

# Invitation to Negotiate

**DATA BREACH NOTIFICATION SERVICES  
FOR THE  
STATE BOARD OF ADMINISTRATION OF FLORIDA**

**Issued by  
THE STATE BOARD OF ADMINISTRATION OF FLORIDA**

**November 18, 2019**

**DEADLINE FOR RECEIPT OF  
NOTIFICATION OF INTENT TO RESPOND:  
December 6, 2019 5:00 pm ET**

**DEADLINE FOR RECEIPT OF RESPONSES:  
January 6, 2020 5:00 pm ET**

**Submit Responses to  
Designated Contact:**

**Jennifer Williams  
State Board of Administration of Florida  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, FL 32308  
Phone: 850-413-1281  
Email: [SBAITN2019DBNS@sbafla.com](mailto:SBAITN2019DBNS@sbafla.com)**

***Do not contact SBA staff or any member of the SBA's Board of Trustees (or their respective staff) regarding this ITN. Direct all correspondence during the ITN process to the Designated Contact listed above.***

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## **Section I – Purpose and General Information**

### **A. Purpose**

The State Board of Administration of Florida (SBA), is soliciting competitive responses from vendors, through this Invitation to Negotiate (ITN), who would be qualified to offer data breach notification services (not digital forensics and incident response services – see II.B. for services to be provided) in order to comply with the provisions of section 501.171, Florida Statutes, and with the objective of helping affected individuals, including members of the Florida Retirement System (FRS), with the proper services to assist them in the event of a data breach.

### **B. Background and General Information**

#### **Organization of the State Board of Administration of Florida**

The SBA is an agency of Florida State Government that provides financial and trust services to various governmental entities. These include managing the assets of the Florida Retirement System (FRS) Pension Plan (an IRC Section 401(a) defined benefit plan), the Lawton Chiles Endowment Fund, the Local Government Surplus Funds Trust Fund (Florida Prime), the Hurricane Catastrophe Fund, the Lottery Fund and a variety of smaller funds. Additionally, the SBA is the Plan Sponsor for the FRS Investment Plan (an IRC Section 401(a) defined contribution plan). The total market value of the FRS Pension Plan was approximately \$157.7 billion and the FRS Investment Plan was approximately \$10.7 billion as of May 31, 2019. The total assets under management as of May 31, 2019 were \$201.4 billion.

#### **Governing Authority**

The SBA has three Trustees ("the Board"). The Board consists of: the Governor (as Chair); the Chief Financial Officer (as Treasurer); and the State Attorney General (as Secretary). The Trustees of the Board are elected statewide to their respective positions. The Trustees have ultimate authority and oversight for the SBA's overall strategy.

#### **Administrative Structure**

The Trustees delegate the day-to-day management to the SBA's Executive Director & Chief Investment Officer, who serves at the discretion of the Trustees and is responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. The Executive Director & Chief Investment Officer oversees more than 200 professional and administrative support staff.

The SBA provides investment management of assets of the Florida Retirement System (FRS) Trust Fund. The Division of Retirement of the Department of Management Services, the administrative agency for the FRS Pension Plan, provides full accounting and administration of benefits and contributions for the FRS Pension Plan. The Division of Retirement initiates actuarial studies, recommends benefit and contribution changes, and proposes rules for the administration of the FRS Pension Plan.

The SBA is the administrator of the FRS Investment Plan. The State Legislature has the responsibility of setting contribution and benefit levels and providing statutory guidance for the administration of the FRS, as applicable.

### **Investment Advisory Council**

The Investment Advisory Council (IAC) of the SBA consists of nine individuals with specialized knowledge, experience, and familiarity with financial investments and portfolio management. The IAC meets at least quarterly to review and discuss the SBA's investment strategy and performance of the FRS Trust Fund, FRS Investment Plan Trust Fund and other SBA investment responsibilities.

### **The Florida Retirement System (FRS)**

The FRS presently has approximately 650,000 active (working) members and over 1,000 participating employers. Members are employees of state, county and city governments, school boards, community colleges and universities, and special districts. The FRS consists of two programs:

1. The FRS Pension Plan is a traditional public sector IRC Section 401(a) defined benefit program in which employees elect to participate in lieu of participating in the Investment Plan. The FRS Pension Plan has been in place since 1970 and has about 500,000 active members and 415,800 retirees.
2. The FRS Investment Plan is a participant-directed IRC Section 401(a) defined contribution program. The Plan has been in place since mid-2002 and had 216,259 active accounts and 139,735 retirees as of July 31, 2019.

### **C. Florida Information Protection Act**

The Florida Information Protection Act of 2014 (FIPA), Section 501.171, Florida Statutes, (see Appendix II) pertains to the security of **confidential personal information** held by certain entities (including the SBA) in an electronic format. The law imposes certain affirmative data protection duties and provides a specific framework for providing notice in the event of a data breach.

**"Personal information"** is defined under the Act as either:

- (1) an individual's name (first and last, or first initial and last name) **in combination with one of more of the following:** (a) social security number; (b) driver license/identification card number, passport number, or military identification number, (c) financial account/credit card/debit card number, in combination with any required security code, access code or password that is necessary to permit access to the individual's financial account; (d) medical information (history, condition, treatment, diagnosis); (e) health insurance policy number or subscriber number together with any unique identifier for the individual; or,
  - (2) a user name or email address, in combination with a password or security question and answer that would permit access to an on-line account.
- Note: Personal information for FRS members (the term "FRS member" includes both Pension Plan and Investment Plan active members, retirees, and beneficiaries) is located in several locations, including an internal database maintained by the Division of Retirement, an online portal, internal networks, and on printed material. The SBA also maintains personal information relating to active, prior, and potential employees/dependents, and Florida Prepaid College data.

### **Required Notices:**

FIPA requires several notifications in the event of a breach, which are as follows:

#### **(1) Notice to the Department of Legal Affairs:**

The SBA is required to notify the Department of Legal Affairs ("Department") if there is any breach of security that would impact 500 or more individuals in Florida. The notice is to be

provided no later than 30 days after the determination of a breach occurred. This notice must include a synopsis of the events surrounding the breach; the number of individuals in Florida who were, or who potentially were, affected by the breach; any services that the SBA is offering, without charge, to individuals affected by the breach, as well as the instructions provided as to how to use such services; a copy of the notice provided to the affected individuals (as discussed in (2) below); and contact information for a designated employee of the SBA who has further information concerning the breach. In addition, it may be necessary to provide, upon the request of the Department, a copy of any police report, incident report, or computer forensics report; a copy of applicable policies that are in place concerning security breaches; and a description of any steps that have been taken to rectify the breach.

(2) **Notice to Affected Individuals:**

Each individual located in Florida whose personal information was, or could have been, accessed as a result of the breach must be notified by the SBA as expeditiously as possible, but no later than 30 days after a determination is made that a breach occurred or likely occurred, unless a law enforcement agency is investigating the breach and has requested, in writing, that the notification be delayed for a specified period of time to allow the investigation to proceed.

Generally, any required notice to individuals impacted by the breach must be sent either to the mailing address of the affected individual or the email address of such individual, and must set forth the date(s) of the breach; the personal information that as, or is believed to have been, accessed as a result of the breach; and information that can be used by the individual to contact the SBA concerning the breach. However, the SBA may provide substitute notice in lieu of direct notice if such direct notice is not feasible because the cost of providing notice would exceed \$250,000, because the breach affects more than 500,000 persons, or because the SBA does not have the email or mailing address for the affected individuals. Such notice shall include (i) a conspicuous notice on the SBA's website, and (ii) notice in print and to broadcast media, including major media in urban and rural areas where affected individuals reside.

**Exceptions to the Notice to Individuals Requirement:**

Individuals are NOT required to be notified IF following an appropriate investigation and consultation with relevant state, local or Federal law enforcement authorities, a determination is made that the breach will not likely result in identity theft or any other financial harm to the individuals whose personal information has been accessed. However, any such determination must be documented in writing and the documentation must be maintained by the SBA for at least 5 years. Further, the Department of Legal Affairs must be notified of the determination within 30 days.

