

	State of South Carolina Request for Proposal Amendment 1	Solicitation Number: PEBA0162017
		Date Issued: 05/15/2017 Procurement Officer: Georgia Gillens, CPPO, CPPB Phone: (803) 734-0010 E-Mail Address: GGillens@peba.sc.gov

DESCRIPTION: **Provide Investment Consulting Services for the South Carolina Optional Retirement Program and the South Carolina Deferred Compensation Program**

USING GOVERNMENTAL UNIT: **S.C. Public Employee Benefit Authority (PEBA)**

The Term "Offer" Means Your "Bid" or "Proposal". Unless submitted on-line, your offer must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior. See "Submitting Your Offer" provision.

SUBMIT YOUR OFFER by the appropriate date and time below and following the instructions on Page 3.

SUBMIT OFFER BY (Opening Date/Time): **05/31/2017 2:30 PM E.T.** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **05/09/2017 4:00 PM E.T.** (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: See Page 3. If no redacted copy is being provided, initial here _____

CONFERENCE TYPE: DATE & TIME:	LOCATION: _____
<small>(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)</small>	

AWARD & AMENDMENTS	Award will be posted on 06/07/2017 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
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Unless submitted on-line, you must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of thirty (30) calendar days after the Opening Date. (See "Signing Your Offer" and "Electronic Signature" provisions.)

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>	TAXPAYER IDENTIFICATION NO. <small>(See "Taxpayer Identification Number" provision)</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.) (See "Notice" clause)
	_____ Area Code - Number - Extension Facsimile _____ E- mail Address

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)
_____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address (check only one)	_____ Order Address same as Home Office Address _____ Order Address same as Notice Address (check only one)

ACKNOWLEDGMENT OF AMENDMENTS
 Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)

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 "Discount for Prompt Payment" clause)	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	_____ Calendar Days (%)
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PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences. ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.*** [11-35-1524(E)(4)&(6)] **PREFERENCES DO NOT APPLY.**

PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must provide this information to qualify for the preference. An in-state office is not required, but can be beneficial, if you are claiming the Resident Subcontractor Preference (11-35-1524(D)). **PREFERENCES DO NOT APPLY.**

_____ In-State Office Address same as Home Office Address
 _____ In-State Office Address same as Notice Address **(check only one)**

Solicitation PEBA0162016 has been amended as follows:

Written Responses to Vendor Questions

The Following Questions Were Submitted in Writing by Vendor A. (Answers follow.)

1. Why is the RFP being issued?

A: Based on the contract terms and conditions, the SC Public Employee Benefit Authority exercised its right to re-solicit a new contract due to significant turnover in account management.

2. Is the current consultant being considered for the re-bid?

A: Yes, the current consultant is allowed to re-bid.

3. What is the current annual fee being paid to the current consultant for the 401K and the 457 Plan? Is the fee all-inclusive of the total scope of services requested?

A: Current annual fee, all-inclusive of services mentioned in the Scope of Work section of this RFP, is \$170,000.

4. Are there any recent projects that have been completed for the Plan or any pending projects for 2017-18?

A: There have been no recent special projects completed. No special projects are currently planned.

5. Is there a specific work plan in place for the coming year? If so, what topics are to be addressed?

A: There is no specific work plan in place. Contractor is expected to provide all services discussed in the Scope of Work portion of Section III. An immediate need will be the review of the investment policy statements to assist the State in creating consistency, as appropriate, between the two, as discussed in #3 under the Scope of Work portion of Section III.

The Following Questions Were Submitted in Writing by Vendor B. (Answers follow.)

1. Does the current investment consultant advise both the ORP and Deferred Compensation Plans? If there has been more than one consultant used, can you please provide their service inception dates and respective duties for each Plan?

A: Yes, the current investment consultant advises both plans.

2. Can you please provide the length of time your current consultant has been retained?

a. Are they being invited to rebid?

A: The current consultant has been retained as the consultant for the State ORP since 2002. They were retained to consult both the State ORP and the Deferred Compensation Program beginning January 1, 2016. They are allowed to rebid.

3. Can you please provide the reason for the issuance of this RFP?

A: Based on the contract terms and conditions, the SC Public Employee Benefit Authority exercised its right to re-solicit a new contract due to significant turnover in account management.

