

	State of South Carolina Amendment #1	Solicitation Number: PEBA0052015 Date Issued: 10/02/2015 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): **10/21/2015 11:00 AM E.S.T.** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **09/30/2015 10:00 AM** (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 10/30/2015 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
-------------------------------	--

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 (%)
--	----------------------	----------------------	----------------------	-------------------------

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 PEBA0052015 has been amended to answer questions submitted in writing by the deadline.

All other terms and conditions remain unchanged.

The following question was submitted in writing by Vendor A. (Answer follows)

1: Can you tell us the current consultant's annual fee?

A: Yes, the current annual fee for consulting services related to the State ORP is \$130,000, and the current annual fee for consulting services related to the Deferred Compensation Program is \$85,000.

The following questions were submitted in writing by Vendor B. (Answers follow.)

2: Who or what roles will make up the review panel (i.e. staff? Trustees, Counsel?) Page 35 Phase I Intro.

A: During the procurement process, the identity of panelists are not made public to provide confidentiality and integrity to the process. Should your company be selected for a presentation, we may indicate the makeup of who your firm will be presenting to without naming individual panelists.

3: Are there approved participant templates in place now? Do you expect that these will follow DOL guidelines in terms of format and data or use our best ideas or other format , e.g. Morningstar ? Are they physically produced and mailed by the Contractor or the Administrative provider(s). Page 23 question 8.

A: Pertaining to Requirement #8 of the Scope of Work, there is an approved template for the State ORP but not for the Deferred Compensation Program. A copy of the most recent State ORP participant report, entitled Q2 2015 State ORP Participant Report, is included with the State's response. The State intends for this report to serve as a practical resource to generally assist participants in making sound investment decisions. It should be based upon the Contractor's best ideas, not necessarily following the DOL format, and the State intends to post it electronically on a quarterly basis. The State does not expect the Contractor or Administrative provider(s) to physically produce and/or mail hard copies of this report.

4: Will you accept some cap on the absolute number of investment option searches within the annual retainer? Attachment Three Proposed fees

A: No, the State will not accept such a cap.

5: May we make attorneys' fees mutually binding? VII. TERMS AND CONDITIONS -- B. SPECIAL, Attorney's Fees.

A: No, the State will not modify the terms and conditions as requested.

6: Will you accept Professional Liability claim limits of no less than \$5,000,000 in aggregate? We do not have separate Fiduciary responsibility insurance, as it is covered under our Professional Liability. Is that acceptable? CONTRACTOR'S LIABILITY INSURANCE – GENERAL (FEB 2015), items (b) 2 and 3.

A: However the policies are structured, the Contractor must have insurance coverage that provides professional liability insurance with limits no less than \$5 million per claim and \$5 million in aggregate and fiduciary liability insurance with limits no less than \$5 million.

7: Will you excerpt Professional Liability coverage from requirements of subrogation? CONTRACTOR'S LIABILITY INSURANCE – GENERAL (FEB 2015), item g.

A: No, the State will not modify the terms and conditions as requested.

8: Will you allow qualification to restrict third party claims of indemnification to the extent resulting from Contractor's willful misconduct, gross negligence or breach of fiduciary duty? INDEMNIFICATION – THIRD PARTY CLAIMS (NOV 2011)

A: No, the State will not modify the terms and conditions as requested.

9: Will you allow the following exception to ownership and materials language? "Except to the extent that they incorporate Contractor's proprietary software, tools, know-how, techniques, methodologies, Manager Research Reports ("MMR") and report formats (collectively, "Contractor's Proprietary Information"), all documents, data, and other tangible materials authored or prepared and delivered by Contractor to PEBA under this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of the University once paid for by PEBA. To the extent Contractor's Proprietary Information is incorporated into such Deliverables, PEBA shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify the Contractor's Proprietary Information as part of the Deliverables internally and for their intended purpose." OWNERSHIP and MATERIALS

A: No, the State will not modify the terms and conditions as requested. However, the State will amend the clause entitled "Ownership of Material" in Section VII. TERMS AND CONDITIONS -- B. SPECIAL to add the following language at the end of the second paragraph of that clause: "Any and all reports, analyses, and data, whether statistical or otherwise, prepared specifically and exclusively for the State by the Contractor pursuant to this agreement shall become the property of the State and may be used for such purposes as the State shall deem appropriate unless such use is otherwise prohibited by this agreement. Notwithstanding anything to the contrary contained in this agreement, it is understood and agreed that the Contractor shall retain all of its rights in methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and expertise possessed by the consultant prior to, or acquired by the Contractor during the performance of this agreement and the Contractor shall not be restricted in any way with respect thereof."

In all other respects that clause shall remain unchanged.

The following questions were submitted in writing by Vendor C. (Answers follow.)

10: Who is the current advisor to the PEBA program and are they eligible to bid?

A: Summit Strategies Group is the current consultant for the State ORP, and Segal Rogerscasey is the current consultant for the Deferred Compensation Program. While this is an exempt procurement, PEBA is seeking as much completion as practicable. Both vendors are eligible and welcome to bid on this contract.

11: What is the fee of the current advisor?

A: See the State's response to the question 1 from Vendor A.

12: As to the insurance requirements, will an entity still be eligible for the bid if rather than 5 million per event and 10 million in the aggregate it has 5 million per event and 5 million in the aggregate?

A: No, under subsection (e) of the clause entitled "CONTRACTOR'S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (FEB 2015)" in Section VII. TERMS AND CONDITIONS -- B. SPECIAL, the Contractor must maintain the required insurance coverage with limits no less than five million (\$5,000,000.00) dollars per occurrence and ten million (\$10,000,000.00) dollars in aggregate.

The following questions were submitted in writing by Vendor D. (Answers follow.)

13: Please provide the current annual investment consulting fees for both the State ORP and the Deferred Comp Program. Are these fees inclusive of the full scope of services as requested in the Scope of Work? If not, please indicate the requested services that are not covered under the current fee arrangements for each of the plans.

A: See the State's response to the question from Vendor A. Although some of the specific requirements listed in the Scope of Work are not currently being performed by the consultants, the State believes all of these requirements would be covered under the current fee arrangements.

14: In item 8 under Scope of Work, please provide a sample of the current approved template document (i.e., the document to inform participants of specific information related to the investment options).

A: See the State's response to the second question from Vendor B.

15: In item 12 under the Scope of Work, please describe – in general terms – the assistance the State may need in the oversight of the plan administrators. Does this include all 5 providers (4 for the State ORP and 1 for the Deferred Comp Program)? Please describe the purpose of the bi-weekly calls with the Deferred Comp Program plan administrator and the expectation for the Contractor's role in these calls.

A: See the Goals and Objectives section on p. 22 of the Request for Proposal. Although Requirement #12 of the Scope of Work does not explicitly require the Contractor to participate in regular meetings with all plan administrators, the State is seeking to build a partnership with those goals and objectives in mind. The scheduled bi-weekly calls with the Deferred Compensation Program plan administrator are designed to keep all parties apprised of the status on any open projects. The Contractor's primary role in these calls would be to provide perspective from a trusted industry expert and to capitalize on opportunities to add value.