(3) **Notice to Credit Reporting Agencies:**

If it is discovered by the SBA that more than 1,000 individuals are required to be notified of the breach upon a single occurrence, then the SBA is also required to notify all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis as defined in the Fair Credit Reporting Act (15 USC section 1681a(p)) of the timing, distribution and content of the notice.

(4) **Notice by Third Party Agents.**

If there is a breach of security in a system maintained by a third-party agent on behalf of the SBA, the agent is required to notify the SBA of the breach no later than ten (10) days after the breach occurred or likely occurred. Upon receipt of the notice, the SBA is required to provide the notices to the Department and to all affected individuals as described above. The third-party could provide notice on behalf of the SBA, but if it fails to do so, then the

SBA will be treated as if it failed to provide the required notices and it will be charged with all applicable penalties.

**Disposal of Customer Records - Only Applies to Non-Governmental Entities**

When records, both physical and electronic, held by a non-governmental entity and containing personal information no longer are needed or required to be maintained, then the covered non-governmental entity and third-party agent is required to dispose of such records in a manner that will make the personal information in such records no longer readable or decipherable.

**Penalties for Non-Compliance**

Any violation of FIPA may lead to the SBA and/or third-party agent being charged with an unfair or deceptive trade practice by the Department, and the civil penalties applicable (actual damages) thereunder. [Note: FIPA does not establish a private cause of action].

Further, failure to provide the required notice to the Department or affected individuals, could lead to a civil penalty, of up to \$500,000. This penalty will be in the amount of \$1,000 per day, up to the first 30 days, that the required notice is not given. Thereafter, the penalty will be in the amount of \$50,000 for each subsequent 30-day period, up to 180 days. After the failure extends past 180 days, the penalty will be in an amount not to exceed \$500,000.

**Impact on the SBA and Steps Taken to Ensure Compliance.**

Based on the definition of “personal information” and the fact that 500 or more individuals in Florida have to be impacted before the reporting provisions of FIPA are triggered, FIPA’s primary impact on the SBA includes, but is not limited to, ODCP and its FRS member records, active, prior, and potential SBA employees/dependents, and Florida Prepaid College data.

In response to this law, all contracts reference section 501.171, Florida Statutes, and require that the contractor comply with the applicable requirements set forth therein.

Additionally, a Compliance Questionnaire is sent annually by ODCP to all of its vendors. The Questionnaire has been modified to ask each vendor to disclose whether there has been a data breach and, if so, to identify the steps taken by the vendor with respect to the breach.

**D. Minimum Qualifications**

Respondents must be able to affirmatively respond to each of the following statements as of December 6, 2019 in order to be considered for the contract award:

1. The Respondent must accept and enter into a written services contract as supplied by the SBA. The services contract will be negotiated in final form during the negotiation process, unless the SBA elects otherwise in its sole discretion;
2. The Respondent must agree (by written affirmation) to provide the services as detailed in Section II, as well as agree to all other requirements as stated in this ITN;
3. The Respondent’s key professionals and the organization must disclose any past or current actual, potential, or perceived conflicts of interest with the SBA, the members of its Board of Trustees (or their respective staffs), or any of the investment providers for the Investment Plan.

4. The Respondent's response to this ITN must be responsive fully to all of the requirements and questions set forth in this ITN.

**Failure by any Respondent to satisfy the Minimum Requirements described in this Section D. will result in the automatic rejection of the Respondent's response.**

## **Section II – Scope of Services**

### **A. Overview**

The deliverables sought are as follows:

- Key responsibility: Provide breach notification services for the SBA.
- Key deliverable: Provide notification and identity protection services that comply with the requirements of the Florida Information Protection Act.
- Secondary deliverables:
  - Provide a dedicated toll-free line to a call center with trained customer service representatives;
  - Provide a custom incident notification website;
  - Create a master notification plan;
  - Conduct simulation/drill exercises to ensure the SBA is prepared in the event of a breach.

### **B. Deliverables**

The SBA seeks the following breach notification services. The SBA reserves the right to alter or amend the list of deliverables during contract negotiations. This list comprises a minimum set of deliverables. It is expected that Respondents will propose additional items they deem necessary to meet the overall objectives of the SBA. All applicable deliverables must comply with the Florida Information Protection Act.

#### **Dedicated Team of Notification Experts**

The Respondent will provide a dedicated team of notification experts to the SBA, including a breach notification manager and an identity protection expert.

#### **SBA Training**

To be prepared in the event of a breach, SBA staff and other SBA vendors (who may be answering general questions) must be trained. Training should include creating a master notification plan that details the steps required in the event of a breach. The SBA has a Cybersecurity Incident Response Plan and a Cybersecurity Crisis Communications Plan and has conducted a test exercise with another vendor. It is anticipated that the selected vendor would review and align, with SBA approval, aspects of the breach notification plan into the Cybersecurity Incident Response Plan. Training should also include simulation/drill exercises that ensure the SBA is prepared in the event of a breach. A performance report on the SBA's effectiveness should be provided.

#### **Notification/Outreach**

In the event of a breach, assist with applicable notification requirements on a state/federal level, stakeholder outreach via mail/email, and media relations.

#### **Website**

Create a custom incident notification website with high-volume capacity, and customized FAQs.

#### **Call Center**

Provide a dedicated toll-free number to a call center with high capacity and availability. The call center should be staffed with specialized and trained call center agents. The service should be Phone Relay Service compatible and support both English/Spanish languages. Reports should be provided to the SBA indicating caller satisfaction with the call center services.

**Identity Repair and Credit Services**

For affected individuals, provide identify repair and credit monitoring services. Reports should be provided to the SBA indicating enrollment numbers for identity repair and credit services, and any fraud cases.

**Post-Breach Notification Summary Report**

Provide a post-breach notification summary report detailing the success rates in notifying affected individuals, successful closure of customer service inquiries, and repair and credit services enrollment statistics.

## Section III – Evaluation Criteria

### Criteria:

The responses to this ITN will be independently evaluated by an Evaluation Team on the basis of the written responses to this ITN and additional written information as requested. If they are determined to be necessary, the Evaluation Team will conduct oral and/or onsite interviews. The evaluation will utilize the following broad scoring categories:

Scoring Categories:	Weights
Experience, qualifications and resources	60%
Quality, clarity and responsiveness of the proposal	5%
Adherence to ITN requirements	5%
Fees	<u>30%</u>
<b>TOTAL</b>	100%

The evaluation team will review the responses and assign a score to each category for each Respondent. The scoring by each member of the evaluation team will be aggregated to establish an overall ranking by the team.

Using the scoring and evaluation process, a short list may be developed for possible interviews/presentations. Commitments made by the Respondents at the interviews will be considered binding. Information and materials obtained during such time will be used by the evaluators to prepare final scores for the Respondents. This final scoring may take into consideration any information, evidence or capabilities that, in the judgment of the Evaluation Team, demonstrate a finalist as being best qualified to provide the necessary services to the SBA. The Evaluation Team will then make a recommendation of finalist(s) to the Negotiating Team, who ultimately makes a recommendation to the Executive Director of the SBA.

The Negotiating Team intends to evaluate fee proposals within the context of each Respondent's complete response and fee evaluation. Subsequent fee and contract negotiations are expected to take place upon selection of the finalist. **The SBA will not be required to select the lowest-cost Respondent.**

The issuance of this ITN is merely the beginning of the negotiation process. Alternate means of accomplishing the requirements specified herein, with reasonable assurance of satisfactory results, will be considered and may be accepted, at the SBA's sole discretion, without further addendum to the ITN. The contract that shall serve as the agreement between the parties will be developed through the negotiation process.

The SBA may enter into negotiations with Respondents in order to achieve the most effective contract. The SBA reserves the right to negotiate concurrently or separately with competing Respondents any time after the finalists are selected. The SBA reserves the right to accept portions of a competing Respondent's response and use such portions to form an overall program in the best interest of the SBA. Further, the SBA shall have the right to use any or all ideas or adaptations of the ideas presented in any response received pursuant to this ITN. Selection or rejection of a response will not affect this right. The SBA reserves the right to reject any and all responses or portions thereof. The SBA reserves the right to withdraw this ITN or a portion of this ITN without selecting a contractor. .

