or suit and allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed or sent. PEBA reserves the right to revoke its request for defense at any point and to undertake responsibility for its own defense, in which case Contractor will be required to indemnify PEBA under subparagraph (a) of this paragraph. Contractor may not, without PEBA's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action, suit, or claim.
- (c) 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 will not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist at law or in equity. The obligations of this paragraph will survive termination, cancelation, or expiration of this Contract. This provision will be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.

738 INDEMNIFICATION - THIRD PARTY CLAIMS – DISCLOSURE OF INFORMATION:

- (a) Notwithstanding any limitation in this Contract, and to the fullest extent permitted by law, Contractor will indemnify PEBA for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages from all suits or claims 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 PEBA. The Contractor shall be required to indemnify under this section regardless of its own fault, but if PEBA's negligence is determined by the appropriate court to be the sole proximate cause of the suit or claim, the Contractor will not be required to indemnify PEBA under this section. PEBA will, at all times, retain the right to choose its own counsel and control its own defense.
- (b) PEBA may, at its sole discretion, request Contractor to provide defense of the third party claim or suit. If PEBA elects defense, Contractor will bear full responsibility for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages resulting from the suit or claim. PEBA will give Contractor timely notice of the suit or claim. PEBA's failure to provide or delay in providing such notice will relieve Contractor

of its obligations under this subparagraph only if and to the extent that such delay or failure materially prejudices Contractor's ability to defend such action. Contractor must provide counsel acceptable to PEBA. The Contractor will keep PEBA apprised of all documents filed or sent to the third party in the claim or suit and, to the extent practicable, allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed or sent. Contractor may not, without PEBA'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 PEBA 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 PEBA or otherwise adversely affect PEBA. PEBA's consent is necessary for any settlement that requires PEBA to part with any right or make any payment or subjects PEBA to any injunction. PEBA reserves the right to revoke its request for defense at any point and to undertake responsibility for its own defense, in which case Contractor will be required to indemnify PEBA under subparagraph (a) of this paragraph.

- (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.

739 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.

7.40 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. Contractor shall comply fully with all current and future updates of the information security requirements of PEBA, as outlined in this Contract and as provided during the term of the Contract.

(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) *Due Diligence*. Contractor shall complete a due diligence process annually or as otherwise 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.

(f) *Background Checks*. Contractor shall ensure its staff shall have a criminal background check completed 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.

(g) *Training*. Contractor shall provide security and privacy training, at least annually, for all staff members who have access to systems and/or applications that contain PEBA data.

(h) *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.

741 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.

742 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 Unintended 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 two business days after discovery, Contractor shall notify PEBA of the compromise or improper use, including a description of the circumstances of the use or compromise. 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.

743 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.

744 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.

745 OFFSHORE CONTRACTING PROHIBITED (FEB 2015): No part of the resulting contract from this solicitation may be performed offshore of the United States by persons located offshore of the United State or by means, methods, or communications that, in whole or in part, take place offshore of the United States. [07- 7B122-1]

746 PERFORMANCE BOND REQUIRED: As a condition of the execution of the Contract, the Contractor shall supply security in the form of cash; cash equivalent; or an unconditional, irrevocable, standby letter of credit on deposit in or issued by, respectively, a federal or state chartered bank with offices physically located in the state of South Carolina in the amount of one million dollars US (\$1,000,000.00) whereby funds are (1) pledged to the benefit of PEBA; (2) are not under the control of the Contractor; and (3) are payable to PEBA upon written demand to the holder.

This security is for the faithful performance of this contract between PEBA and Contractor and will further protect, indemnify, and save harmless PEBA from all costs and damages by reason of the Contractor's default, breach or failure to satisfactorily perform the obligations outlined in this Request For Proposal (including Performance Guarantees), the Contractor's response thereto, and any amendments, modifications, or change orders.

In the event of any condition of breach or other circumstance, such as those set forth above, attributable to the Contractor, PEBA shall have the right to draw against the security such sums as are necessary to make PEBA whole, to secure and compensate PEBA for substituted services, to collect damages under a Performance Guarantee, or other forms of relief made necessary. Nothing herein shall be construed to mean that the security provided for herein is exclusive or constitutes any limitation or restriction on any remedies to which PEBA may be entitled.

