

Invitation to Negotiate

**FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN ADMINISTRATOR
AND FLORIDA RETIREMENT SYSTEM PLAN CHOICE ADMINISTRATOR**

Issued by
THE STATE BOARD OF ADMINISTRATION OF FLORIDA

January 7, 2019

**DEADLINE FOR RECEIPT OF
NOTIFICATION OF INTENT TO RESPOND:
January 14, 2019 5:00 pm ET**

**DEADLINE FOR RECEIPT OF RESPONSES:
February 4, 2019 5:00 pm ET**

Submit Responses to:

Ruthie Bianco
State Board of Administration of Florida
Office of Defined Contribution Programs
Hermitage Centre
1801 Hermitage Boulevard
Suite 100
Tallahassee, FL 32308

Telephone:

(850) 413-1494

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 contact listed above.

Table of Contents

SECTION I – PURPOSE AND GENERAL INFORMATION 3
A. Purpose 3
B. Background and General Information 3
C. Investment Plan — Fund Descriptions 6
D. General Plan Information 6
F. Minimum Qualifications 9

SECTION II. 1 – SCOPE OF SERVICES – ADMINISTRATION AND RECORDKEEPING SERVICES... 10
SECTION II.2 – SCOPE OF SERVICES (OPTIONAL SELF-DIRECTED BROKERAGE ACCOUNT SERVICES)..... 33

SECTION III – EVALUATION CRITERIA..... 34
A. Criteria..... 34
B. Scoring Categories..... 34

SECTION IV – TIMELINE 35

SECTION V – REQUIRED INFORMATION 36
A. Cover Letter..... 36
B. General Information 36
C. Summary of Proposed Services 36
D. Fee Proposal..... 37
E. Fiscal Report 37
F. Questionnaire Response..... 37
G. Conflicts of Interest 37
H. Service Requirements Affirmation Statement:..... 38

SECTION VI – PROPOSAL REQUIREMENTS 39
A. Instructions for Completion 39
B. Submission Instructions 39
C. Cost Liability 40
D. Additional Information 40
E. Respondent’s Responsibility 41
F. Disclosure of Proposal Contents..... 41
G. Economy of Presentation 41
H. Rejection of Proposals 41
I. Contract Execution 42
J. Contract Term 42
K. Collusion 42
L. Quiet Period 42
M. Respondent Guarantees 42
N. Oral Interview 43
O. Right to Amend and/or Withdraw 43
P. False or Misleading Statements..... 43
Q. Further Instructions and Conditions 43

SECTION VII. QUESTIONNAIRE..... 45
General Administration Services (Covers Services Outlined in Section II.1 of the ITN) 45
Risk Management and Data Protection..... 63
Optional Self-Directed Brokerage Account (SDBA) Services to Be Provided (Covers Services Outlined in Section II.2 of the ITN) 64

SECTION VIII. FEES AND SERVICES 67

APPENDIX A: SERVICE REQUIREMENTS - AFFIRMATION STATEMENT..... 74

Section I – Purpose and General Information

A. Purpose

The Florida State Board of Administration (SBA), Office of Defined Contribution Programs (ODCP), is soliciting competitive responses from vendors, through this Invitation to Negotiate (ITN), who would be qualified to offer administrative/recordkeeping services for the Florida Retirement System (FRS) Investment Plan and who could assume the role of the Plan Choice Administrator for both the Investment Plan and the Pension Plan. The Investment Plan (“Plan” or “Investment Plan”) is an Internal Revenue Code (IRC) Section 401(a) defined contribution plan and the Pension Plan (“Pension Plan”) is an IRC Section 401(a) defined benefit plan.

The SBA is seeking one vendor with core competencies in all of the following areas:

1. Enrollment processing of new FRS-covered employees and 2nd election transactions, in coordination with the Florida Division of Retirement (“Division”).
2. Complete Plan administration and recordkeeping services.
3. Comprehensive and customized reporting of Plan activity.
4. Capable and high quality access channels.
5. Innovative technology solutions and an advanced digital platform.
6. Robust technology and systems abilities capable of meeting customization requirements.
7. A robust security framework capable of securing Plan and member data.
8. Communication and fulfillment services.
9. Effective management of risks and transitions with appropriate project documentation.
10. A culture of flexibility and capability structured around client satisfaction.
11. Self-Directed Brokerage capabilities leveraging high quality proprietary framework or open architecture interface with a third party.

Important: Respond to the ITN only with respect to your firm and the products/services it provides directly, unless a question expressly directs otherwise. If you desire to be considered under this ITN process as a provider of administrative/recordkeeping and plan choice administration, responses to this ITN should be sufficiently detailed to demonstrate the respondent’s ability to effectively operate in a collaborative environment.

Independence of Service Providers

The firm selected to provide administrative/recordkeeping and plan choice services to FRS members as required under section 121.4501(8)(a)1, F.S., may not be, or be affiliated with, an approved provider. An “approved provider” is defined under the statute as a private sector company that is selected and approved by the SBA to offer one or more investment products or services to the Plan.

There is no prohibition against the selected recordkeeping/plan choice administrator provider being an investment product provider, or being affiliated with a provider, under the State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), or the Senior Management Service Optional Annuity Plan (SMSOAP). There is also no prohibition against a selected provider being an investment product provider, or being affiliated with a provider, under any of the voluntary tax deferred savings plans sponsored by any participating employers of the State or its agencies, local governments, cities, or special districts. These include IRC Section 403(b), 457, 401(k), or any similar plans.

B. Background and General Information

Organization of the State Board of Administration of Florida (SBA)

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 Pension Plan (an IRC Section 401(a) defined benefit plan), the Lawton Chiles Endowment Fund, the Local Government Surplus Funds Trust Fund, and a variety of smaller funds. Additionally, the SBA is the Plan Sponsor for the Investment Plan (an

IRC Section 401(a) defined contribution plan), and is responsible for a multi-media education program (i.e., MyFRS Financial Guidance Program) available to all active members of the FRS to help them make informed choices between the two FRS retirement plans, within their FRS plan choice period and beyond, and to prepare financially for retirement.

Governing Authority

The SBA has three Trustees ("the Board"). The Board consists of: the Governor; the Chief Financial Officer; and the State Attorney General. The Trustees of the Board are elected statewide to their respective positions.

Administrative Structure

The Trustees delegate the day-to-day management of the Investment Plan to the SBA's Executive Director & CIO, who serves at the discretion of the Trustees and is responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. Within the SBA, the ODCP is a separate budget entity reporting to the Executive Director & CIO.

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

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

1. The 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. (Note: employees in the Special Risk Class will default into the Pension Plan if no election is made). Vesting is six years for members hired before July 1, 2011 and eight years for those hired July 1, 2011 and after. The Pension Plan has been in place since 1970 and has 522,823 active members and 419,297 retirees. The total market value of the Pension Plan was \$163.2 billion as of September 30, 2018.
2. The Investment Plan is a participant-directed IRC Section 401(a) defined contribution program. Vesting is one year. Benefits accrue in individual accounts that are participant-directed, portable, and funded by employee and employer contributions and earnings. In accordance with Section 121.4501(15)(b), F.S., participants and beneficiaries bear the investment risks that result when they exercise control over investments in their accounts. The Plan has been in place since mid-2002 and had 190,210 active accounts and almost 130,342 retirees as of September 30, 2018. The total market value of the Investment Plan was \$11.1 billion as of September 30, 2018.

In 2000, legislation was enacted directing the Trustees of the SBA to establish the Investment Plan. Starting in mid-2002 and ending in early 2003, existing Pension Plan members had the option of transferring a sum representing the present value of the employees' accumulated benefit obligation (ABO) to the Investment Plan. Roughly, 4% of existing employees chose to switch plans and transferred roughly \$278 million in ABO.

Approximately 1,000 independent employers that participate in the FRS collectively hire about 60,000 new employees each year. New employees are enrolled in the Investment Plan unless they affirmatively elect the Pension Plan within eight months after their month of hire. New employees enrolled in the Special Risk Class (i.e. firefighters, state police, correctional officers) are enrolled in the Pension Plan unless they affirmatively elect the Investment Plan within eight months after their hire. Prior to January 1, 2018, the Pension Plan was the default plan for all new employees and employees had to make a plan choice within five months after their month of hire. Additionally, approximately 320 Pension Plan members use their 2nd election each month to switch to the Investment Plan; transferring on average collectively approximately

\$50 million per month to the Investment Plan. Very few Investment Plan members switch to the Pension Plan (approximately 6,500 since inception of the Plan in 2002).

Education and Advice

In conjunction with the 2000 legislation directing the Trustees of the SBA to establish the Investment Plan, the Trustees were also directed to establish an impartial and balanced education program consisting of an initial and ongoing transfer education component providing employees with information necessary to make informed plan choice decisions, the features of available choices within their program of membership, and planning for retirement. The education program has been branded as the "MyFRS Financial Guidance Program". Educational services are provided independently of investment or administrative companies or the contract contemplated by the scope of this ITN. Ernst & Young ("EY"- the current participant communication specialist), Alight Solutions and GuidedChoice (the current education content specialist), Alight Solutions (current print service provider), and TekStream (current web portal provider) are under contract to provide educational services through print, video, internet, workshop, and on-the-phone channels. The educational and transactional website is www.MyFRS.com. The SBA also coordinates the education program with the Division, the benefits administrator for the Pension Plan.