## Section IV – Timeline

The timeline of the search and evaluation process as currently planned (subject to changes at the sole discretion of the SBA without liability) is as follows:

Monday, November 18, 2019	ITN Issued
Friday, December 6, 2019	Notifications of Intent to Respond and Qualifications Due, no later than 5:00 p.m., EST
Friday, December 6, 2019	Requests and clarification questions on ITN due
Friday, December 13, 2019	Responses to ITN Questions Posted
Monday, January 6, 2020	ITN Responses Due; no later than 5:00 p.m., EST
Monday, January 27, 2020	Selection of Finalist(s)
February 17 & 21, 2020	Interviews, if necessary
Monday, March 2, 2020	Finalist Selection and Notification, Contingent on Successful Contract Negotiations
July 1, 2020	Contract Effective Date

Note: The SBA reserves the right to change the ITN Timeline. Changes will be posted on the SBA website: [www.sbafla.com](http://www.sbafla.com).

## Section V – Required Information

The purpose of this section is to identify the information that should be submitted in response to this ITN and the order in which it should appear in the proposal response. Each response package should include the following, in the order listed below:

### A. Cover Letter

The proposal shall contain a cover letter identifying the Respondent's name, principal office address, and the name, telephone number and email address of the person (or persons) authorized to represent the Respondent regarding all matters related to the proposal. The letter shall also explicitly affirm the following:

- The Respondent has the current capability to provide the proposed services.
- The Respondent has reviewed the minimum qualifications and meets the eligibility criteria set forth in Section I, Subsection D. of this ITN.
- The Respondent has thoroughly reviewed the ITN.
- The Respondent acknowledges and accepts all terms and conditions included in the ITN, or details clearly with specificity which terms and conditions within the ITN the Respondent does not accept.

**Note:** A person authorized to bind the Respondent to all commitments made in its proposal must sign the letter.

### B. General Information

Each proposal shall include the following:

1. A brief description of the Respondent's experience in providing the services identified in Section II, Scope of Services. Respondents must submit for each of the proposed members of the project team the following information:
  - The name of the person responsible for the project.
  - The role this person would play on the project and his/her role and position within the company.
  - Specific examples of related project experience that equips the proposed team member with the skills required to fulfill his/her role on the project.

#### 2. Notice of Legal Proceedings

a) Each Respondent shall disclose any and all known or threatened material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions or law enforcement activities (including those by federal, state or local authorities, or self-regulatory organizations) or non-routine Securities and Exchange Commission inquiries or investigations relating to Respondent or any of Respondent's affiliates, including any proceedings to which Respondent, its affiliates, or any of their respective officers, directors or employees, is a named party or of which any of such has been the focus. Is Respondent aware of any activities of its firm, its affiliates, or their respective officers, directors or employees that are likely to result in any of the above investigations or proceedings?

b) Please list and describe any such proceedings or actions that have occurred in the last two (2) years, including whether Respondent or any of its affiliates, or their respective officers, directors or employees has been censured by any regulatory body.

c) In the last two (2) years, has Respondent, its principals or any of Respondent's affiliates submitted a claim for errors & omissions, fiduciary liability and/or fidelity bond insurance coverage? If yes, please explain and provide details.

Note: Direction to SEC filings in and of itself is not considered a responsive answer to the above questions.

3. Please list any possible, known or potential conflicts of interests the Respondent may have with the SBA or vendors servicing the Investment Plan or the MyFRS Financial Guidance Program.

### **C. Summary of Proposed Services**

Generally describe the Respondent's approach and plans for accomplishing the work outlined in Section II, Scope of Services. The description should be provided in sufficient detail to permit the evaluation of proposals fairly without the possibility of misinterpretation. The Respondent should indicate any additional tasks that are necessary and/or advisable that it recommends.

A summary of the Respondent's plan to work with SBA staff should be provided as well. Respondents should provide a detailed description of the information and assistance the Respondent would require from SBA staff in the provision of the services required to satisfy Section II, Scope of Services.

### **D. Fee Proposal**

All qualified Respondents submitting a Notification of Intent to Respond shall provide complete fee estimates as part of their final proposal responses.

Please understand that the issuance of this ITN is the beginning of a negotiation process. Alternate means of accomplishing the requirements specified herein, with reasonable assurance of satisfactory results, will be considered and may be accepted, at the SBA's sole discretion, without further addendum to the ITN. The contract that shall serve as the agreement between the parties will be developed through the negotiation process. The SBA may enter into negotiations with the Respondent in order to achieve the most effective plan. The SBA reserves the right to negotiate concurrently or separately with competing Respondents. The SBA reserves the right to accept portions of a competing Respondent's response and use such portions to form an overall program in the best interests of the SBA.

Further, the SBA shall have the right to use any or all ideas or adaptations of the ideas presented in any response received pursuant to this ITN. Selection or rejection of a response will not affect this right. The SBA reserves the right to reject any and all responses or portions thereof. The SBA reserves the right to withdraw this ITN or a portion of this ITN without selecting a contractor.

The fee should be effective as determined by the terms of the negotiated and executed contract, but no earlier than July 1, 2020.

### **E. Fiscal Report**

The Respondent shall provide a copy of the Respondent's most recent annual fiscal report, containing audited financial statements.

### **F. Questionnaire Response**

The Respondent must answer all the questions posed in Section VII, Questionnaire. The answers must be organized in the same sequence as the questions are presented. Each question must be replicated in no less than **Bold** 10 point font and precede each response.

### **G. Conflicts of Interest**

The Respondent must disclose within its proposal whether any officer, director, employee, or agent is also a current or former employee of the SBA. All Respondents must further disclose any factors, financial or otherwise, known to them which may give rise to a conflict of interest between the Respondent and the SBA and its employees, or have the effect of impacting the ability of the Respondent to meet its responsibilities, duties, and obligations to the SBA, as set forth in this ITN. Disclose any relationships your organization has with any vendors to the SBA or FRS. Address any anticipated fees or other remuneration to be paid by such vendors resulting from the relationship, if any.

### **H. General Survey Information**

The Respondent must complete the applicable sections of the survey. Where information is not available or not tracked as required by the survey the Respondent should so indicate.

## **I. Service Requirements Affirmation Statement**

The response shall include a signed copy of the Service Requirements Affirmation Statement attached as Appendix I.

## Section VI – Proposal Requirements

The purpose of this section is to indicate the terms and conditions that will govern the submission and review of proposals made in response to the ITN.

### A. Instructions for Completion

Respondents shall:

1. Prepare their proposals according to the requested format as set forth herein;
2. Respond directly to each question posed and provide each disclosure required herein; and,
3. Provide such relevant attachments as appropriate.

### B. Submission Instructions

To be considered a complete response, each Respondent must follow the following procedure:

**1. Notification of Intent to Respond:**

Please send a letter (to be received either by email, or hard copy) by 5:00 PM ET on December 6, 2019 addressed to the Designated Contact identified on the cover page.

In this letter, please provide the following information:

An affirmative (but non-binding) statement of your firm's intent to respond, the name of the responding firm, and a contact to whom any revisions, notifications, and any further information about this ITN can be directed.

Any responses received without a Notification of Intent to respond may be judged as non-responsive at the sole discretion of the SBA.

**2. Proposal Submission:**

All proposals are due for submission by: January 6, 2020 at 5:00 PM ET.

Please submit and deliver all documentation as required and necessary for a complete response to this ITN to the Designated Contact identified on the cover page.

Please clearly mark envelope/box:

"Data Breach Notification Services"

The following should be included in your response:

	Number of Copies	Required
1. Cover Letter (See Section V.A.)	8	Yes
2. General Information (See Section V.B.)	8	Yes
3. Summary of Proposed Services (See Section V.C.)	8	Yes
4. Fee Proposal (See Section V.D.)	8	Yes
5. Fiscal Report (See Section V.E.)	8	Yes
6. Questionnaire Response (See Section V.F.)	8	Yes
7. Conflicts of Interest (See Section V.G.)	8	Yes
8. General Survey Information (See Section V.H.)	8	Yes
9. Additional Attached Materials	8	Optional
10. Trade Secret Information (See Section VI.F.)	8	If necessary
11. Redacted copy of entire submission (See Section VI.F.)	1	If necessary
12. Electronic PDF of Response Package Submitted via Email to Designated Contact (see cover page)	1	Yes

Please provide the indicated number of hard copies of each section (in order) in your proposal. Provide an electronic copy in PDF format via email to the Designated Contact identified on the cover page.