The Contractor shall establish the security not later than ten (10) days after execution of the contract, and failure to satisfy this requirement will void the contract. Any interest or other income resulting from the security shall become and remain the property and possession of the contractor and shall be payable to the contractor. The Contractor may request a reduction in the security on an annual basis, no earlier than twelve (12) months after the first anniversary date of acceptance of the service, and PEBA's consideration of such request shall take into account performance and likelihood of the need for future protection provided by the security to PEBA. The security required under this section must extend through the initial Contract term, any renewal terms, and the period of transition described in section 7.35, Duties Upon Termination.

747 PRICE ADJUSTMENTS (JAN 2006): (1) Method of Adjustment. Any adjustment in the Contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

- (a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- (b) by unit prices specified in the Contract or subsequently agreed upon;
- (c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;

(d) in such other manner as the parties may mutually agree; or,

(e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830.

748 PRICE ADJUSTMENT - LIMITED: Premiums and fees shall not be increased during the first three (3) years of the term of the contract (01/01/2025 through 12/31/2027). Upon approval of the Procurement Officer, premiums and fees may be adjusted for renewal term one (1/1/2028 through 12/31/2028) and renewal term two (1/1/2029 through 12/31/2029) of the term of the contract. Any request for a price increase must be received by the Procurement Officer by July 20, 2027, for renewal term one and by July 20, 2028, for renewal term two and must be accompanied by sufficient documentation to justify the increase. A price increase must be executed as a change order.

749 PRICE ADJUSTMENTS--LIMITED BY CPI "OTHER GOODS & SERVICES" (JAN 2006): Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), "Other Goods & Services" for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at www.bls.gov

750 PRICING DATA -- AUDIT -- INSPECTION (JAN 2006)

(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.

751 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.

752 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 up to an annual maximum amount of \$50,000 for each contact with a citizen or end user that violates this restriction.

753 SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE – REQUIRED:

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.

754 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.

755 TERM OF CONTRACT - EFFECTIVE DATE:

Maximum Contract Term: January 1, 2025, through December 31, 2028.

Initial Contract Term: January 1, 2025, through December 31, 2026.

These dates are estimates only. 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.

756 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 — Minority Participation Form
Attachment 5 — Business Associate Agreement
Attachment 6 — Non-Disclosure Agreement
Attachment 7 — BLTD Certificate
Attachment 8 — SLTD Certificate

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.

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.

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.

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.



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**NONRESIDENT TAXPAYER
REGISTRATION AFFIDAVIT
INCOME TAX WITHHOLDING**

I-312
(Rev. 6/26/01)
3323

The undersigned nonresident taxpayer on oath, being first duly sworn, hereby certifies as follows:

1. Name of Nonresident Taxpayer: _____
2. Trade Name, if applicable (Doing Business As):

3. Mailing Address: _____
4. Federal Identification Number: _____
5. _____ Hiring or Contracting with:
Name: _____
Address: _____
_____ Receiving Rentals or Royalties From:
Name: _____
Address: _____
_____ Beneficiary of Trusts and Estates:
Name: _____
Address: _____
6. I hereby certify that the above named nonresident taxpayer is currently registered with (check the appropriate box):
☐ The South Carolina Secretary of State or
☐ The South Carolina Department of Revenue
Date of Registration: _____

7. I understand that by this registration, the above named nonresident taxpayer has agreed to be subject to the jurisdiction of the South Carolina Department of Revenue and the courts of South Carolina to determine its South Carolina tax liability, including estimated taxes, together with any related interest and penalties.

8. I understand the South Carolina Department of Revenue may revoke the withholding exemption granted under Code Sections 12-8-540 (rentals), 12-8-550 (temporarily doing business or professional services in South Carolina), and 12-8-570 (distributions to nonresident beneficiary by trusts or estates) at any time it determines that the above named nonresident taxpayer is not cooperating with the Department in the determination of its correct South Carolina tax liability.