The Division of Retirement

The Division is the administrative agency for the Pension Plan. It provides full accounting and administration of benefits and contributions for the current defined benefit plan. The Division initiates actuarial studies, recommends benefit and contribution changes, and proposes rules for the administration of the Pension Plan. The State Legislature has the responsibility of setting contribution and benefit levels and providing statutory guidance for the administration of the FRS. The Division operates as part of the MyFRS Financial Guidance Program, which they helped develop and actively support. The Division also administers the Health Insurance Subsidy (HIS) program, provides retirement payroll reporting services, and manages the disability and in line of duty death benefit programs for both the Pension Plan and Investment Plan.

Investment Plan Administrator/Recordkeeper and Plan Choice Administrator

The SBA currently has a contract with Alight Solutions for plan choice enrollment and administrative/recordkeeping responsibility for the Investment Plan. This contract is separate and apart from the contract, the SBA has with Alight Solutions for print communications service provider and online choice service provider. Recordkeeping is performed in a daily environment. Administrative services are provided independently of investment or education companies. Retiree services including withdrawals and payments are included in the contract with Alight Solutions.

Custodian

The SBA has a contract with BNY Mellon to provide custodial services and processing benefit distributions for the Investment Plan. BNY Mellon is responsible for all trading, calculating and providing net asset values (NAVs) and performance information for the Plan.

Investment Policy and Structure

An Investment Policy Statement (IPS) serves as the primary statement of Trustee policy regarding their statutory responsibilities and authority to establish and operate a defined contribution retirement program for members of the FRS. Section 121.4501(14), F.S., directs the Trustees of the State Board of Administration to approve the IPS. The IPS also identifies certain education and investment policies. A copy of the IPS can be found at www.MyFRS.com or www.sbafla.com.

Additional information regarding the SBA is available on the SBA's website located at www.sbafla.com.

C. Investment Plan — Fund Descriptions

The Investment Plan currently offers 22 investment funds (11 funds spread across five asset classes, and 11 custom retirement date funds that are a mixture of various asset classes). The funds consist of mutual funds, institutional commingled trust funds, balanced funds, separate accounts and multi-manager funds. All funds are white labeled and carry the “FRS” label, and provide members’ access to low cost institutional active and passive managers, including 11 custom retirement date funds. Details of the retirement date funds and the 11 investment funds can be found online at MyFRS.com by clicking on the “Investment Funds” tab located on the landing page.

The Plan also offers a Self-Directed Brokerage Account (SDBA) to its members offered through Alight Financial Solutions.

D. General Plan Information

Plan Feature	Description
Plan Name	Florida Retirement System Investment Plan also known as the “Investment Plan” or “the Plan”
Type of Plan	Qualified IRC Section 401(a) defined contribution plan
Plan Year	January 1 – December 31
Fiscal Year	July 1 – June 30
Eligibility and Election to Participate in the Investment Plan	<p>New FRS-covered employees can elect to participate in the Investment Plan any time prior to the end of the 8th calendar month following their month of hire. Investment Plan participation is retroactive to the first day of employment. The default plan is the Investment Plan for all employees, except employees who are in the Special Risk Class, who will default to the Pension Plan.</p> <p>Retirees of the Investment Plan, Senior Management Service Optional Annuity Program (SMSOAP), State University System Optional Retirement Program (SUSORP), and the State Community College System Optional Retirement Program (SCCSORP) who return as renewed members of the FRS are mandatory Investment Plan members, unless eligible for SUSORP or SCCSORP.</p> <p>New hires and existing members retain a 2nd election opportunity.</p>
One-time 2nd Election to Change Plans	All active FRS members, except renewed members who are mandatory Investment Plan members, have a one-time opportunity to switch from one FRS retirement plan to the other. Pension Plan members may elect to transfer the present value of their accumulated benefit obligation (ABO) under the Pension Plan to the Investment Plan. Transferring members commence participation in the Investment Plan on the first day of the month following the month of election. Investment Plan members may elect to buy-in to the Pension Plan. The buy-in cost will be determined by the Division. Investment Plan members will use their account balance, and if necessary, personal funds to complete the buy-in. If the buy-in is not completed within 60 days of notice, the member will be returned to the Investment Plan.
Contributions	Made by employer and based on monthly “creditable compensation.” Employees contribute 3% gross compensation.
Investment Selection	Member directed. There is a Plan designated default fund defined for those members who do not make an investment selection.

Plan Feature	Description
Recordkeeping Money Types	<ol style="list-style-type: none"> 1. DB Plan Transfer Account (Initial Investment Plan Benefit Transfers, consisting of new hire accumulated contributions, rehired employees' ABO transfers and 2nd Election ABO transfers deposited into the Investment Plan) 2. Investment Plan Employee Contributions 3. Investment Plan Employer Contributions 4. After-tax Contributions 5. Employee Asset Rollover Deposits from qualified plans 6. DROP Rollovers 7. Prior Career Contributions 8. Prior Career Benefit
Valuation Frequency	Daily
Loans, Hardship, and In-service Withdrawals	Not permitted
Vesting (by Money Types as defined above)	<ol style="list-style-type: none"> 1. 100% vested after 6 years (prior to 7/01/11); 8 years on or after 7/01/11 2. Immediately vested 3. 100% vested after 1 year 4. 100% vested after 1 year 5. 100% vested 6. 100% vested 7. 100% vested 8. 100% vested
Forfeitures	<ol style="list-style-type: none"> 1. Non-vested amounts are suspended for up to five years from date of termination for terminated employees. If re-employed within five-year period, the suspended amount, plus interest at rate of actual earnings on FRS Intermediate Bond Fund, is credited to members' accounts. If member does not return within five years, suspended amount plus earnings is forfeited. 2. Unvested portion of benefit is forfeited if member takes a distribution of the vested portion.
Participant Statements	Provided quarterly electronically or mailed to members' address on record. Statements on line are available daily.
Minimum Required Distributions	Payouts may be deferred until Required Minimum Distribution (RMD) date, as provided in Section 401(a)(9), Internal Revenue Code. The member must be terminated for an RMD to be calculated and paid.
Rollovers In	Qualified plan rollovers into the Investment Plan are allowed for active and inactive members.

Plan Feature	Description
Rollovers Out	<p>Direct rollovers to an eligible plan / IRA are allowed.</p> <p>Note: Investment Plan members may not rollover or directly transfer from the Investment Plan any portion of their Investment Plan account balance to any Administrator-sponsored or offered investment product or account, including but not limited to, mutual funds, Individual Retirement Accounts (IRA) including Roth IRAs, self-directed brokerage accounts or separate account investment. Such activities shall be considered "Prohibited Rollovers".</p> <p>It is possible that an FRS member can independently choose to roll money to an affiliate of the Administrator. It is understood that while the Administrator will not actively promote such transfers, it has no control over such member activity. If a member elects to independently seek a product of the Administrator or affiliate, such transfer or investment will not be constituted as a "Prohibited Rollover".</p>
Distribution Options	Lump sum, partial distributions, periodic payments and annuities. Note: Administrator Customer Service Associates (CSA) will refer FRS members' questions regarding specific Investment Plan distribution payout options to EY.
De Minimis Distributions	De minimis account balances of \$1,000 or less are paid out to a member who has been terminated for a minimum of six calendar months. Payouts are processed monthly to terminated members.
Death Benefits	Member's account balance pursuant to IRC, unless member qualifies for In-Line of Duty (ILOD) death benefits. If ILOD, member's account balance is transferred to the Division and member's spouse and/or unmarried child(ren) receive a monthly survivor benefit paid by the Division.
Disability Benefits	Member's account balance is transferred to the Pension Plan and member receives a Pension Plan benefit.

E. Investment Plan Utilization Summary

Data as of 10/31/2018	
Active participants with a balance	128,903
Terminated/vested participant accounts with a balance (includes Beneficiary/Alternative payee accounts)	62,589
Beneficiary/Alternative payee participant accounts with a balance	1,466
Total Accounts with a balance (excluding beneficiaries and alternate payees)	190,026
Average Participant Balance (Excluding participants with \$0 balances)	\$54,404
Median Participant Balance (Excluding participants with \$0 balances)	\$54,379
1 Year Totals as of 06/30/2018	
New Enrollments Processed	55,466
Contributions (Participant, Employer, and Rollover) (\$)	\$471,861,110
Distributions (count)	56,445
Distributions (\$)	\$1,099,075,254
Required Minimum Distributions (number)	2,380
Required Minimum Distributions (\$)	\$4,619,599
Required Minimum Distributions (avg \$)	\$1,941
Non-RMD Inactive Distributions (number)	54,065
Non-RMD Inactive Distributions (\$)	\$300,464,320
Non-RMD Inactive Distributions (avg \$)	\$5,557
Other distributions* (number)	2,489
Other distributions* (\$)	\$40,748,792
Other distributions* (avg \$)	\$16,371

1 Year Totals as of 06/30/2018 (cont.)	
Domestic Relations Orders Processed	464
Web usage (distinct users)	221,040
Web usage (distinct user monthly average)	18,420
Web usage (total logins)	1,515,708
Web usage (total logins monthly average)	126,309
Total Calls (VRU +CSA) usage	188,657
Total Calls Answered by CSA	93,151
Members with an electronic delivery flag	55,741
Members with a hard copy delivery flag	136,459

*Other Distributions includes Beneficiary and QDRO distributions

F. Minimum Qualifications

Respondents must be able to affirmatively respond to each of the following statements as of January 7, 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.1 and Section II.2 as applicable, as well as agree to all other requirements as stated in this ITN, and any other services identified by the Respondent during the ITN process;
3. The Respondent's key professionals and the organization must not have a conflict of interest with the SBA or any of the investment providers in the Investment Plan. Respondent must disclose any past or current actual, potential, or perceived conflicts of interest with the staff of 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 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 F will result in the automatic rejection of the Respondent's response.