It is each Respondent's responsibility to deliver its response to the Designated Contact's exact location specified on the cover page by the time indicated. Respondents should be certain to allow for sufficient email and mail-delivery time to ensure timely receipt of their proposals. Receipt after the time and date specified above or at another location may result in disqualification at the SBA's sole discretion. Incomplete responses may be eliminated from further consideration, in the SBA's sole discretion. The SBA accepts no responsibility whatsoever for failure to deliver or late delivery by email services or postal or commercial courier services. **Failure by the email services or postal or commercial courier services to meet the response deadline may result in disqualification.**

### C. Cost Liability

The SBA shall not be liable or responsible for any costs incurred by any Respondents in preparing and submitting any response to this ITN, attending any oral interview, or for any other activities or occurrences related to this ITN prior to the issuance of a contract. The SBA shall pay all costs incurred by the selected Respondent after the issuance of the contract in accordance with the applicable compensation schedule as agreed upon by the SBA and the successful Respondent. The SBA will not pay expenses and costs incurred outside the scope of the applicable compensation schedule.

### D. Additional Information

Questions regarding this ITN or requests for additional information should be directed to the Designated Contact in written form and sent via email to:

SBAITN2019DBNS@sbafla.com

Interested firms should not contact any employee, officer, or Trustee of the SBA concerning this ITN after the date of issuance of the ITN (except as required during the normal course of preexisting business relationships). All correspondence, inquiries, and communications regarding the ITN (aside from clarification questions and requests for additional information – see above) should be directed to the Designated Contact identified on the cover page. Questions will be taken through December 6, 2019. Copies of all questions and answers will be provided to all Respondents via a posting on the SBA website. No inquiries should be directed to any other entity or party regarding this ITN.

The SBA does not guarantee the validity or reliability of information obtained from other sources. If it becomes necessary to revise any part of this ITN, an addendum will be provided to all Respondents that received the initial

form of the ITN and the addendum will be posted on the SBA website ([www.sbafla.com](http://www.sbafla.com)), under "Doing Business with the SBA." The Respondent is responsible for checking the website for any addenda or updates.

The SBA reserves the right to accept or reject any or all requests for additional information, either in whole or in part, and may require requests to be clarified or supplemented through additional written submissions. Respondents will be notified of the rejection of their request for additional information.

## **E. Respondent's Responsibility**

Each Respondent should familiarize itself with the service specifications and the work to be performed before submitting a response. All proposals are to remain valid for at least 180 days from the date of submission.

## **F. Disclosure of Proposal Contents**

All materials submitted by Respondents shall become the property of the SBA and will not be returned. Proposals submitted may be reviewed and evaluated by any person designated by the SBA, in its sole discretion. Pursuant to Chapter 119, Florida Statutes, the Florida Public Records Law, Proposals submitted in response to this ITN are public records and must be made available for inspection in accordance with the provisions of Chapter 119. **If information is provided which could reasonably be exempt from Florida Public Records Laws, including trade secrets under Section 812.081, Florida Statutes, Respondent must: (1) clearly mark each page (as appropriate and necessary) which purportedly contains confidential or exempt information, (2) create a separate attachment clearly titled "Trade Secret Information – Data Breach Notification Services ITN Response" with the information set forth below, and (3) provide the SBA with a separate redacted copy of its response, the cover of which must contain this ITN title and shall be labeled "Redacted Copy."**

The Trade Secret Information – Data Breach Notification Services ITN Response attachment must include a table of contents with a detailed listing of and justification for EACH item marked as a "confidential." A Redacted copy shall be a copy of the entire submission, and Respondent should only redact those portions of records that Respondent claims are specifically exempt from the Florida Public Records Laws.

Designation of items as "confidential" by Respondents is not dispositive and does not guarantee that the items will not ultimately be disclosed pursuant to Chapter 119, Florida Statutes. Florida is renowned for putting a high priority on the public's right of access to governmental meetings and records. Please operate in a similar spirit and do not include any materials, which could not be reasonably judged as "trade secrets". By submitting a response, each Respondent further understands and agrees that the SBA shall have the right to use any and all information, records, documentation, or items, including any derivation or adaptation thereof or knowledge gained thereby, presented by any Respondent in any response, during any oral interview, or otherwise in connection with this ITN in negotiating and entering into any services contract or for any purpose. The SBA shall have such rights regardless of whether the SBA enters into a services contract with such Respondent or any Respondent under this ITN, successfully negotiates any services contract with any Respondent, rejects any or all responses to this ITN, amends or withdraws this ITN at any time, or otherwise satisfies its needs through alternative means.

By submitting a response to this ITN, Respondent agrees to protect, defend and indemnify SBA from and against all claims, demands, actions, suits, damages, losses, settlements, costs and expenses (including but not limited to reasonable attorney fees and costs) relating to the Respondent's determination that the redacted portions of its Response to this ITN are not subject to disclosure.

## **G. Economy of Presentation**

To be considered for selection, Respondents must submit a complete response to this ITN. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Respondent's capabilities and approach in meeting the requirements set forth in this ITN. The emphasis should be on each proposal's completeness and clarity of content.

## **H. Rejection of Proposals**

The SBA will be the sole judge of the Respondent's responsiveness to the ITN and reserves the right to reject, in whole or in part, any or all responses, with or without cause, without incurring any liability whatsoever. The SBA

may also waive any material or immaterial defect or irregularity in a response or deviation from the requirements of this ITN. Any waiver exercised under this section will not modify any provision of this ITN.

### **I. Contract Execution**

After selection, the SBA may enter into contract negotiations with the selected Respondent to finalize terms, fees and conditions. This ITN and the selected Respondent's proposal, or any part thereof, may be included in and made a part of the final contract. The resulting contract and all attachments shall be a public document.

If, in the sole opinion of the SBA, an acceptable contract with the selected Respondent cannot be reached, the SBA reserves the right to disqualify such Respondent and to negotiate with the next preferred Respondent, or to take any other actions (including no action), in its sole discretion, as contemplated by this ITN.

### **J. Contract Term**

The SBA proposes to hire a data breach notification vendor for a period of 5 years with a possible extension of 2 years for a total of 7 years. The SBA intends for the contract to be effective July 1, 2020.

### **K. Collusion**

By responding, the Respondent represents that the proposal is not made in connection with any competing Respondent submitting a separate response to the ITN and is in all respects fair and without collusion or fraud. It is further represented that the Respondent did not directly or indirectly induce any firm to submit a false or sham proposal or to refrain from proposing. In addition, the Respondent represents that it did not participate in the ITN development process, had no knowledge of the specific contents of the ITN prior to its issuance, and that no employee of the SBA participated directly or indirectly in the Respondent's proposal preparation.

### **L. Quiet Period**

The Respondent and its agents, officers, principals and employees will not engage in any written or verbal communication during the "selection period" (defined below) between the Respondent or any individual assisting the Respondent to be selected and the Executive Director & CIO of the SBA, the Evaluation Team, any SBA employee, whether or not such individual or employee is assisting in the selection of the Respondent, or any member of the Board of Trustees or their respective staffs, consultants or managers, regarding the merits of the Respondent or regarding whether the SBA should retain or select the Respondent. An exception is given for the Procurement Manager and designated members of the Evaluation Team and Negotiation Team. Any unauthorized contact may disqualify the Respondent from further consideration. Normal business communications are allowed, however, for current SBA service providers who are also ITN respondents.

The Respondent will not engage in any lobbying efforts or other attempts to influence the SBA, the Executive Director & CIO of the SBA, the Evaluation Team, or any other SBA employees, or any member of the Board of Trustees or their respective staffs, consultants or managers, in an effort to be selected. Any and all such efforts made by the Respondent or its agents, officers, principals, employees, or lobbyist will be disclosed to the Executive Director & CIO of the SBA within five calendar days of its becoming known.