The undersigned understands that any false statement contained herein could be punished by fine, imprisonment or both.

Recognizing that I am subject to the criminal penalties under Code Section 12-54-44 (B) (6) (a) (i), I declare that I have examined this affidavit and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Nonresident Taxpayer (Owner, Partner or Corporate Officer, when relevant) (Seal) _____
Date

If Corporate officer state title: _____

(Name - Please Print)

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

Attach additional pages or documents as appropriate and make sure answers cross reference to the questions below. As used in this Questionnaire, the phrase "government information" shall have the meaning defined in the clause titled Information Security. This Questionnaire must be read in conjunction with both of the following two clauses:

- Service Provider Security Assessment Questionnaire – Required; and
- Service Provider Security Representation.

Please highlight any updates or changes to answers that have occurred in the last year unless otherwise specified.

Access Control

1.	Is access to government information limited only to those employees and contractors who require access to perform work on behalf of PEBA? If yes, please provide the policies and procedures that demonstrate this. Click or tap here to enter text. If no, please provide more detail. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No														
2.	What security controls do you have in place for incoming email? Choose all that apply. <input type="checkbox"/> Detonation and evaluation of attachments in a sandbox <input type="checkbox"/> Screening for malicious attachments <input type="checkbox"/> Domain Based Message Authentication, Reporting and Conformance (DMARC) <input type="checkbox"/> Screening for malicious links <input type="checkbox"/> DomainKeys Identified Mail (DKIM) <input type="checkbox"/> Sender Policy Framework (SPF) strictly enforced <input type="checkbox"/> Quarantine service <input type="checkbox"/> Tagging external emails															
3.	Do you enforce multi-factor authentication (MFA) for all user accounts (other than domain administrator accounts) when accessing your network remotely?	<input type="checkbox"/> Yes <input type="checkbox"/> No														
4.	Do you enforce MFA for all domain administrator accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No														
5.	Do you permit ordinary users local administrator rights to their devices?	<input type="checkbox"/> Yes <input type="checkbox"/> No														
6.	What security solutions do you use to prevent or detect malicious activity on your network? <table border="0"> <thead> <tr> <th>Security solution</th> <th>Vendor</th> </tr> </thead> <tbody> <tr> <td>Endpoint Protection Platform (EPP)</td> <td>Click or tap here to enter text.</td> </tr> <tr> <td>Endpoint Detection and Response (EDR)</td> <td>Click or tap here to enter text.</td> </tr> <tr> <td>Managed Detection and Response (MDR)</td> <td>Click or tap here to enter text.</td> </tr> <tr> <td>Network Detection and Response (NDR)</td> <td>Click or tap here to enter text.</td> </tr> <tr> <td>Security Information and Event Management (SIEM)</td> <td>Click or tap here to enter text.</td> </tr> <tr> <td>Application Isolation and Containment</td> <td>Click or tap here to enter text.</td> </tr> </tbody> </table>		Security solution	Vendor	Endpoint Protection Platform (EPP)	Click or tap here to enter text.	Endpoint Detection and Response (EDR)	Click or tap here to enter text.	Managed Detection and Response (MDR)	Click or tap here to enter text.	Network Detection and Response (NDR)	Click or tap here to enter text.	Security Information and Event Management (SIEM)	Click or tap here to enter text.	Application Isolation and Containment	Click or tap here to enter text.
Security solution	Vendor															
Endpoint Protection Platform (EPP)	Click or tap here to enter text.															
Endpoint Detection and Response (EDR)	Click or tap here to enter text.															
Managed Detection and Response (MDR)	Click or tap here to enter text.															
Network Detection and Response (NDR)	Click or tap here to enter text.															
Security Information and Event Management (SIEM)	Click or tap here to enter text.															
Application Isolation and Containment	Click or tap here to enter text.															
7.	Do you have a Security Operations Center (SOC)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is your SOC internal or managed by a third party? <input type="checkbox"/> Internal <input type="checkbox"/> Third Party <input type="checkbox"/> Both If yes, is your SOC staffed 24 hours? <input type="checkbox"/> Yes <input type="checkbox"/> No															
8.	Do you use a protective DNS service (i.e., Cisco Umbrella)?	<input type="checkbox"/> Yes <input type="checkbox"/> No														
9.	Are host-based and network firewalls configured to disallow inbound connections by default?	<input type="checkbox"/> Yes <input type="checkbox"/> No														
10.	Are network firewalls configured to disallow outbound connections by default?	<input type="checkbox"/> Yes <input type="checkbox"/> No														