Section II.1 – Scope of Services – Administration and Recordkeeping Services

The purpose of this section is to define the basic services to be provided by the Investment Plan Administrator/Plan Choice Administrator to the SBA for ongoing administrative, recordkeeping, enrollment, and plan administration services for programs within the FRS. Services will primarily be delivered to the Investment Plan, but enrollment of new employees also includes the processing enrollments into the Pension Plan or the Investment Plan or a combination of both, the “Investment Plan Hybrid Option.” The services outlined below include, but are not limited to, the services expected from the Provider.

A. General Qualifications; Organization and Staffing

1. Respondent will be an experienced provider with reasonable experience with similar clients sponsoring a plan comparable to the Investment Plan.
2. Respondent’s organization will be stable and subject to meaningful reinvestment and will maintain reasonable insurance coverage, which may include commercial general liability, errors and omissions/professional liability, and crime insurance.
3. Respondent will establish and maintain an experienced team of professionals to provide the required services to the account with limited professional turnover rates.
4. Respondent will have implemented a reasonable approach to staffing and relationship management/client service.

B. Investment Setup, Recordkeeping, and Administration

I. General Administrative/Recordkeeping and Plan Choice Services Framework

Generally, under the guidance and oversight of the SBA, the Investment Plan Administrator and Plan Choice Administrator will provide for flexible, accurate, and timely relationship management covering the following services to the SBA on behalf of the FRS and the Investment Plan:

1. Enrollment processing of new FRS-covered employees and 2nd election transactions, in coordination with the Division.
 - a. New FRS-covered employees can process their initial enrollment via MyFRS.com, online *EZ Retirement Plan Enrollment Form*, CSA and/or paper forms.
 - b. Investment Plan to Pension Plan 2nd elections are processed via paper form or online *2nd election EZ Retirement Plan Enrollment Form* and Pension Plan to Investment Plan 2nd elections may be made by paper form, online *2nd EZ Retirement Plan Enrollment Form* or via MyFRS.com.
 - c. Processing of initial Investment Plan benefit transfers from the Pension Plan.
 - d. Provide reporting and data.
2. Complete plan administration and recordkeeping services for the Investment Plan.
 - a. A daily-valued recordkeeping platform to account for the core investment funds and unallocated Bundled Investment Provider funds within Plan and legal guidelines.
 - b. Electronic payroll data and reporting interfaces with the Division and FRS-participating employers.
 - c. Electronic and call center interface for members to allow for the following services, including, but not limited to, plan enrollment, fund rebalancing, reallocations, beneficiary designations, address updates as permitted by plan provisions.
 - d. Member specific communications/confirmations to include, but not limited to, plan enrollment, transaction, disbursement, beneficiary designations, etc.
3. A full-service telephone service line that will be the telephonic contact for all FRS members with direct warm call transfer capabilities in accordance with the MyFRS.com portal and Personal Identification Number (PIN) administration system design.
 - a. Staffing and training of CSA to support employer and member inquiries and transaction requests in English, with translation services available.

- b. An interactive Voice Response Unit (IVR) offering member access to account balance information.
 - c. Manage the phone tree for the MyFRS Financial Guidance Line connecting members to the EY call center, the Division, the SDBA provider, and the Investment Plan Administrator call center.
- 4. Web applications integrated into the MyFRS.com portal, offering:
 - a. Investment Plan members access to include, but not limited to, account information, plan transactions, daily unit prices and investment performance data, beneficiary designation, distributions, and address updates (inactive members only).
 - b. New FRS-covered employees access to online enrollment in either the Investment Plan or Pension Plan.
 - c. FRS member access to online enrollment to the Investment Plan as part of the 2nd election process.
 - d. Current account balance when an Investment Plan member logs into MyFRS.com.
- 5. Communication and fulfillment services (delivered electronically or via hard copy).
 - a. Member enrollment confirmations for default elections and active elections.
 - b. Member confirmation statements to report member-initiated and automatic plan transaction activity.
 - c. Quarterly member statements (including the insertion of educational newsletters and investment performance reports reflecting balances held in the SDBA as provided by the SBA or designated third party vendor).
 - d. Fulfillment services of enrollment and ongoing education/communication materials prepared by third parties.
 - e. An active election to the Investment Plan by means of a form (with a completed e-mail address) constituted agreement to an automatic default into an election for electronic delivery.
 - f. An active election to the Investment Plan by means of a call prompted a request by the CSA for an e-mail address and whether a member has a preference for electronic delivery, but no automatic default to electronic delivery will be provided.
 - g. A default election to the Investment Plan will be supported through an online enrollment flow process whereby members are presented with an option for electronic delivery.
- 6. Project documentation, and review and updates of such documentation on an annual basis, including, but not limited to:
 - a. Payroll Functional Design Document
 - b. Service Provider Integration Document
 - c. Member Confirmation/Quarterly Statement Requirements
 - d. Administrative Manual
 - e. Custodian/Administrator Operating Guidelines
- 7. Daily Pricing/Net Asset Valuation/Trade Instructions
 - a. The Custodian will be responsible for calculating a net asset value (“NAV”) with respect to each Fund each day the New York Stock Exchange is open for business (a “Business Day”).
 - b. The Administrator will establish and maintain an electronic file transfer mechanism to receive the daily NAV from the Custodian.
 - c. Procedures, similar to the current Operating Guidelines, will be put in place between the Custodian and the Administrator.
 - d. These procedures are subject to review, but are the minimum requirements established and expected to provide the necessary guidelines for the ongoing relationship with the Custodian.

II. Ongoing Election/Enrollment and Contribution Processing

Administrator will provide monthly administration of new FRS enrollees and ongoing monthly administration of Investment Plan contributions and Investment Plan members' accounts, including, but not limited to:

1. Provide all SBA-requested assistance in conducting the enrollment of new employees, including attendance at all requested meetings and preparation of reports and correspondence as mutually agreed upon.
2. Provide all non-educational member-requested assistance in conducting the enrollment of new employees, including the provision of a fully manned Contact Center able to take new employee calls and transfer calls to other program vendors.
3. Provide all employer-requested assistance in conducting the enrollment of new employees, including the provision of a fully manned Contact Center able to take employer calls and transfer calls to other program vendors.
4. On a monthly basis receive from the Division of Retirement an electronic file transfer that provides member indicative data to enable the Administrator to set up potential new records on the recordkeeping system to facilitate enrollment (online, over the telephone, and by form) and to administer member elections.
5. Be responsible for maintaining an adequate supply of new employee enrollment forms/materials for distribution to new employees or who request a generic kit or employer work sites requesting supplies. The Administrator is not responsible for production costs. Administrator will report inventories of collateral material to the SBA on a quarterly basis.
6. Record, for each new employee enrollment, the member's plan election and (for members electing the Investment Plan) the member's Investment Plan investment fund choices through the MyFRS.com, online EZ enrollment forms, Contact Center, or by form sent directly to Administrator.
7. Enrollment elections will be irrevocable and administered based on the stock market closing processing schedule. Enrollments must be received by 4:00 PM ET on the last business day of market Business Days to meet close of choice period. The end of a choice period for new hires will not occur on a Saturday or Sunday.
8. Be responsible for date-stamping or otherwise recording for electronic media, the receipt of the member's election/enrollment form and storing that information in the member's imaged records indefinitely.
9. Be responsible for making all information, data and records related to the election process available in a timely manner to the SBA, as requested in the event of member inquiries, complaints or for monitoring purposes.
10. In the event that it is not clear what election the member is requesting, be responsible for resolving all unclear elections with the member.
11. Mail to members a confirmation statement detailing the timing and amount of Pension Plan transfer amount to the Investment Plan within two business days of post. In absence of an investment election on file or for members who default to the Investment Plan, default the member to an age-appropriate Retirement Date Fund. Provide quarterly communications to all members affirming their choice of their investment fund selection. The default fund selection

to an age-appropriate Retirement Date Fund is provided on the enrollment forms and is confirmed to the member in the initial enrollment confirm and member quarterly statements.