The "selection period" for this ITN begins on November 18, 2019 (Date Issued) and will continue until the final selection has been announced or the selection process is otherwise concluded.

Nothing herein shall preclude the SBA from seeking clarification about the substance of the response to the ITN within the time frame as provided herein. Nothing herein shall preclude a Respondent from seeking a request for clarification as provided herein.

### **M. Respondent Guarantees**

All terms and conditions submitted in response to the ITN (all parts) must be guaranteed to remain effective and may not be changed, amended, modified, qualified, or otherwise altered by the selected Respondent(s) for a period beginning on the date of the response filing deadline for this ITN and ending at the conclusion of the term of the

services contract. All range of fees and charges, as proffered in response to this ITN must be guaranteed for the term of the services contract.

## **N. Oral Interview**

Respondents that submit a response to this ITN may be required to conduct an oral interview with the SBA with respect to their responses. Should oral interviews be entertained for any such Respondent, each selected Respondent will be given an opportunity to clarify or elaborate on its response. The SBA will determine the occurrence, date, time, and location of such presentation(s), if needed.

## **O. Right to Amend and/or Withdraw**

The SBA, in its sole discretion, reserves the right to amend or withdraw this ITN at any time and for any reason. Issuance of this ITN in no way constitutes a commitment by or obligation of the SBA to enter into an agreement with any Respondent ultimately selected, and the SBA may, in its sole discretion, reject all responses to this ITN for any reason whatsoever.

## **Q. False or Misleading Statements**

Any response which contains false or misleading statements, or which provides references which do not support an attribute, condition, or capability claimed in the response, will not be considered by the SBA, if, in the opinion of the SBA, such false or misleading statement was intended to mislead the SBA in its evaluation of such response.

## **R. Further Instructions and Conditions**

1. All responses to this ITN must conform to these instructions. Failure to conform may be considered appropriate cause for rejection of the response in the SBA's sole discretion.
2. Terms and conditions of ITN – Submission of a proposal indicates the Respondent's acceptance of the conditions contained in this ITN, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the SBA and the firm selected. If Respondent does not agree to any terms within Appendix II, SBA Data Security Addendum, Respondent must submit a red-line addendum containing all proposed changes.
3. Conformance with statutes – Any contract awarded as a result of this ITN must be in full conformance with statutory requirements of the State of Florida and the U.S. Government.
4. Timing and sequence – The timing and sequence of events resulting from this ITN will be determined solely by the SBA, and may be modified by the SBA in its sole discretion.
5. Oral agreements - Any alleged oral agreement or arrangement made by a Respondent with any agency or employee shall be superseded by the written contract between the SBA and such a Respondent.
6. Amending or canceling requests - The SBA reserves the right to amend or cancel this ITN, prior to the due date and time, at its sole discretion.
7. Rejection for default or misrepresentation - The SBA reserves the right to reject the proposal of any Respondent that is in default of any prior contract, for misrepresentation or otherwise, as may be determined by the SBA (or its designate), in its sole discretion.
8. SBA's clerical errors in awards - The SBA reserves the right to correct, in its sole discretion, inaccurate awards resulting from its clerical errors.
9. Rejection of qualified proposals - Proposals are subject to rejection in whole or in part if they limit or modify any of the terms and conditions and/or specifications of the ITN.

10. Respondent's presentation of supporting evidence - A Respondent, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in its proposal.
11. Respondent's changes to proposal - No additions or changes to a Respondent's original proposal shall be allowed after submittal, except where corrections of errors or omissions may serve the best interests of the FRS and the SBA. Clarification at the request of the SBA may be required at the Respondent's expense. The SBA may permit any Respondent to modify its response after the deadline if the SBA determines that such modification is in the best interest of the SBA.
12. SBA's corrections and changes – Any corrections or changes to this ITN will be issued by the SBA, will be identified as a correction or change, and will be posted on the SBA website. Corrections or changes made in any other manner will not be binding. It is the responsibility of the Respondent to obtain all corrections and changes.
13. Right to award, reject or waive – The SBA reserves the right, in its sole discretion, to award in part, to reject any and all proposals in whole or in part, to waive technical defects, irregularities and omissions if, in its judgment, the best interests of the FRS and the SBA will be served.
14. Dispute Resolution and Venue - The Agreement will not include binding arbitration provisions, such as those typically found in Alternative Dispute Resolution Procedures, and any action or proceeding to resolve any disputes will be brought and conducted in a state court located in Leon County, Florida.
15. Indemnification and Exculpation – The Agreement will not include exculpatory clauses absolving the Respondent from liability arising from its actions. Additionally, the Agreement will not include provisions wherein the SBA indemnifies Respondent.
16. Response Content and Format - In determining the capabilities of a Respondent to perform the services specified herein, the information required in this ITN must be provided by the Respondent and will be weighed by the Evaluation Team as indicated in the evaluation process. **(Note: Each requirement must be thoroughly addressed. Taking exception to any requirement listed in the ITN may disqualify the Respondent and its response, in the SBA's sole discretion.)**
17. Respondent's Credentials - The SBA may make such investigations, as deemed necessary in its sole discretion, to determine the ability of the Respondent to perform the services contemplated by this ITN. The SBA reserves the right to reject any response if the evidence submitted by, or the investigation of, the Respondent fails to satisfy the SBA that the Respondent is properly qualified to carry out the obligations of the Agreement.

## Section VII - Questionnaire

The Respondent must answer all the questions posed in this section. The answers must be organized in the same sequence as the questions are presented. Each question must be replicated in no less than **Bold** 10 point font and precede each response.

### A. General Questions

1. Please provide the name(s), title(s), address(es), e-mail address, and telephone and fax number(s) of the individual(s) responsible for responding to these questions.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your operations. Please describe any parent/subsidiary/affiliate relationships. Include information on the geographical locations of your call centers.
3. Discuss any recently announced or upcoming changes to ownership or leadership structure, including any pending agreements to merge or sell the company or its parent.
4. Provide the following organizational details about your firm and detail the ownership structure of the firm in the chart below:

Ownership Details and Structure	RESPONSE
Form of organization (corporation, partnership, LLC, etc.)	
Ownership % of each principal (list names)	
Ownership % by minorities (list names)	
Ownership % by women (list names)	

5. Does your firm, including parent/subsidiaries/affiliates, have any economic interest in credit monitoring services or the sale or marketing of investment products, including but not limited to mutual funds, annuities, and insurance?
6. Do you ever:
  - Distribute any promotional materials to employees or other stakeholders of clients for products or services not contracted for by SBA?
  - Actively solicit employees or other stakeholders of clients before, during, or after a telephone call with an employee/stakeholder or notification via mail/email?
7. Has your practice been the subject of litigation or claims in the last three years? If so, for each instance, describe the nature of the suit or claim, including its resolution or its current status.
8. Describe any additional potentially adverse issues or concerns regarding your firm or its personnel that we should be aware of in considering your firm as a breach notification vendor for the SBA.
9. Briefly describe your firm's background and experience in providing breach notification services. Provide a representative client list.
10. Describe the qualifications of your leadership team and any significant recent changes in the leadership of your practice.

11. Describe the financial strength and stability of your firm; please provide any available corroborating financial information, such as audited or unaudited financial statements, statement of net assets, earnings, etc.
12. Please describe what distinguishes your breach notification services from the services provided by your competitors. Why should we select you?
13. List a contact name and telephone number for five of your current or recent clients who will serve as references.
14. Complete the table below which deals with organizations that you have served in the past but have terminated your services. Also, indicate the rationale provided by these clients for service termination.