4. When was the last time the Plan(s) issued an RFP for recordkeeping/provider services?

A: The last RFP for recordkeeping/provider services was for the State ORP, and that RFP was issued January 30, 2015. Maximum contract period for the services under this RFP runs from July 1, 2015 through June 30, 2020.

The most recent RFP for recordkeeping/provider services for the Deferred Compensation Program was issued April 18, 2014. Maximum contract period for services under this RFP runs from January 1, 2015 through December 31, 2019.

5. Is the scope outlined in the RFP consistent with the current consultant's contract? If not, what items are different?

A: Yes, the scope outlined in the RFP is consistent with the current consultant's contract.

6. Does the current consultant currently develop and produce the participant fund fact sheets (investment option templates)?

A: The current consultant provides a document that informs participants of specific information related to the investment options (e.g., fees, overall return, risk-adjusted return, and return vs. benchmark) for the State ORP on a quarterly basis. This is discussed under item #8 in the Scope of Work portion of Section III. Performance information for the Deferred Compensation Program is prepared by the third-party administrator on a monthly basis and is posted on the Deferred Compensation Program webpage.

7. Are there any strategic initiatives the Public Employee Benefit Authority intends to review or implement over the next 18 months, not described in the RFP?

A: There are no planned strategic initiatives related to this RFP at this time.

8. How many manager searches have been conducted over the last 3 years?

A: There have been five manager searches conducted over the last 3 years.

9. Can you please provide examples of topics presented at the annual training meetings over the last few years?

A: Topics include Best Practices in Defined Contribution plan design and What are Target Date Funds.

The Following Questions Were Submitted in Writing by Vendor C. (Answers follow.)

VII. Terms and Conditions, Attorneys' Fees (p. 39)

1. Will the State agree to revise this provision to allow the prevailing party to seek attorneys' fees and expenses?

A: No, the State will not revise the provision.

VII. Terms and Conditions, Insurance (p. 42-43)

2. Will the State agree to changes in language provided in attached red-line document titled "Insurance"?

A: No, the State will not revise the provision.

VII. Terms and Conditions, Records Retention & Right to Audit (p. 51)

3. Will the State agree that any audit should be conducted at the State's expense, made upon reasonable prior written notice, during normal business hours, and be subject to the execution of a confidentiality agreement reasonably satisfactory to the Contractor?

A: No, the State will not revise the provision.

VII. Terms and Conditions, Termination for Cause (p. 52)

4. Will the State agree to make this provision apply equally to both parties?

A: No, the State will not revise the provision.

VII. Terms and Conditions, Termination for Convenience (p. 53)

5. Will the State agree to make this provision apply equally to both parties?

A: No, the State will not revise the provision.

Additional Term

6. Will the State agree to include the following provision in the Contract?

The State will retain all decision-making authority with respect to the management and administration of its plan(s), including appointment and termination of investment managers and final decisions regarding investment policy. The Contractor's responsibility does not include discretionary control of any plan or the assets contained therein. The Contractor shall have no responsibility for the actions or advice of any other investment advisors or service providers to the State or its plan(s).

A: No, the State will not add the provision. The Contractor is expected to be a full, co-fiduciary for the plans.

Additional Term

7. Will the State agree to include the following provision in the Contract?

Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this contract or any services provided by the contractor or its affiliates. The waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party agrees not to include any employee, officer, director or trustee of the other as a party in any action, proceeding or counterclaim relating to such dispute.

A: No, the State will not add the provision.

Additional Term

8. Will the State agree to include the following provision in the Contract?

- a. The Contractor shall not be liable for Losses (defined below) sustained by the State in connection with the services, this Contract or the acts or omissions of any third party (other than the Contractor's subcontractors) unless such Losses have been finally determined to have directly resulted from the gross negligence, fraud, or bad faith conduct by the Contractor or any officer, director or employee of the Contractor's or its affiliates in connection with the Contractor's performance of the services.
- b. In no event shall either party or its affiliates be liable in connection with this Contract or the services to the other party, its affiliates or any third party for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. The provisions of this section shall apply to the fullest extent permitted by law. Nothing in this section limiting the liability of a party shall apply to (i) any liability that has been finally determined by a court to have been caused by the fraud of such party or (ii) the extent such limitation of liability is not permissible under applicable law, including laws that may hold parties liable for certain acts of good faith.
- c. For purposes of this Contract, "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise. For the avoidance of doubt, multiple claims arising out of or based upon the same act, error or omission, or series of continuous, interrelated or repeated acts, errors or omissions shall be considered a single Loss.