12. All electronic member election/enrollments will be processed the day received if the election was received prior to 4:00 PM ET.
13. All non-electronic member elections/initial enrollments will be processed within two business days of the day received if the election was received by 4:00 PM ET effective the date received. Initial elections will be processed on the same day if received by 4:00 PM ET on the last business day of the month. 2nd elections will be processed same day if form was received by 4:00 PM ET.
14. Mail or provide electronically, a confirmation statement (plus any other items the Plan Sponsor requests) of the member's election, including default elections, within two business days of processing the member's election/enrollment and storing that confirmation statement in the member's imaged records indefinitely.
15. Record the member's retirement plan election and, if selecting the Investment Plan, record the investment fund allocations, if provided. If the member does not indicate an investment fund allocation at the time of enrollment or defaults into the Investment Plan, default the member's investment option to an age-appropriate Retirement Date Fund. The recording of the election and investment allocations will be available through internet, the Call Center, or hardcopy form.
16. Provide daily files/reports to the Division. Transmission/report formats are detailed in the attached Appendix A.
17. Provide monthly audit files to the Division, FRS-participating employers and/or other program vendors detailing member enrollments including those who did not make an election by the default deadline.
18. Be responsible for monitoring each new employee's election period. At the end of the election period, default those employees who did not file an election to the Investment Plan or Pension Plan, based on retirement membership class and transmit that default election on the next plan election transmission to the Division within two business days after month end. If a member defaults to the Investment Plan, default the participant's investment option to an age-appropriate Retirement Date Fund.
19. Be responsible for faxing or emailing to the Division on a daily basis enrollments filed by members using the SCCSORP enrollment form. If the member elected to enroll in one of the FRS retirement plans, the form will be processed first and then faxed or emailed to the Division.
20. The SBA is currently using a third party vendor to regularly produce and mail Reminder Letters to new employees who have not made an active plan choice during the open enrollment period. Administrator will only be responsible for mailing self-sealed PIN reminders from the Administrator platform. The SBA will be responsible for the cost of mailing the PIN reminders.
21. Maintain all records necessary to support and administer members' second election enrollment. After processing a 2nd election for a member, all records will be archived and stored indefinitely. If the member has used the 2nd election to return to the Pension Plan, records will be archived indefinitely for historical data.
22. Be responsible for handling any returned mail from the US postal service, including the shredding of PIN reminders and redirecting specific home mailings and/or correspondence to employers as agreed to by the SBA. Utilize any US postal service forwarding mail instructions to direct mail to the member.

23. Provide a list of bad addresses to the SBA at semi-annually in order to assist in locating missing members.
24. Be responsible for tracking any checks that are not cashed by a member after 180 days and redeposit the funds to the administrative account for that purpose. A report will be provided to the SBA at least monthly.
25. It is expected that the Administrator will utilize a research platform to help the FRS locate updated contact information for missing participants if necessary.

III. Investment Plan Benefit Transfers: New Hire Accumulated Contributions, Rehired Employees' Accumulated Benefit Obligation (ABO) and 2nd Election ABO

Investment Plan Benefit Transfers consist of new hire accumulated contributions, rehired members' ABO transfers and 2nd election ABO transfers deposited into the Investment Plan.

The Administrator's responsibilities will include, but are not limited to the following:

1. Using daily audit files, send to the Division all member enrollments into the Investment Plan. On or about the 15th calendar day of the month following the member's effective date of enrollment, Division will send to the Administrator an estimated Asset Transfer file.
2. By the first business day following receipt of the Asset Transfer file, apply each member's investment election to each member's transfer amount to determine the amounts to be invested in each fund. In the absence of an investment election on file, member contributions and transferred amounts will be invested in an age-appropriate Retirement Date Fund.
3. Within three business days following receipt of the Asset Transfer file from the Division notify the SBA of the estimated net amounts to be sent to each investment fund.
4. For each month, determine the final aggregate dollar amount of the asset transfers for those electing to participate in the Investment Plan and provide that information to the SBA, categorized by investment product. This final information will be provided to the SBA three business days prior to the last business day of the month.
5. Reconcile the assets transferred by the SBA from the Pension Plan to the Investment Plan Clearing Account to the amount that should have been transferred as reflected by the Division's transfer figures. Reconciliation will occur within four business days after post.
6. Section 121.4501(3)(b)2, F.S., requires the Division to re-compute the ABO based upon the member's actual creditable service and actual final average compensation as of the initial date of participation in the Investment Plan no later than 60 days after the initial transfer. Process any supplemental transfers consistent with the basic process timelines outlined above.
 - a. The Division will be responsible for determining the true-up amounts to be transferred by the end of the month in which the 60-day period ends for calculating the true-up amount following the initial transfer.
 - b. Administrator will reconcile the amount transferred to the amount that should have been transferred and coordinate the correction of any transfers as necessary within four business days.
 - c. By the seventh business day following receipt of the final ABO from the Division, Administrator will send a detailed notice to the member explaining the corrective action taken.

IV. Payroll Interface

1. Division of Retirement to Administrator
 - a. Through its agreement with the SBA, the Division will serve as the centralized remitter of payroll data for all remitting FRS-participating employers.
 - b. Administrator will maintain the payroll front-end applications to accept data in the Division's preferred formats and perform non-standard Florida-specific edit routines on inbound data.
 - c. The Division may transmit contribution data as frequently as daily based on receipt of payroll data from FRS-participating employers.
 - d. Administrator must be able to accept indicative data changes as frequently as daily based on the SBA's need/desire to transmit such data more frequently.
2. Administrator to Division of Retirement
 - a. Administrator will transmit data (member elections, dual plan members, members who initiate a distribution) and/or reporting files on a daily, weekly, and monthly basis to the Division.
 - b. Administrator will maintain payroll feedback applications to generate data/reports in the Division's preferred formats.
 - c. Administrator will maintain and update, as necessary, the detailed payroll data requirements defined by the Division as set out in Appendix A. (Further details to be provided in supplemental documents once Notifications of Intent to Respond and Qualifications Due are received).
3. Payroll Processing
 - a. Administrator will process employer/employee contributions within two business days following the receipt of data from the Division.
 - b. During the time between receipt of the data and the posting to member accounts, Administrator will resolve any data/reconciliation discrepancies with the Division. Administrator will produce hard copy edit reports for use in resolving errors. This report will be available to SBA as required. Error resolution will be handled by email, telephone and fax as reasonable.
 - c. Total contribution amounts are reconciled by Administrator to the Division's file; and, in the case of discrepancies, directions to proceed without total resolution will be requested from the SBA and/or the Division. The contributions will post to the members' accounts using the investment option closing price on the business day Administrator receives the wired funds. Discrepancies not resolved will be posted manually at a later date or added to the next scheduled payroll post.
 - d. Administrator will apply each member's investment elections as currently maintained on the recordkeeping system to the contributions reported by the Division to determine the investment allocation.

V. Plan Processing

The Administrator will be responsible for the daily administration and processing of the Investment Plan. This section provides details of the transaction processing in the order in which the transactions should be processed.

1. General
 - a. Daily valuation:
 - i. All member and plan level accounts will be valued and reconciled on a daily basis.
 - ii. Plan level and member reporting will be performed on a monthly/quarterly basis.
 - b. Plan year is January 1 – December 31
 - c. Accounting method:
 - i. Administrator will maintain all accounts in units.
 - ii. All transactions will be on a trade date basis.

- d. Asset reporting will be done by Administrator.
 - e. Transactions inputted by 3:59:59 PM ET will be processed the same day with the current day's fund price. Transactions inputted at or after 4:00 PM ET will be processed the next business day with the next business day's fund price.
2. Vesting
- a. With each contribution submission, the Division will give Administrator months of service information and a vesting indicator.
 - b. Administrator will maintain service credit in the member's record and will use it to calculate vested percentage, according to vesting schedules provided in the Division's data feed.
3. Processing Sequence
- a. Price update
 - b. Demographic updates
 - i. Enrollment processing
 - ii. Indicative data changes (Administrator will filter a full file for changes)
 - c. Non-financial updates
 - i. Investment election changes, daily through Internet/CSA
 - ii. PIN changes daily through Internet/CSA
 - iii. PIN reminders daily through CSA/Internet
 - iv. Form requests, daily through Internet/CSA
 - d. Manual one-time transactions
 - i. QDRO account setup
 - ii. Beneficiary account setup
 - iii. Account adjustments, if necessary
 - e. Financial updates
 - i. Contributions, by payroll frequency via transmission
 - ii. Fund transfers, daily through Internet/CSA
 - iii. Distributions, daily through Internet/CSA
4. Price Update – Core Options and Custom Target Date Funds
- At the end of each day, a unit value is calculated for each investment fund. This value reflects current fund earnings and daily accruals if applicable. These values (prices) must be inputted before any financial activity for that day may occur.
- a. Basis is the beginning fund balance.
 - b. All accrued income/dividends, realized and unrealized gains/losses will increase/decrease the unit value accordingly.
 - i. Income
 - 1. Will be reinvested.
 - 2. Accrued daily.
 - 3. Reflected daily in the unit price and reported by the Master Custodian as a receivable.
5. Demographic Updates
- a. New Hire Data: To maintain Investment Plan member data on Administrator's recordkeeping system, the Division will provide to Administrator a full demographic file for all eligible members each month. Administrator will filter the file for newly eligible and changes to existing indicative data (i.e. address change, name change, termination date).
 - b. Pension Plan Member Data: To facilitate members' 2nd election enrollment processing, the Division will provide to Administrator a demographic file for all eligible Pension Plan members each month.
 - c. DROP Member Data: To facilitate rollover of DROP money by eligible members, the Division of Retirement will provide to Administrator a demographic file for all members who participated in DROP.