	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018
Total Number of Clients (group by type of service)			
Number of Clients Terminating Service (group by type of service)			
Number of Eligible Participants (i.e., individuals for whom services may be provided) for Largest Client Terminating Service (indicate services terminated)			

15. What is your average client relationship duration?
16. Describe your fee structure generally, indicating the various types of pricing structures you would be willing to work under. Specific fee proposals are requested in Section V. D.
17. What types of academic accomplishment, experience and training is required for your new employees before they are assigned to provide telephone support.
18. Describe any presence your organization currently has in Florida. Do you intend to expand or create a presence in Florida should your firm be selected to provide the requested services? For the purposes of this question, include any business operations of your organization, any affiliates or subsidiary organizations, or any organizations with which you are partnering to provide the requested services.
19. Describe your insurance coverage for errors and omissions. Describe the various types of coverage and indemnification provided to protect clients, including:
  - a. Risks covered
  - b. Carriers
  - c. Levels
  - d. Limits
  - e. Deductibles

## **B. Descriptive Information on Your Breach Notification Services**

1. Describe all of your currently provided breach notification services.
2. Describe separately the services you would tailor to the SBA's needs. Provide samples of any notification materials, if applicable.
3. Do you provide all of your breach notification services in-house or are some/all provided through third parties? Do you intent to utilize third parties to provide services to the SBA? Explain.
4. Describe the process(es) you use to help clients measure the effectiveness of the breach notification services.
5. How do you evaluate your success?
6. Explain how your company complies with the Americans with Disabilities Act when delivering notifications and services to disabled members.
7. Describe what data breach information you typically provide. Provide examples of your materials, if possible.
8. Are you willing to provide service performance guarantees? If so, please describe. What percent of your total breach notification is subject to a service guarantee provision?
9. Describe your current capacity to serve your largest client. Indicate how this capacity translates into service levels to the SBA. This should cover, as applicable, telephone and on-line support.
10. What do you see as the major challenges in providing support to the SBA?
11. Regarding call center services:
  - How long would it take to get the call center activated and be operational?
  - What operating hours are typical and would you be willing to expand your operating hours if awarded the contract?
  - How long does your average caller have to wait before a representative answers?
  - How long do you expect the average telephone conversation to last?
  - May a caller leave a message to receive a return call if he/she is calling during off-hours?
  - What is the current maximum response time if a message is left?
  - Is the caller able to obtain the identity of the representative (i.e., will they be able to seek out specific individuals on future calls)?
  - How many call center personnel do you believe will be necessary to handle the workload from our program?
  - How do you monitor and evaluate how well your personnel respond to caller questions?
  - How are calls and caller questions allocated to your call center personnel? Are there specialists who field particular types of questions?
12. Do you record your telephone conversations with plan participants? Are the recorded calls available to the SBA for review? Describe this process and how specific calls can be retrieved by the SBA.
13. Do you survey the notified individuals who use your services? Are you willing to make the survey results available to the SBA?
14. How do you measure the success of your programs in meeting clients' objectives? What changes have you made, or are you making, to your services or products in response to program evaluations?

15. What methods of customer service quality controls do you utilize? Do you monitor telephone conversations? Are your personnel aware that they are being monitored? Will the callers be aware that they are being monitored? Do you allow plan sponsors to monitor telephone conversations?
16. How do you ensure that callers receive consistent and accurate information from each of your call center employees?
17. Have your services ever received an award for excellence or high accomplishment? Please describe the awarded program, including but not limited to its objectives, the employee base, the specific deliverables and deployment strategy, the reaction of affected employees and how you measured the program's effectiveness.

### **C. Risk Management and Data Protection**

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Risk Management and Data Protection or a detailed articulation of qualifications, if any.
2. Describe your firm's ethics policy and how ethical behavior is encouraged throughout the firm. If applicable, please provide us with a copy of your firm's ethics policy.
3. Provide any internal ethics code compliance review process and how your compliance system is tested. Describe any processes used to identify and evaluate risk controls with potential exposures and to guard against unauthorized access to sensitive participant and financial data along with how the system is maintained, monitored and evaluated.
4. Describe your company's processes and protocols for dealing with cyber threats and how data is secured within the system, including standard and advanced authentication procedures (i.e., PIN, audit trail, confirmations).
5. Please provide any security audits and/or intrusion tests along with any findings. If you are not able to provide this information, provide an explanation of why this cannot be provided and a summary of the testing and outcome of findings.
6. Does your firm have an enterprise security policy?
7. Has your firm achieved any data protection standards or certifications (e.g. NIST RMF, ISO/IEC 27001, COBIT, COSO, ITIL)? If so, please describe.
8. Describe any third party assurances or certifications your firm has obtained such as SSAE18, SOC reports, ISO certifications, etc.
9. On a staff level, provide any industry-wide standards, certifications, or qualifications that would demonstrate your expertise, experience and capabilities to provide the requested services.
10. Can your service organization provide its most recent Service Organization Control (SOC) 1 and/or 2 Reports, related to design and effectiveness of financial reporting controls? If so, please forward.
11. Does your organization have a Cyber Security Insurance policy in place? If so, provide a copy of the policy. If not, do you anticipate obtaining insurance in the future?
12. How do you assess employees' security awareness/knowledge? Describe your internal security awareness program.
13. Describe your disaster recovery plan. How often do you test your recovery system?

14. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach. Where are your off-site backup facilities located?
15. How do you protect customer data in transit and at rest?
16. Are your systems subjected to penetration testing? Is testing performed by internal personnel or outsourced? When was the last penetration test? What were the results?
17. Does your organization scan and/or test for vulnerabilities in your service/application, and if so, how quickly are any identified vulnerabilities remediated? Please provide as much detail in your answer as possible.
18. Do you use a third party to perform security assessments of your information systems?
19. Do you perform security assessments of your suppliers, contractors and business partners to ensure data protection?
20. What training does your development and testing teams receive specific to application security?
21. Does your organization follow current threat trends? How?
22. Does your organization have a breach notification plan in place?
23. In the last five years, have you experienced unauthorized access or distribution of participant and financial data due to a breach of your firm's information systems? If so, please briefly describe each, including remediation efforts.
24. Is there a formal procedure for reporting a suspected security violation?
25. Who are the key day-to-day and executive contacts in case of a cybersecurity issue?
26. How and when will you notify customers of any suspected security breaches?
27. Are you knowledgeable of State of Florida data security breach notification requirements set forth in Section 501.171, Florida Statutes, if an issue occurs?
28. Describe your incident response plans and capabilities. Are there any services that you would provide individuals who may be impacted by the data breach, at no charge to the individual or the SBA?

**D. Fees and Services**

All respondents must complete the Fee Proposals tables. The fee proposed should take into consideration all requirements described in this ITN, Section II Scope of Services. Any deviations, reductions, enhancements, or changes to the services outlined in the ITN must be fully disclosed and described in detail.

The respondent should assume a five-year contract period, with the option of a full one-year or a full two-year extension. Fees would be negotiated at the time of contract extension. Any yearly retainers should be indicated.

Indicate the basis for the fee proposal, any minimum/maximum fee, and breakdown the fee in each category if possible, e.g., postage vs. design and development, materials, etc. Consider volume breakpoints in your fee structure and provide alternative pricing structures for the services being quoted, which would assist SBA in managing its costs. Fees presented should be all-inclusive fees. To the extent that a service or component is not included in the base fee schedule, it must be identified separately.

**I. TELEPHONE COUNSELING**

Respondents must propose a per-person annual dollar fee, which must be proposed as a total fee for all persons (as described in the chart below). The fees quoted may be provided on an increasing (or decreasing) schedule in which the fee increases (or decreases) in later years of the contract based on the respondent’s expectations of the cost of providing services during the contract period. If the fees will vary by year, a separate table should be prepared for each contract year and appropriately labeled. If such a fee schedule is proposed, the respondent must be specific and provide all details necessary for the SBA to fully evaluate the costs and benefits of such a schedule. Out of pocket expenses are not to be included in the per person fee. Provide a list of anticipated out of pocket expenses which you expect to be reimbursed and provide an estimated per person cost.

<b>Number of Calls</b>	<b>Total Per Person Fee</b>	<b>Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)</b>
<1,000		
1,000-4,999		
5,000-19,999		
20,000-99,999		
100,000-249,999		
250,000-499,999		
>500,000		

<b>Number of Calls</b>	<b>Total Yearly Flat Fee</b>
No minimum/maximum	

**II. EMPLOYEE NOTIFICATION SERVICES**

Number of Letters	Total Per Person Fee*
<1,000	
1,000-4,999	
5,000-19,999	
20,000-99,999	
100,000-249,999	
250,000-499,999	
>500,000	

\*Includes printing, postage and handling costs.