- d. Each of the parties acknowledges that the compensation for the services to be provided under this Contract reflects the allocation of risk set forth in this section.

A: No, the State will not add the provision.

Additional Term

9. Will the State agree to include the following provision in the Contract?

- a. To the extent the Contractor provides commodity trading advice to the State, the State represents that the State is excluded from the definition of “commodity pool operator” under Commodity Futures Trading Commission (“CFTC”) Regulation 4.5, and the State has filed the notice of eligibility, if any, required under such regulation, and will annually reaffirm reliance on such exclusion as required by law. The State agrees to furnish the Contractor with such information as the Contractor may reasonably request to confirm the State’s status under CFTC Regulation 4.5.
- b. The Contractor hereby acknowledges that it is a commodity trading advisor (“CTA”) with respect to the State and that the Contractor represents and warrants to the State that the Contractor is exempt from registration as a CTA under CFTC Regulation 4.14(a)(8) with respect to the State, and has filed the notice required under CFTC Regulation 4.14(a)(8).
- c. The Contractor represents and warrants to the State that, although the Contractor is registered as a CTA, the Contractor intends to provide commodity interest trading advice to the State as if the Contractor were exempt from registration as a CTA under CFTC Regulation 4.14(a)(8). The Contractor will reaffirm its eligibility to rely on the exemption in CFTC Regulation 4.14(a)(8) as required by law.
- d. The State represents and warrants to the Contractor that the State is currently, and will continue to be, an “eligible contract participant” within the meaning of Section 1a(18) of the Commodity Exchange Act (“CEA”).

A: No, the State will not add the provision.

Additional Term

10. Will the State agree to include the following provision in the Contract?

The Contractor is not engaged in the practice of law and the services provided hereunder, which may include commenting on legal issues or drafting documents, do not constitute and are not a substitute for legal advice. Accordingly, the Contractor recommends that the State secure the advice of competent legal counsel with respect to any legal matters related to the services or otherwise.

A: No, the State will not add the provision.

Additional Term

11. Will the State agree to include the following provision in the Contract?

The State acknowledges receipt of the Form ADV, Parts 2A and 2B of the Contractor. The State also agrees that future offers to provide, or the provision of, Form ADV, Parts 2A and 2B or other information required by applicable regulation may be sent to the State electronically, at the email address provided to the Contractor by the State prior to such time.

A: No, the State will not add the provision.

Additional Term

12. Will the State agree to include the following provision in the Contract?

The State acknowledges and agrees that the State has reviewed the information set forth in this Contract regarding compensation to the Contractor and, based upon the information provided, acknowledges and agrees that such compensation constitutes "reasonable compensation" within the meaning of Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The State further acknowledges that the State has received the Contractor's "Guide to Services and Compensation," which provides the disclosures required under the rules promulgated under Section 408(b)(2) of ERISA, and that the State has had a reasonable opportunity to review such disclosures prior to executing this Contract.

A: No, the State will not add the provision.

Additional Term

13. Will the State agree to include the following provision in the Contract?

The State hereby represents and warrants that in connection with its selection of the Contractor to perform the services under this Contract that (i) the State has read and understood the disclosures contained in the Contractor's Form ADV, Part 2A, which discloses the Contractor's actual and potential conflicts of interest; and (ii) the State has not relied upon any advice or recommendation from any affiliate of the Contractor to make such selection.

A: No, the State will not add the provision.

The Following Questions Were Submitted in Writing by Vendor D. (Answers follow.)

1. Page 42-43 Insurance Requirements – Are the insurance requirements required to be in place by the time the Proposal is sent to the State, or must they be in place by the effective date of the Contract?

A: The required proof of insurance need not be submitted with the proposal, but must be obtained and furnished to the State prior to the commencement of work.

2. Can you provide the existing template document described in item #8 on page 23 of the RFP so we can ensure we have the systems in place to replicate or create a similar product.

A: The document currently being provided to participants can be found on PEBA's website at <http://www.peba.sc.gov/sorp.html> listed under State ORP resources under the title Plan Comparison Report – Quarter X, 20XX.