6. Investment Election Changes
- Administrator will maintain all Investment Plan member investment elections for all funds.
 - Fund elections must be in increments of 1%.
 - A member may change fund elections as frequently as daily.
 - The most recent election on file on the day of a contribution post will be applied to contributions posted that evening.
 - Investment election choices direct both new contributions and ABO transfers.
7. Investment Fund Transfers

TRANSFER PROVISIONS	COMMENTS
Eligibility Requirements	<ul style="list-style-type: none"> Available to all Investment Plan members with a balance
Transfer Types Allowed	<ul style="list-style-type: none"> Transfers <ul style="list-style-type: none"> ◇ Captured and fully administered by Administrator
Processing Options	<ul style="list-style-type: none"> Internet CSA Forms (if applicable)
Frequency	<ul style="list-style-type: none"> Daily
Increments	<ul style="list-style-type: none"> Whole dollars or percent (1% increments)
Features	<ul style="list-style-type: none"> Member cannot transfer “out of” and “into” the same fund in the same transaction. Target method will be used to determine transfer available amounts. (Allows the maximum available to be transferred if market fluctuation occurs.)
Restrictions	<ul style="list-style-type: none"> Frozen Funds Special Processing (QDRO, DB Buyback) Excessive Trading Guidelines of investment providers and SBA. The Administrator is responsible for monitoring compliance with excessive trading guidelines.

8. Distributions

PROVISIONS	COMMENTS
Eligibility	<ul style="list-style-type: none"> Former members (as indicated by the Division’s data feeds) with an Investment Plan balance.
Permissible Options	<ul style="list-style-type: none"> Partial Withdrawal Full Lump Sum Distribution, subject to minimum withdrawal policy as established by the SBA Installments Annuity Payment Schedule

PROVISIONS	COMMENTS
Notification	<ul style="list-style-type: none"> • The Division will provide termination date to Administrator via payroll feed. • Employers may submit an Employee Terminations Form (ETF) only in cases that the data cannot be sent to Administrator electronically and the employee has been terminated at least three calendar months. • Administrator will mail approved educational material to employers upon request of the SBA.
Processing	<ul style="list-style-type: none"> • Administrator will accept and process distribution requests from the core and all bundled provider funds. CSAs will refer FRS members' questions regarding specific Investment Plan distribution payout options to EY.
Partial Distribution Options	<ul style="list-style-type: none"> • Minimum withdrawal amount \$1.00 or the balance of the account, whichever is less. • Funds distributed pro rata across investment funds and sources. If available, member may request distribution be distributed from single investment fund, for example out of just the FRS Money Market Fund.
Installment Options	<ul style="list-style-type: none"> • Processed on the last business day of each month. • Monthly, quarterly, or annual payments. • Check delivery or ACH into members' bank account. • Funds distributed pro rata across investment funds and sources.
Annuity Options	<ul style="list-style-type: none"> • Fixed Income Annuity Options available through MetLife.
Special Tax Notice Requirements	<ul style="list-style-type: none"> • Administrator will provide Special Tax Notice via first-class mail, Contact Center, or the MyFRS.com website.
Special Tax Notice Waiver	<ul style="list-style-type: none"> • A member may request a distribution by waiving the right to receive a Special Tax Notice no more than 90 days or less than 30 days prior to taking a distribution.
Tax Withholding	<ul style="list-style-type: none"> • 20% federal withholding on all withdrawals eligible to be directly rolled over but which are not directly rolled over. • State withholding will be applied as required by the State of record. Also address for outside of US. • Members may elect to have additional taxes withheld.
Rollovers – Out	<ul style="list-style-type: none"> • Members may elect to roll over eligible distributions and avoid tax withholding. • Rollover checks will be made payable to the successor plan/IRA FBO the member, and be mailed to the member's address of record. <p>Note: Investment Plan members may not rollover or directly transfer from the Investment Plan any portion of their Investment Plan account balance to any Administrator sponsored or offered investment product or account, including but not limited to, mutual funds, Individual Retirement Accounts (IRA), Roth IRAs, self-directed brokerage accounts or separate account investment. Such</p>

PROVISIONS	COMMENTS
	<p>activities in the preceding sentence will be deemed as "Prohibited Rollovers."</p> <p>It is possible that an FRS member can independently choose to roll money to an affiliate of Administrator. It is understood that while Administrator will not actively promote such transfers, it has no control over such member activity. If a member elects to independently seek a product of Administrator or an affiliate such transfer or investment will not constitutes as a "Prohibited Rollover."</p>
Rollovers – In	<ul style="list-style-type: none"> • Active and inactive members may elect to roll into the Investment Plan monies from qualified plans.

9. Beneficiary Designation/Administration
 - a. Each member is requested to make a beneficiary designation at the time of enrollment, by filing a beneficiary designation form or by completing the beneficiary designation online once the member's account is activated with Administrator. For members who do not file a Beneficiary Designation Form with Administrator, the beneficiary on file will be per Florida Law. The designated beneficiary information will be printed on each quarterly statement.
 - b. Administrator will maintain all beneficiary information, including the beneficiary designation form or online designation.
 - c. Administrator will establish an account for the beneficiary(ies) once all required documentation is received and determined to be in good order; transfer the member benefit to the beneficiary(ies) account and have a PIN issued to the beneficiary.
 - d. Administrator will make available a Beneficiary Designation Form via first-class mail through Contact Center and internet.
 - e. Members who return the form to Administrator will have the form scanned and stored.
 - f. An approved process for the review and approval or denial of beneficiary designation form will be based on requirements established with the SBA.

10. 2nd Election Enrollment
 - a. Administrator will make available any number of forms/documents deemed appropriate by the SBA via first-class mail through the Contact Center or internet.
 - b. Administrator will make available 2nd election forms via first-class mail, through the Contact Center, or the Internet.
 - c. Administrator will provide for the 2nd election enrollment into the Investment Plan through the internet.
 - d. Administrator will coordinate with the Division consistent with the established 2nd election procedures.

VI. Non-Participant Directed Processing

1. Leave of Absence Processing
 - a. Administrator will accept a leave of absence (LOA) indicator, beginning and end date of the LOA (if available) from the Division or enter a LOA term manually when provided by the employer.
 - b. Administrator will monitor necessary events around the leave such as the 90-day election period following return from leave.
 - c. Administrator will produce reports associated with LOA.

2. Rehire Administration
 - a. Upon notification of rehire from the Division, Administrator will make the necessary reinstatement/adjustments and notify the member of their resumed participation, if applicable.
 - b. Administrator will maintain the renewed membership plan codes and the plan codes for members not eligible for renewed membership.

3. Qualified Domestic Relations Orders (QDROs) and Pending Child Support Enforcement
 - a. Provide specially trained analysts, who:
 - i. Are trained to ensure that each order adheres to applicable laws regarding QDROs.
 - ii. Appropriately handle confidential information.
 - iii. Provide assistance to ensure that members, alternate payees, or Attorneys know the appropriate procedure for processing a QDRO.
 - iv. Recommend modifications/seek clarifications to QDRO administrative policy established for the Plan.
 - v. Act as impartial administrative agents of the Plan Sponsor.
 - b. Maintain Model Language to comply with changes in administrative procedures or Plan provisions.
 - c. Provide the following administrative features:
 - i. A direct-dial QDRO line.
 - ii. Maintain a dedicated telephone number staffed between the hours of 9:00 AM and 5:00 PM ET, Monday through Friday, with the exception of legally observed stock market holidays as set by the Securities and Exchange Commission. Calls after 5:00 PM ET may leave a message and receive a return call within one business day.
 - iii. Post Office Box, fax and online upload capability for QDRO correspondence.
 - d. Attend to Member/Alternate Payee/Attorney inquiries, by:
 - i. Responding to specific inquiries from parties and respective counsel regarding QDRO procedures and requirements;
 - ii. Providing telephone services for receiving and responding to inquiries from Members, Alternate Payees and their attorneys;
 - iii. Tracking QDRO-related interrogatories received, and forwarding interrogatories to Plan counsel for response, with any requested information,
 - iv. Forwarding all court orders such as subpoenas, joinders, motions to show cause, etc. to the Plan Administrator for response; and
 - v. Bringing all matters requiring clarification of any Plan provision to the attention of the Plan Sponsor and/or Investment Plan Administrator.
 - e. Receive Domestic Relations Orders
 - i. Send an acknowledgement letter upon receipt of initial order notifying all parties that an order has been submitted for review.
 - ii. Review and determine the qualification of orders under governing Plan documents and federal law.
 - iii. Prepare acceptance letters, letters requesting modifications, rejection letters, and other necessary communications, as appropriate, to all parties.
 - iv. Request placement of benefit restrictions.
 - v. Authorize release of benefit restrictions and the payment (or segregation) of awards.
 - f. Confirm awards by notifying member and alternate payee of benefit award in confirmation letter.
 - g. Provide case maintenance by maintaining a QDRO file for each Plan member with respect to whom an order (or other QDRO related correspondence) is received.
 - h. Maintain a QDRO case tracking system for:
 - i. Documentation of all calls on each QDRO case.
 - ii. Maintenance of records of all correspondence received or sent, and the dates of all correspondence.
 - iii. Preparing periodic reports for the Plan Administrator:
 1. New QDRO Report
 2. Performance Measurement Report

4. Automated Distribution Processing

Upon receipt of termination data through the demographic update or notification from the Division, the Administrator will determine if the member is eligible for a distribution. The Administrator will make such distributions for:

- a. De Minimis balances of \$1,000 or less. Administrator will not make de minimis distributions until it has determined that the member meets the Plan's provisions for such distribution.
- b. Balances greater than \$1,000 at termination may be deferred until age 70½. If member is still working at age 70½ they are not required to take a RMD. Administrator will notify the member and administer RMD distributions as provided in IRC Section 401(a)(9), and in accordance with Plan provisions.