Number of Letters	Total Yearly Flat Fee
No minimum/maximum	

Number of Emails	Total Per Person Fee*
<1,000	
1,000-4,999	
5,000-19,999	
20,000-99,999	
100,000-249,999	
250,000-499,999	
>500,000	

Number of Emails	Total Yearly Flat Fee
No minimum/maximum	

**III. ADDITIONAL/DELETED SERVICES**

Provide additional fee information for any ongoing services for which you expect to be compensated in addition to the fees provided in the schedule above. The fee should be based on a “not to exceed” hourly rate.

**IV. IMPLEMENTATION COSTS**

Using the format below, identify one-time, implementation costs that are not covered in the fees proposed above but that you expect to incur. The respondent must provide an itemized breakdown of the various activities to which these implementation costs are attributable. Categories for these activities may include custom programming, record setup, web site and others.

One-Time Implementation Costs	Fee	Comments
Training for SBA staff		
Create a master notification plan		
Call center set-up		
Website set-up		
Other charges: list separately and provide details		

Once you have detailed the implementation costs, describe how you propose to amortize and be reimbursed for these costs. If the contract is terminated prior to the end of the initial five-year contract period for any reason, other than for cause, indicate any amounts that, at the end of each year, will remain unpaid and specify the contract termination terms you would require. The amount of these implementation costs should be expressed in a flat dollar amount.

	<b>Amount, if applicable</b>	<b>Itemized Breakdown By Activity</b>
Total amount of implementation costs		
Amount remaining at end of contract year one		
Amount remaining at end of contract year two		
Amount remaining at end of contract year three		
Amount remaining at end of contract year four		

**V. TOTAL OVERALL COST**

Provide an overall cost that covers all breach notification services including implementation costs. Assume telephone and mail/email notifications are provided at a flat fee with no minimum/maximums.

<b>Total Per Breach Flat Fee</b>	<b>Yearly Retainer</b>

**E. General Survey Information**

Please answer the following survey information regarding the breach notification services you provide:

**Total clients for which you provide this service**

Total number of ongoing clients (i.e., distinct entities)	
Total number of participants eligible to receive services for these clients	

**Largest client (based on number of participants eligible for service)**

Largest number of Eligible Participants from any single client	
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**Call center**

Annual call volume	
Peak daily call volume	
Number of currently employed fully-dedicated call center representatives	

## Appendix I: Service Requirements - Affirmation Statement

By inclusion and execution of the statement provided herein, each Respondent shall certify that:

- ❑ The selection of the Respondent will not result in any actual, potential, or perceived conflict of interest with the SBA. Alternately, should any potential or existing conflict be known by the Respondent, the response shall specify the party with which the conflict exists or might arise, the nature of the conflict and whether the Respondent would step aside or resign from that engagement creating the conflict.
- ❑ The response is made without prior understanding, agreement, or connection with any corporation, other Respondent, or person submitting a response for the same services, and is in all respects fair and without collusion or fraud.
- ❑ The selection of the Respondent will not violate Section 215.684, Florida Statutes, which prohibits the State from selecting certain providers that have been convicted of or entered a plea of nolo contendere to fraud within a period of two years of such conviction.
- ❑ The Respondent and the agents, officers, principals, and professional employees thereof have not and will not participate in any communication prohibited in this ITN.
- ❑ The Respondent's responses to the ITN are those of the Respondent and have not been copied or obtained from any other Respondent responding to any other ITN or competitive proposal whether in Florida or elsewhere either in the past or present.
- ❑ The Respondent meets the Minimum Qualifications set forth in Section I, subsection D. of the ITN.
- ❑ The Respondent must accept and enter into a written services contract including a data security addendum as supplied by the SBA. Final language will be negotiated in the contract negotiation phase.

*The Respondent hereby agrees to abide by all conditions of this ITN for Data Breach Notification Services for the SBA, and I hereby certify that all information provided in this response is true and correct, that I am authorized to sign this response for the Respondent and that the Respondent is in compliance with all requirements of this ITN, including but not limited to, requirements in this Appendix I.*

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Authorized Signature (Manual)

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Name and Title (Typed)

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Date (Typed)

## Appendix II: State Board of Administration Data Security Addendum.

1. **Data Security; SBA Data**. The Contractor shall comply with the provisions of applicable SBA policies, as amended by the SBA from time to time, including: SBA Policy #20-404 Remote Access; SBA Policy #20-411 Anti-Virus; and SBA Policy #10-409 Confidential/Sensitive Electronic Data Handling. The Contractor shall provide immediate notice to the SBA in the event it becomes aware of any security breach or any unauthorized transmission or loss of any SBA Data. The Contractor will provide immediate notice to the SBA of any known or suspected violation of any SBA policy. For purposes of this Addendum, "SBA Data" means all data accessed, created, maintained, obtained, processed, stored, or transmitted by the Contractor in the course of performing the Contract and all information derived therefrom.
2. **Nondisclosure**. SBA Data shall be considered confidential and proprietary information to the extent permitted by Florida or other applicable law. The Contractor shall hold SBA Data in confidence and shall not disclose SBA Data to any person or entity except as authorized by the SBA or as required by law.
3. **Loss or Breach of Data**. In the event a loss (including destruction) or breach of SBA Data in Contractor's possession is confirmed or suspected, the Contractor will promptly perform due diligence and promptly report findings to the SBA. Contractor will pay all costs to remediate and correct any problems caused by or resulting from the loss or breach (including, without limitation, the cost to notify third parties, provide credit monitoring services to third parties, and recreate lost data in a manner and on the schedule set by the SBA), in addition to any other damages the SBA may be entitled to by law or the Contract. The Contractor will also reimburse the SBA for costs paid to any vendor for data breach response services, which may include but is not limited to security-related call centers and website activation. The Contractor acknowledges that failure to maintain security that results in a loss or breach of SBA Data may subject the Contractor to the administrative sanctions for failure to comply with Section 501.171, Florida Statutes.
4. **Security Audits**. If SBA Data will reside in the Contractor's system, the SBA may conduct, or may request the Contractor to conduct at the Contractor's expense, an annual network penetration test or security audit of the Contractor's system(s) on which SBA Data resides. If the term of the Contract is less than a year long, the penetration test or security audit of the Contractor's system(s) on which SBA Data resides, may be exercised at any time during the term of the Contract.
5. **Data Protection**. No SBA Data will be transmitted or shipped to entities outside of the United States of America, nor will it be stored or processed in systems located outside of the United States of America, regardless of the method or level of encryption employed. Access to SBA Data shall only be available to authorized Contractor Representatives that have a legitimate business need. For purposes of this Addendum, "Contractor Representatives" means the Contractor's officers, directors, employees, agents, contractors, subcontractors and consultants (including affiliates thereof). Requests for access to the SBA's information

technology resources shall be submitted to the SBA's Support and Office Services (“**Help Desk**”) staff. With the SBA’s approval, Contractor Representatives may be granted access to SBA information technology resources as necessary for fulfillment of related responsibilities. Prior to the provision of access to SBA information technology resources, Contractor Representatives must execute the SBA “Systems Use Agreement”, a copy of which will be provided by the SBA upon request. Remote connections are subject to detailed monitoring as deemed appropriate by the SBA. The Contractor will promptly notify the SBA with any access change requests, including termination requests for specific Contractor Representatives.