11. Do you use a hardened baseline configuration across all (or substantially all) of your devices?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Do you screen your employees and contractors who will have access to government information? If yes, please provide details. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Do you have a key escrow solution? If yes, please provide details. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Data Protection and Disposal

14. Do you have documented policies and procedures for managing information assets? If yes, please provide those policies and procedures.	<input type="checkbox"/> Yes <input type="checkbox"/> No
15. Will government information be stored on: <ul style="list-style-type: none"> a) Portable media? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Is it encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No b) Laptops? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Is it encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No c) Backup media? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Is it encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No d) Mobile devices? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Is it encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No e) Databases? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Is it encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No f) Cloud or third-party sites (i.e., Dropbox)? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> i. Please provide locations. Click or tap here to enter text. ii. Are they all encrypted? <input type="checkbox"/>Yes <input type="checkbox"/>No 	
16. Will government information be encrypted when transmitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
17. Will government information be encrypted during data backups and on backup media?	<input type="checkbox"/> Yes <input type="checkbox"/> No
18. Will government information be deleted or destroyed at the termination of the contract? Please provide additional details. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Data Protection and Recovery

19. Does your Business Continuity Plan contain recovery time objectives for the amount of time within which business processes and continuity must be restored? If yes, what are the current stated and tested recovery time objectives? Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
20. What is the process for backing up data? (Check all that apply) <p><input type="checkbox"/>Full backup <input type="checkbox"/>Incremental <input type="checkbox"/>Differential <input type="checkbox"/>Mirror <input type="checkbox"/>Other: Click or tap here to enter text.</p> <p>How often is data backed up? Click or tap here to enter text.</p>	
21. Where are data backups stored? (Check all that apply) <p><input type="checkbox"/>Secure offsite <input type="checkbox"/>Secondary data center <input type="checkbox"/>Other: Click or tap here to enter text.</p>	
22. If necessary, how quickly can backed up data be accessed and restored?	
23. When was the last time you successfully tested your Business Continuity Plan? Click or tap here to enter text. When tested, did you meet all objectives? Click or tap here to enter text.	
24. When was the last time you successfully tested your Disaster Recovery Plan? Click or tap here to enter text. When tested, did you meet all stated Restore Time Objectives? Click or tap here to enter text.	

25. Do you have an Incident Response Plan that addresses cybersecurity events? If yes, when was the last time it was tested? Click or tap here to enter text. If yes, does it address ransomware events?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
26. Do you have immutable backups to protect against ransomware? If no, please describe how PEBA's data and operations would be protected against ransomware events. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Third Party Management

27. Identify any third party which will host or have access to government information. Please provide a description of the services that are or will be provided related to the contract with PEBA. Click or tap here to enter text.
28. Describe and explain your security policies and procedures as they relate to your use of contractors and next-tier sub-contractors. Click or tap here to enter text.

Human Resources

29. Do you conduct employee security and awareness training? If yes, please provide the last three dates, who is included and the outline for the training. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Audit and Compliance

30. Which current reports or certifications do you have that demonstrate that adequate security controls and assurance requirements are in place to protect PEBA's data? If you answer yes to any of the following, please provide a copy. a. SOC 1 b. SOC 2 c. SOC 3 d. ISO/IEC27001 certificate e. HITRUST f. Other: Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
31. Are you required to be PCI compliant in relation to the business you do with PEBA? a. If yes, are you compliant with PCI standards? b. If yes, is payment card data encrypted at the point of sale through transmission to the payment processor? c. If you are not compliant with PCI standards, please describe the status of any compliance work and the estimated date of completion. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No