VII. General Distribution Processing

1. Method – Call Center and online.
2. Frequency - accepted and processed on any business day. A member may initiate a distribution prior to eligibility date and have it pend and process on actual eligible date.
3. Taxable distributions of at least \$200 or more are subject to mandatory 20% withholding unless directly rolled over to another qualified plan or conduit IRA.
4. Direct Rollovers: A direct rollover may only be made to one trustee per request for rollover distribution.
5. Administrator will take "reasonable actions" as defined by the Internal Revenue Service or by the SBA to locate a member who has not cashed his distribution check within 180 days of issuance, the payment will be handled, as follows:
 - a. The funds will be moved to an Investment Plan Stale-Dated check account.
 - b. The Administrator will attempt to locate the member.
 - c. If the member later contacts the Administrator, the monies originally requested by the member will be forwarded to the address provided by the member. No interest earnings will be credited.
 - d. If the member fails to request a replacement check within 10 years after the last day of the month in which the original check was issued, it will be forfeited upon direction of the SBA.
6. Administrator will perform stop and reissue services through the benefit disbursement unit of the Custodian.
7. The Administrator's CSAs will refer members' questions regarding specific Investment Plan distribution payout options to EY. The Administrator will design and implement a computer system edit, at their sole expense to prevent prohibited rollovers. Rollover and direct transfer activity will be regularly monitored by Administrator to ensure no prohibited rollovers occur. Administrator will provide such monitoring reports monthly to the SBA.

VIII. Account Adjustments

1. Administrator will follow SBA established adjustment processing procedures and:
 - a. Member accounts will be made whole for errors that result from processing for which the member is not responsible.
 - b. Within the agreed upon timeframe, the party responsible for the error will be responsible for any financial shortages, if any, to the trust due to the error.
 - c. Funding for the error caused by the SBA or Administrator must be made within 15 days from the date of correction.

- d. Current dated transactions will be used for the processing adjustment, with a second unit or share adjustment to reflect the market value change of the original transaction.
2. Negative contributions will be posted to the member's account unless the contribution causes the account to become negative, or Administrator is otherwise directed by the SBA. The Administrator will follow established procedures for processing a negative contribution that causes a member's account to become negative. The Administrator will provide a monthly report to the SBA regarding the processing of negative contributions.

IX. Fees

1. Administrator will deduct fees from member accounts, including those fees associated with members participating in the SDBA, as necessary, based on plan rules and contractual agreements as directed by the SBA and allowed by Florida Statute.
2. Fees will be reported on a member's quarterly statement as a discrete item.
3. Administrative fees for non-active FRS members or alternate payees will be deducted from accounts as directed by the SBA and allowed by Florida Statute.

X. Forfeitures/Suspended

1. Administrator will forfeit unvested balances upon notification of a self-directed distribution or loss of benefit entitlement from the SBA.
2. Administrator will mail a forfeiture notification within two business days of processing a distribution.
3. Administrator will maintain a separate, omnibus forfeiture account and a separate, omnibus suspense account, subject to direction from the SBA.
4. Forfeiture account and suspense account will be invested in the FRS Intermediate Bond Fund as directed by the SBA.
5. Administrator will implement SBA-directed operations as follows:
 - a. Forfeitures will be taken at the time of distribution by the member.
 - b. Forfeitures may be used as directed by the SBA consistent with Florida Law.
 - c. Suspended account balances will be held up to five years after the date of termination.
 - d. If a member returns to FRS-covered employment within five years after the date of termination, and had not taken a distribution from the account, any suspended account balance will be restored, plus actual interest earned on the FRS Intermediate Bond Fund, to the member's account based on the member's investment elections on file. If the member does not return to work with an FRS-participating employer, the individual member account balance, plus the actual interest earned on the FRS Intermediate Bond Fund associated with the member account balance, will be forfeited at the end of the five-year period.
 - e. Notification will be mailed to the member of the pending forfeiture of benefits prior to the date of forfeiture in accordance with SBA direction.

XI. Stale-Dated Checks Account and Inactive Fee Account

1. Administrator will maintain a separate, omnibus account for stale dated checks and a separate, omnibus account for inactive fees, as directed by the SBA.
2. The Stale-Dated Check and Inactive Fees accounts will be invested in the FRS Intermediate Bond Fund until reallocated as directed by the SBA.

3. Administrator will comply with established procedures for the administration of the accounts. Stale-Dated and Inactive Fees account reporting will be administered on a monthly and quarterly basis, respectfully.

XII. Year-End/Annual Processing

1. Terminated members will be purged as soon as administratively possible based on the existence of all the following factors:
 - a. No contribution records ever (did not receive employer contribution) – i.e. new hire, termination before eligible to make an election.
 - b. No tax activity.
 - c. Terminated status.
 - d. Relevant data has been archived.
2. Roll year-to-date Investment Plan contributions.
3. Administrator will provide the Division with the ability to make changes to year-end information after the calendar year has closed. The Division will send a year-end adjustment file along with a current weekly file in January.

C. Reporting

1. Member Statements
 - a. Administrator will mail to each member at the address on record or provide electronically, a quarterly statement of account including, but not limited to:
 - i. Account Summary to include:
 1. Opening Balance
 2. Deposits/Contributions by source (Employee, Employer, Rollovers, etc.)
 3. Withdrawals/Distributions
 4. Fees/Expenses
 5. Unrealized Gains/Losses
 6. Closing Balance
 - ii. Rate of Return
 - iii. Member specific Rate of Return for the quarter
 - iv. Year-to-Date Return (member account specific)
 - v. Member Contributions:
 1. Employee for the Quarter and YTD
 2. Employer for the Quarter and YTD
 - vi. Member Account Balance by Source, to include the Amount and % vested, to include:
 1. DB Plan Transfer
 2. IP Employee Contributions
 3. IP Employer Contributions
 4. Prior FRS Career Benefit
 5. Rollover Accounts
 6. DROP Rollover
 7. Total
 8. Total Vested Balance
 9. Total Non-Vested Balance
 10. Total FRS Years of Service
 - vii. Beneficiary Designations (including Per Florida Law designations) and % allocated to each beneficiary
 - viii. Employee Contributions as a % of pay
 - ix. Employer Contributions as a % of pay
 - x. Total Contributions as a % of pay
 - xi. Investment Choices

1. Fund number
2. Asset class
3. Balance
4. % of assets in each fund
5. Investment election %
- xii. Account Activity for the quarter
 1. Opening balance
 2. Deposits
 3. Withdrawals
 4. Gain/losses
 5. Transfers
 6. Closing balance
 7. Closing units
 8. Price (NAV) per unit
- xiii. Any penalties or other deductions that apply, consistent with Florida law
- xiv. A field for short messages
- xv. All information provided in both dollars and unit values as appropriate
- xvi. Projected monthly income account balance will generate
- b. Administrator will mail or provide electronic member statements no later than the 22nd day of the month following the close of the quarter (provided that Administrator receives all necessary information for the newsletter in a timely fashion).
- c. If requested, Administrator will provide, in a mutually agreed format, indicative information provided by third party vendors related to the member's outside assets, income replacement goal, and whether asset allocation guidance is warranted.

2. Confirmation Statements

Confirmation statements will be generated on a daily basis based on member and non-member directed transactions/events. The confirmation will include the trade date of the transaction. The below confirmation statements will be generated:

- a. Beneficiary Confirmation
- b. New Hire Enrollment Confirmation including beneficiary information for Investment Plan and Hybrid elections
- c. 2nd Election Confirmation
- d. Election Percentage Change Confirmation
- e. Investment Allocation Change
 - i. Issued when the member makes an investment allocation change for future contributions
 - ii. Will show the investment allocations before and after the change by pre-tax and employer source
 - iii. All funds reported, regardless of chosen allocation
- f. Transfer Confirmation
 - i. Will show the fund balance before and after the transfer on the day of transfer
 - ii. Balances reported by fund
- g. Distribution Confirmation (annuity, rollover)
 - i. Detail shows funds and sources from which the disbursement was made
 - ii. Summary tax information
 - iii. Mailed with the disbursement check
 - iv. Health Insurance Subsidy application, if eligible
- h. Forfeiture Confirmation
- i. Installment Setup Confirmation
- j. Account Profile Confirmation
- k. Required Minimum Distribution Confirmation
- l. Cover letter (with enclosed plan forms/documents)
 - i. Confirmations are mailed and are sent to the members within two business days.