6. **Encryption.** The Contractor shall encrypt all SBA Data, in transmission and at rest, using SBA approved encryption technologies.
7. **Indemnification.** The Contractor agrees to protect, indemnify, defend and hold harmless the SBA, its trustees, officers and employees from and against any and all costs, claims, demands, damages, losses, liabilities and expenses (including reasonable counsel fees and expenses, and investigation, collection, settlement and litigation costs) resulting or arising from or in any way related to the Contractor’s breach of data security, negligent acts or omissions, fraud, willful misconduct, violation of law, or breach of this Addendum or the Contract.
8. **Specific security requirements.** The Contractor shall not use SBA Data except as permitted by the Contract. The Contractor has established appropriate administrative, technical, and physical safeguards to protect the confidentiality of, and to prevent the unauthorized use or access to, SBA Data.
9. **Back-ups.** The Contractor shall maintain and secure adequate back-ups of all SBA Data, including, but without limitation, all documentation and programs utilized to process or access SBA Data.
10. **Data Security Procedures.** The Contractor shall develop data security procedures to ensure only authorized access to data and databases by Contractor Representatives for purposes of performing the Contract and to ensure no unauthorized access to data or databases by individuals or entities other than those authorized by the Contract or the SBA. The Contractor shall ensure that access to data and databases by Contractor Representatives will be provided on a need to know basis and will adhere to the principle of least privilege. (The principle of least privilege means giving a user account only those privileges which are essential to perform its intended function.)
11. **Ownership of Data.** The Contractor shall provide to the SBA, upon its request, SBA Data in the form and format reasonably requested by the SBA. The Contractor will not sell, assign, lease, or otherwise transfer any SBA Data to third parties, or commercially exploit SBA Data, except as authorized by the SBA. The Contractor will not possess or assert any lien or other right against or to any SBA Data in any circumstances. SBA Data is and shall remain the exclusive property of the SBA. SBA Data created by the Contractor, obtained by the

Contractor from a source other than the SBA, or derived from SBA Data will become property of the SBA immediately upon the creation, receipt or derivation of such data, as applicable.

12. **Background Checks**. The Contractor shall ensure that Contractor Representatives assisting in the performance of the Contract have passed appropriate, industry standard, background screening (include criminal background checks) and possess the qualifications and training to comply with the terms of the Contract, before being provided access to SBA Data. Upon the SBA's request, the Contractor shall provide to the SBA an attestation that the foregoing background checks have been completed.
13. **Compliance**. The Contractor represents and warrants that it is in compliance with, and agrees and covenants that it will at all times during the term of the Contract continue to be compliance with, all applicable laws, regulations and industry standards (including, without limitation, all applicable laws, regulations and industry standards relating to cybersecurity or data collection, storage, security or privacy).
14. **Return / Destruction of SBA Data**. The Contractor shall not at any time destroy any SBA Data without the prior written consent of the SBA. Within 30 days of the completion, termination or expiration of the Contract, the Contractor will transfer SBA Data to the SBA (if so directed by the SBA) and, unless otherwise required by any applicable law, destroy all SBA Data possessed by the Contractor. The Contractor shall provide the SBA documentation affirming the completion of any SBA requested data transfer (including confirmation of receipt by the SBA) and the destruction of any SBA Data possessed by the Contractor.
15. **Subcontractor/Agents**. The Contractor shall be responsible and accountable for the acts or omissions of Contractor Representatives to the same extent it is responsible and accountable for its own actions or omissions under this Addendum. The Contractor agrees to impose the requirements of this Addendum on all Contractor Representatives assisting in the performance of the Contract, and the Contractor shall execute a written agreement with each such Contractor Representative containing equivalent terms to this Addendum.
16. **Right to Audit**.
  - a. During the term of the Contract and for a period of ten (10) years after the expiration or termination of the Contract, the SBA shall have the right to have any person or entity designated by the SBA, including an independent public accountant or auditor and/or any federal or state auditor, to inspect, review and/or audit, any books, records and supporting documents relating to the Contract and/or the subject matter of the Contract (the "**Records**"). In the event such right is exercised and upon no less than ten (10) business days' prior written notice by the SBA, the Contractor agrees to permit reasonable access to its premises and the Records during Contractor's normal business hours. The SBA shall have the right, in connection with any such inspection, review and/or audit, to have one or more members of its staff present at all times. During the term of the Contract and for a period of ten (10) years after the expiration or

termination of the Contract (or for any longer period of time that may be required by any applicable law relating to the retention of Records), the Contractor shall maintain and retain the Records, at its sole expense. In the event the SBA and/or its designees are in the process of conducting such an inspection, review and/or audit upon the expiration of the ten (10)-year access and/or retention periods described herein, then this Section 16 shall survive in its entirety until the conclusion of such inspection, review and/or audit, in the SBA's or the SBA designee's reasonable determination. For the avoidance of doubt, the scope of any inspection, review and/or audit under this Section 16 may include, without limitation, the Contractor's compliance with the terms of the Contract, compliance with any applicable foreign, federal, state and/or local law or regulation, an assessment of risks and controls and/or the source and application of the SBA's funds.

- b. The Contractor shall use best efforts to cooperate with the SBA and any person or entity designated by the SBA in connection with any inspection, review and/or audit under this Section 16 including, without limitation, causing its relevant and knowledgeable employees and/or representatives to be available to assist and to respond to reasonable inquiries and requests of the SBA and/or its designees. The Contractor shall respond (including, if relevant and appropriate, with an action plan) within a reasonable time to any reports, findings and/or assessments provided to the Contractor by the SBA and/or its designees, and the Contractor shall provide a copy of all such responses to the SBA. The Contractor acknowledges and agrees that any such report, finding and/or assessment is intended for the sole use and for the benefit of the SBA.
- c. Except as set forth herein, the SBA shall bear the costs of any inspection, review and/or audit described in this Section 16. However, in the event, the SBA and/or its designees conclude that the Contractor overcharged the SBA or that the Contractor engaged in or committed (including through acts or omissions) any fraud, misrepresentation and/or non-performance, then the Contractor shall be obligated to reimburse the SBA for the total costs of inspection, review and/or audit no later than ninety (90) days after the SBA's request for reimbursement thereof. The Contractor's reimbursement obligation herein shall be in addition to all other rights, remedies and damages available to the SBA at law or in equity, which shall not be deemed waived or relinquished in any way because of the Contractor's additional reimbursement obligation hereunder.

17. **Public Records.** The Contractor acknowledges that SBA Data will constitute "public records" which will be subject to public access and disclosure under Chapter 119, Florida Statutes, as amended from time to time ("**Chapter 119, Florida Statutes**") unless such records are exempt from disclosure under Chapter 119, Florida Statutes. To the extent applicable, the Contractor shall comply with Chapter 119, Florida Statutes. In particular, the Contractor shall:
- (a) Keep and maintain public records required by the SBA in order to perform the services under the Contract;

(b) Upon request from the SBA's custodian of public records, provide the SBA with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by Florida law;

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Contract and following completion of the Contract if the Contractor does not transfer the records to the SBA; and

(d) Upon completion of the Contract, transfer, at no cost, to the SBA all public records in the Contractor's possession (if so directed by the SBA) or keep and maintain public records required by the SBA to perform the service. If the Contractor transfers all public records to the SBA upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. The Contractor shall provide all records that are stored electronically to the SBA, upon request from the SBA's custodian of public records, in a format that is compatible with the information technology systems of the SBA.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF THE PUBLIC RECORDS AT:**

**STATE BOARD OF ADMINISTRATION OF FLORIDA  
POST OFFICE BOX 13300  
TALLAHASSEE, FLORIDA 32317-3300  
(850) 488-4406  
SBAContracts\_DL@sbafla.com**

18. **Entire Agreement.** This Addendum and any and all exhibits, schedules and enclosures attached hereto, which are incorporated into the Addendum by this reference, constitute and embody the entire agreement and understanding of the parties with respect to the subject matter hereof, supersede any prior or contemporaneous agreements or understandings with respect to the subject matter hereof, and, unless otherwise provided herein, cannot be altered, amended, supplemented, or abridged or any provisions waived except by written agreement of the parties.
19. **Governing Law; Venue.** This Addendum shall be construed and enforced in accordance with the laws of the State of Florida without regard to conflict of law principles. Any proceeding to resolve disputes regarding or arising out of this Addendum shall be conducted in the state courts located in Leon County, Florida, and the parties hereby consent to the jurisdiction and venue of those courts.

20. **Counterparts.** This Addendum may be executed in several counterparts, each of which shall be deemed to be an original, but together shall constitute one and the same document.
21. **Survival.** This Addendum will survive any termination or expiration of the Contract and will continue in effect until all SBA Data has been returned to the SBA (if so directed by the SBA) and all SBA Data retained by the Contractor is destroyed. Notwithstanding the foregoing, the provisions of Section 16 (Right to Audit) of this Addendum will survive any termination or expiration of the Contract and will continue in effect as provided therein.