HIPAA Compliance

32. Are you or would you be required to be HIPAA compliant in relation to the business you do with PEBA? If yes, please continue to complete this section.	<input type="checkbox"/> Yes <input type="checkbox"/> No
33. When was the last HIPAA risk assessment completed? Click or tap here to enter text.	
34. Does your company have a comprehensive HIPAA policy? If yes, what was the last date it was updated? Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
35. Please provide the last three dates that HIPAA training was provided to staff. Click or tap here to enter text.	
36. Please describe the training. Click or tap here to enter text.	
37. Have executive officers been trained on HIPAA?	<input type="checkbox"/> Yes <input type="checkbox"/> No

38. Do you have a dedicated HIPAA Compliance Officer and/or department? If yes, please describe the department and provide the contact information for that person or department. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
39. Do you have a dedicated Chief Privacy Officer? If yes, please describe who they report to and provide basic information about their job responsibilities and roles. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
40. To the best of your knowledge, is your company/entity HIPAA compliant? If no, please explain why your company/entity is not HIPAA compliant. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Physical Security

41. Please list the geographical locations of your data centers that could contain PEBA's data. Click or tap here to enter text.	
42. Do your secondary/failover sites have commensurate security with your primary site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
43. Is your data center hosted by a third party? If yes, please provide details. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
44. Describe the policies, procedures, and practices you have in place to provide for the physical security of your data centers and other sites where government information will be hosted, accessed, or maintained. Click or tap here to enter text.	

Detection and Prevention

45. What controls are in place to detect security breaches? Click or tap here to enter text.	
46. What system and network activity do you log? Click or tap here to enter text.	
47. How long do you maintain these audit logs? Click or tap here to enter text.	
48. Please describe who monitors the logs (i.e., internal SOC, third party SOC, etc.) and how they are monitored. Click or tap here to enter text.	
49. Do you have network intrusion detection systems that provide actionable alerts if an unauthorized computer system intrusion occurs? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
50. Do you perform internal vulnerability scanning?	<input type="checkbox"/> Continuous <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly
51. Do you perform external vulnerability scanning against internet-facing IP addresses?	<input type="checkbox"/> Continuous <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly
52. Is penetration testing performed by an external vendor?	<input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually
53. <input type="checkbox"/> Other (please describe). Click or tap here to enter text.	
54. Please provide the last three dates of testing and indicate whether it was conducted by an external vendor or internally. Click or tap here to enter text.	
55. Is there a process for the timely installation of software updates/patches? If yes, are critical updates/patches installed within 30 days of release?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No

Incident Response

56. Describe your incident response policies and practices. Click or tap here to enter text.	
57. Have you had any non-HIPAA breaches in the last three years? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
58. Have you had any breaches in the last three years, as defined by HIPAA, which involve more than 500 records? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
59. Have you paid any HIPAA related fines in the last three years? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Security Requirements and General Information

60. Are there any planned system upgrades, conversions or other system changes that may affect PEBA in the next year? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
61. Have there been or are there any planned changes in leadership or key staff that may affect your relationship with PEBA? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No
62. Are there any other material items/changes that you believe PEBA should be made aware? If yes, please describe. Click or tap here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No

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
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>

Attachment 5
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(e)(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 two business days 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.

SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY

By: _____

(Signature)

By: _____

(Signature)

NAME: _____

(Type or Print Name)

NAME: _____

(Type or Print Name)

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Attachment 6

Non-Disclosure Agreement

This Non-Disclosure Agreement (the "Agreement") is made this _____ day of _____ 201_, by and between _____ (hereinafter referred to as "the Offeror") and the State of South Carolina, South Carolina Public Employee Benefit Authority (hereinafter referred to as "the State"). Offeror as herein used includes both any entity that submits a proposal and any entity that is considering submitting a proposal but ultimately does not.