3. Plan Reporting (Further details to be provided in supplemental documents once Notifications of Intent to Respond and Qualification Due are received.)
 - a. Weekly Statistical Report will contain:
 - i. Daily/Weekly plan choice and method of enrollment
 - ii. Employee and employer Call Center statistics
 - iii. Cumulative monthly summary
 - iv. Member and employer comments for employer/employee phone Lines, as may be requested by the SBA
 - v. Cumulative annual choice and enrollment
 - vi. Other data as may be identified by the SBA
 - b. Monthly Management Report will contain:
 - i. Custodial Reports detailing fund-specific holdings, and cash flows
 - ii. Statistical summary showing the member and transaction totals
 - iii. Participant Services Contact Report detailing call and internet statistics
 - iv. Alternate Payee and non-FRS Active Account Participants
 - v. Distributions/Terminations
 - vi. Active and inactive member count
 - c. Administrator will develop customized reports, which meet the SBA's specific requirements including reports for employers.

4. Reconciliation

A copy of the monthly plan reconciliation will be sent to the SBA. This reconciliation will compare the assets in the trust to the member records and identify any differences that may occur due to timing issues.

5. Dual Plan Member Monitoring
 - a. Administrator will maintain an Investment Plan Hybrid Option indicator for participants who:
 - i. Transferred from the Pension Plan, but left a deferred benefit in the Pension Plan (hybrid option) – considered an Investment Plan member; or
 - ii. Transferred to and elected to participate in the Investment Plan and subsequently transferred back to the Pension Plan while leaving a residual balance in the Investment Plan (reverse hybrid) – considered a Pension Plan member.
 - b. The Division will notify Administrator when a member with a reverse hybrid plan status begins receiving benefit payments under the Pension Plan. The Administrator will mail a letter containing educational information regarding Investment Plan distribution options.
 - c. Administrator will notify the Division when an Investment Plan member with Investment Plan Hybrid Option status elects a distribution from the Investment Plan.

6. Monthly Monitoring for Investment Plan:

The Division will provide monthly Investment Plan compensation and contributions.

 - a. Administrator will accumulate annual compensation and contribution data.
 - b. Semiannually, the Administrator will project 415(c) limits based on year-to-date Investment Plan contributions, contributions made under other plans that affect 415(c) limits and compensation, and report possible failures to FRS-participating employers.
 - c. Administrator will ensure adjustments to compensation and contributions are processed appropriately for accurately monitoring limits.
 - d. Semiannually, the Administrator will project 402(g), 457, and 403(b)(2) limits based on year-to-date contributions for other plans and compensation, if the employer provides full data reporting. Administrator will report possible failures to the employers.

7. Annual Monitoring and Compliance
 - a. The Division will provide to Administrator a file containing annual compensation and contributions made by Investment Plan members into any other State plans such as 401(a), 403(b), 457, and 401(k), if reported by the employer.
 - b. Administrator will run reports and identify any member who exceeded specific annual plan limits including 415(c), 402(g), 457, and 403(b)(2) limits.

- c. Administrator will be responsible for monitoring 415 annual limits for members in the Investment Plan. In addition, Administrator will monitor the 402(g) limit for Investment Plan members. 401(k) and 403(b) contributions are combined when calculating 402(g) eligible contributions, 457 contributions are counted separately.
- d. If a FRS-participating employer sponsors another defined contribution retirement plan(s), the employer is provided with the option of remitting information to the Division, i.e. periodic contributions by member to all other qualified defined contribution plans, including 457 plan, 403(b) plan and 401(k) plan contributions. The requirement of whether contributions may or may not be reported to the Division is contingent upon whether a combined maximum contribution limit must be calculated between the plans.
- e. Administrator will accumulate periodic compensation and period additions to defined contribution retirement plans. Administrator will accumulate contributions across plans and run a global 415(c) test and report any required non-Investment Plan contribution refunds to the employers. If a participant approaches the maximum annual addition, the employer will be notified in writing. The employer is responsible for reducing the employee's contribution to defined contribution plans other than the Investment Plan. Investment Plan contributions will not be reduced or returned. Employers must reduce or return 457 Plan, 403(b) Plan or 401(k) Plan contributions if the employee exceeds the annual maximum set by IRS Guidelines.
- f. The SBA will provide Administrator with directions concerning any excess contributions. Upon receipt of such direction:
 - i. Administrator will process corrections related to Investment Plan balances.
 - ii. If income on the returned/forfeited contributions is required to be calculated, SBA will determine the formula. Administrator will outline the income calculation options for SBA consideration.
 - iii. Administrator will report required refunds to other providers and the applicable employers as necessary.
 - iv. Administrator will use the 401(a)(17) compensation limit for all applicable tests.

8. Year-End Tax Reporting

- a. Administrator will reconcile year-end reporting of tax information for tax events beginning after July 1, 2020. All 1099R forms will be produced and distributed by the Custodian's Benefit Disbursement Group to the members and the IRS.
- b. Coordinate and update member demographic data with custodian and Benefit and Distribution Group.

D. Access Channels

I. Internet, Interactive Voice Response Unit (IVR) and Customer Service Associate (CSA)

The internet site and IVR, supported by the Administrator's CSAs, provide members access to information and transaction processing on a daily basis using the internet and a touch-tone telephone. The CSAs will assist members by using a workstation that allows them to answer plan questions, input research requests and process member requests. Members can check account balances, current elections or distribution status through a CSA. Members may receive an account balance on the IVR. Administrator will provide information system technology support to provide for enhancements and/or modifications to the Internet site and IVR as requested by the SBA.

1. Central Member Phone Contact Center:

- a. The FRS member-specific phone number is 1-866-446-9377 (TRS 711); the FRS-participating employer-specific phone number is 1-866-377-2121. The Administrator will be responsible for obtaining and maintaining the phone system and the established phone lines.
- b. The Contact Center will be the primary point of telephone contact for the FRS and have a descriptive telephone tree greeting that will educate callers on the types and sources of available information on the transfer process and enable callers to transfer directly to the customer service centers of the Division and EY.

- c. The Contact Center should include both live operators and voice response capabilities.
- d. CSAs will be available from 9:00 AM through 8:00 PM ET Monday through Friday, excluding New York Stock Exchange holidays. (Available hours are subject to review and change by the Plan Sponsor.)
- e. IVR will be available 24 hours a day, seven days a week with the exception of minimal downtime for scheduled maintenance on non-business days.
- f. All member and employer calls into and out of the Contact Center will be on a recorded line. Recorded calls are to be retained indefinitely and are not to be destroyed without approval of the Plan Sponsor.
- g. Transactions completed by 3:59:59 PM ET or specified guidelines established by the SEC are effective the same business day.
- h. Transactions completed on or after 4:00 PM ET are effective the next business day.
- i. Transactions are not processed on NYSE holidays. Administrator will provide the SBA with all SEC holidays and Administrator closed days as soon as the information is available, but not later than November 15th for the upcoming calendar year.
- j. Transaction cut-off times earlier than 4:00 PM ET will correspond to any early closing of the NYSE.

2. Access

- a. Minimal Requirements for Entry/Security Validation (alternative best practice security proposals may be provided, although are subject to the acceptance of the SBA at its discretion):
 - i. Enter last four digits of member Social Security Number and date of birth. If additional identifier is needed, zip code of the address on record - after two incorrect tries, the member is transferred to the Call Center.
 - ii. Personal Identification Number - Members may change PINs online or by contacting the Call Center.
 - iii. Rotary telephone – defaults to EY.
- b. May press "0" at any time to reach a CSA.
- c. CSAs will accept PIN changes from members; CSA would enter the members' original 6-digit pin in call center application and enter the new PIN. There will be a systematic verification original PIN, and if verified, the new PIN will be processed and a confirmation of the PIN change will be sent to the member. If original PIN provided is not correct the member will be advised, and the new PIN will not be accepted.
- d. Members will also be able to make PIN changes using the Internet.
- e. Ability to change/cancel transactions made that day prior to 3:59:59 PM ET. Members must speak to a CSA in order to cancel request.
- f. Members will not be able to complete distribution transactions without a PIN. All other transactions such as enrollments, fund transfers, investment election changes can be completed using alternate security, name, address, last four of the SSN and DOB.

II. Member Directed Transactions (IVR/CSA/Internet)

The implementation of an IVR and Internet site supported by CSAs allows members access to information and transaction processing on a daily basis.

- 1. Transactions completed before 4:00 PM ET will be processed the same day with current end-of-day price. Transactions completed after 4:00 PM ET on any business day or on a weekend or holiday will be processed the next day with the next business day's price.
- 2. Transaction cut-off times earlier than 4:00 PM ET will correspond to early closing of the New York Stock Exchange.
- 3. Members have the ability to change or cancel transactions made prior to 4:00 PM ET of the same business day by contacting the Call Center.
- 4. Completed member transactions will generate a confirmation statement, which will be mailed to the member's address of record or provided electronically within two business days.
- 5. The IVR and Internet are available 24 hours a day, 7 days a week with minimal down time between 12 AM and 6 AM ET on Sundays for scheduled maintenance. The IVR Average

Speed of Answer will be <03 seconds on average per month, weighted by calls per day across all business days.

6. CSAs are available Monday through Friday, 9 AM to 8 PM ET, excluding New York Stock Exchange holidays. (Available hours are subject to review and change by the Plan Sponsor.)
7. Administrator will provide TTY member access for the hearing impaired and telephone access for overseas members.