Offeror warrants and represents that it intends to submit a Services/Technical Proposal in response to the Request for Proposals for Basic and Supplemental Long Term Disability Insurance. In order for the Offeror to submit a Proposal, it will be necessary for the State to provide the Offeror with access to certain confidential information including, but not limited to, demographic and identifying information on eligible individuals and plan utilization data. All such information provided by the State shall be considered Confidential Information regardless of the form, format, or media upon which or in which such information is contained or provided, regardless of whether it is oral, written, electronic, or any other form, and regardless of whether the information is marked as "Confidential Information." As a condition for its receipt and access to the Confidential Information described in Part III, Scope of Proposal, Offeror agrees as follows:

1. Offeror will not copy, disclose, publish, release, transfer, disseminate or use for any purpose in any form any Confidential Information received except in connection with the preparation of its Proposal. All Confidential Information and copies thereof shall be protected from disclosure by commercially reasonable means, including without limitation physical separation, security and limited need to know access for any hard copy materials and encryption, password protection, and secure transmission for electronic materials respectively.
2. Each employee or agent (including without limitation subcontractors) of the Offeror who receives or has access to the Confidential Information shall be notified of the confidentiality and nondisclosure requirements of this Agreement and the confidential nature of the Confidential Information. Each employee or agent of the Offeror who is provided access to or a copy of the Confidential Information shall be bound by confidentiality and nondisclosure obligations that are no less restrictive than the obligations set forth herein. The Offeror shall be liable for any violations by any employees or agents who are provided or given access to Confidential Information. The Offeror shall provide a list of all individuals, employees, and agents of the Offeror who have or have had access to the Confidential Information, along with the certification required in Section 3 of this Agreement.
3. Offeror, other than the Contractor, shall return to the State the original and destroy (in a manner designed to prohibit reading of, copying or reconstruction of the data) any copies of the Confidential Information remaining in its possession within five (5) business days of the State's notice of award in connection with this procurement. If any Offeror does not submit a Proposal, the Offeror shall return the Confidential Information to the Procurement Officer on or before the due date for Proposals. The Offeror, other than the Contractor, shall certify, in writing and signed by an individual with authority to bind the Offeror, to the Procurement Officer that any and all Confidential Information (in whatever format or media) has been destroyed or returned to the Procurement Officer within five (5) business days of the notice of award or by the date the Offeror will not or did not submit a proposal, whichever is earlier. Such certification may be in the form provided below or in another form.
4. Offeror acknowledges that the disclosure of the Confidential Information may cause irreparable harm to the State and agrees that the State may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the Offeror's failure

to comply with the requirements of this Agreement. The Offeror consents to personal jurisdiction in the South Carolina State Courts.

- 5. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys’ fees and disbursements) that are attributable, in whole or in part to any failure by the Offeror or any employee or agent of the Offeror to comply with the requirements of this Agreement, Offeror shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and/or costs.
- 6. This Agreement shall be governed by the laws of the State of South Carolina.
- 7. Offeror acknowledges that a person may not willfully make a false or fraudulent statement or representation of a material fact in connection with a procurement contract. Offeror further acknowledges that this Agreement is a statement made in connection with a procurement contract.
- 8. The individual signing below warrants and represents that he or she is fully authorized to bind the Offeror to the terms and conditions specified in this Agreement.

OFFEROR: _____

BY: _____
Signature

NAME: _____
Print Name

TITLE: _____

ADDRESS: _____

OFFEROR’S EMPLOYEES AND AGENTS WHO WILL BE GIVEN ACCESS TO THE CONFIDENTAIL INFORMATION

Printed Name and Address of Employee/Agent	Employee (E) or Agent (A)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I certify, on behalf of _____ (“Offeror”) that the original and any and all copies of the Confidential Information provided by the State in connection with the Request for Proposals for Basic and Supplemental Long Term Disability Insurance for PEBA have been returned to the Procurement Officer or destroyed in a manner designed to prevent copying, reconstruction of or reading of the data. Below is a list of the individuals, employees and/or agents to whom copies of or access to the Confidential Information have been provided.

I warrant and represent that I am fully authorized to bind the Offeror to the terms and conditions specified in this Agreement.

OFFEROR’S EMPLOYEES AND AGENTS WHO WERE GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION

Printed Name and Address of Employee/Agent	Employee (E) or Agent (A)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____