IVR/CSA/Internet Processing and Frequencies: (Y= Yes; N=No)

#	FEATURES	IVR	CSA	INTERNET	FREQUENCIES
1.	Activity History	N	Y	Y	Daily
2.	Balances	Y	Y	Y	Daily
	a. Total Acct Balance				
	b. Total by Fund (vested and non-vested)	N	Y	Y	Daily
	c. Total by account source	N	Y	Y	Daily
3.	Initial Elections	N	Y	Y	Daily
4.	a. 2 nd Elections to Pension Plan – by form only	N	N	N	Daily
	b. 2 nd Election to Investment Plan	N	Y	Y	Daily
5.	Forms and Documents	N	Y	Download to print	Daily
6.	Fund Profiles	N	Y	Y	Daily
7.	Fund Transfers	N	Y	Y	Daily
8.	General Plan Features	N	Y	Y	Daily
9.	Help	N	Y	Y	Daily
10.	Installments	N	Y	N	Monthly
11.	Investment Election	N	Y	Y	Daily
12.	Lump Sum Distributions (Only the vested balance is available for distribution.)	N	Y	Y	Daily
13.	Distribution status	Y	Y	Y	Daily
14.	PIN Change	N	Y	Y	Daily
15.	PIN Reminder	N	Y	Y	Daily
16.	Reallocations	N	Y	Y	Daily
17.	Replacement or Cancellation of Pending Transactions	N	Y	N	Daily

III. IVR/CSA/Internet for FRS-Participating Employers

Administrator will provide all services necessary to assist FRS-participating employers with administrative responsibilities and activities associated with the Investment Plan. CSAs are expected to field employer questions and must be able to timely and accurately answer employer questions about the Investment Plan provisions and operations, as well as identify program education resources available to address employee issues and concerns.

Administrator will respond to all employer questions and complaints upon receipt. Any complaints not resolved will be reported to the SBA in accordance with the SBA's written complaint procedures.

E. Technology and Systems Abilities

I. Data and Records Retention and Security

Administrator has certain responsibilities for data and records retention, access and security. PIN administration is performed by TekStream (web portal Administrator) and the Division of Retirement; although the Administrator is responsible for mailing the Personal Identification Number (PIN) reminders to the members.

1. Personal Identification Number - Members may change PINs through the call center or Internet.
2. Rotary telephone - will drop to EY.
3. Call may drop to a CSA at any time.
4. CSAs will accept PIN changes from members if the member has the original PIN available or the member can make PIN change using the Internet.
5. Ability to change/cancel transactions made that day prior to 3:59:59 PM ET through the call center.
6. Members may complete transactions with a CSA without a PIN by using Alternate Security except for transacting a distribution from the Investment Plan. A member is always required to use a PIN for processing a distribution through the Call Center.
7. Data and records retention periods:
 - a. All files, fax receipt, forms, confirmations, in- and out-bound call recordings, correspondence received or sent to a member, and all electronic records will be retained by the Administrator in a retrievable format and made available upon request as set forth under the terms of the contract entered into between the SBA and the Respondent.
 - b. All files and data will be backed up nightly.
 - c. Data will be retained as set forth in the contract provisions.
 - d. Member historical data will be condensed each year saving detail older than 12 months. SBA may request historical information from Plan inception at any time. Historical data is stored on Administrator's recordkeeping system.

II. Information Technology Support

1. Ongoing Maintenance
 - a. Administrator will provide information system technology support to maintain all systems necessary for members to access information and transaction processing. The support includes, but is not limited to:
 - i. Routine programming changes.
 - ii. Ad hoc reporting support.
 - iii. Custom fixed reporting (These may be reports beyond the normal scope of DC reporting and may require either a complex reporting template or analysis).
 - iv. Custom technical processing (This area includes converting raw data to files for processes not otherwise expected or to correct errors).
 - v. Resolve any production issues related to the nightly job stream.
 - vi. Monitor the space utilization on the system because of the size of the files with the large number of participants.
 - vii. Monitor the system in general. Follow-up on messages that are sent regarding any abnormalities during the day.
 - viii. Regression test changes made related to releases of the front-end system.
 - ix. Regression test changes made to generic processes, and related to releases of the front-end system.
 - x. Research of production issues (example: why did demographics post twice).
 - xi. Attend training sessions related to changes or new procedures with the IT department and apply that to the SBA plan.
 - xii. Attend when necessary various meetings related to ongoing production (on-call meeting, change control meeting, etc.) and apply that knowledge to the SBA plan.

- xiii. Upload of data from the Division of Retirement that is received in a non-transmitted manner.
 - b. Daily set up, monitor, refresh, add participants and generally upkeep the test, development and acceptance environments (which makes the production environment run more efficiently)
- 2. Changes or Enhancements
 - a. Changes to services or enhancements to existing services described herein including additions or deletions of services will be submitted by completing a Project Change Request (PCR) Form. Project Change Requests are defined as an enhancement or service request that is not associated with the services outlined in the Administrator contract or supporting documents. The level of effort for each PCR requires separate cost and schedule estimates, project plan review and approval, and authorization of funds by the SBA.
 - b. PCRs can be identified by SBA or Administrator based on perceived potential for enhancing performance and/or increasing service value. PCRs will be reviewed by SBA and Administrator to determine the feasibility, practicality, and benefit of defining project requirements, scope, cost, and schedule.
 - c. For each requested or proposed PCR, Administrator will create a project plan with phases, activities, tasks, resources, dependencies and deliverables to be approved by the SBA. The project plan will include proposed cost and schedule. Milestone deliverables will be defined. Payment terms will be defined within the PCR. Items specific to the PCR projects (inquiries, requests, questions, issues, etc.) will be monitored against the developed project plan.
 - d. SBA will review the PCR project plan. For those PCRs that are to be initiated, the SBA and Administrator will negotiate the terms of the PCR. The SBA must approve the project plan, cost, and schedule before Administrator incurs any costs. Any cost overruns in excess of 10% of the approved PCR project plan will require an amended PCR and authorization by the SBA.
- 3. Administrator must be capable of sending and receiving data transmission through a web services format or modern file transmission methods.
- 4. Administrator, in cooperation with the Division, will develop and maintain a Payroll Functional Design Document (PFDD) documenting payroll data requirements, data transfer schedules, transmission media and processing steps. The PFDD will be reviewed and updated annually by the Administrator and provided to the SBA and Division for review and comment.

F. Communications

I. Communications Overview

- 1. At the direction of the SBA, Administrator will distribute materials developed by third party vendors for educational support of FRS plan enrollment and Investment Plan participation.
- 2. Administrator will be responsible for preparing and updating a limited set of agreed upon materials directly related to Administrator's services.
- 3. The SBA will be responsible for the development of forms. Administrator will review draft forms at the request of the SBA and provide feedback based on industry best practices and administrative issues.
- 4. Administrator will maintain a complete Administrative Manual of Investment Plan administrative procedures and operations and provide the manual to the SBA annually.

II. Literature Fulfillment to Employees and Employers

1. Administrator will be responsible for the distribution of Investment Plan documents, brochures, forms or 2nd Election forms within two business days via first-class mail upon request by an FRS member through the Internet or the Contact Center.
2. Administrator will distribute, as needed, ad hoc mailing requests within a reasonable timeframe mutually agreed upon by Administrator and the SBA.

G. Risk & Transition Management

1. (Non-incumbent) Administrator will provide high quality, risk-managed implementation and transition services for a new relationship. Administrator will effectively and in a risk-controlled manner facilitate the transition of the Investment Plan to its platform no later than July 1, 2020 and demonstrate operational capability to allow for demonstrations, acceptance testing, and verification of operational readiness by an appropriate date as mutually agreed upon with the SBA.
2. (Incumbent) Administrator will provide high quality, risk-managed implementation and transition services for changing components of existing relationship.
3. In the event of a transition to a new provider after entering into a contract with the SBA, Administrator shall be a responsible partner in that transition. Administrator is expected to provide a timetable and method of transfer of all data for possible conversion to a new Administrator. All Investment Plan information must be reconciled in an appropriate and timely manner prior to such a transfer.

H. Client Satisfaction

1. Administrator will provide a Service Review to SBA on at least a quarterly basis including analysis of:
 - a. Participation
 - b. IVR, Web, and Call Center statistics
 - c. Transaction processing vs. performance metrics
 - d. Omnibus asset allocation trends
2. Administrator will provide a monthly reporting package including summary asset and transaction statistical information.
3. Administrator will provide SSAE 18 (and successors) review of internal controls to the FRS for all in-scope service areas.
4. Administrator will provide legal/regulatory updates on a quarterly basis and as needed based on market/industry events. The SBA will have access as necessary to the Administrator legal department for assistance in any Investment Plan-related legal matters.
5. Administrator shall assist in the review and revision of the Investment Plan Document as needed.
6. Administrator will follow the dispute resolution process as set out in the procedures established by the SBA through the complaint process.

I. Risk Management and Data Protection

1. The SBA requires that all Administrative Services must be performed in the United States and that no SBA data may be stored or sent overseas.

2. All electronically transmitted Personally Identifiable Information (PII) must be protected, and the Administrator must indicate what safeguards are in place to ensure this information is not being accessed by unauthorized users, which includes encryption technology approved by the SBA.
3. Administrator will demonstrate a commitment to cybersecurity and data privacy which will be supported by a contractual requirement to provide (at Administrator's sole cost) at least one (1) year of credit monitoring services for any and all participants for which a data breach may have exposed Personally Identifiable Information (PII).
4. Administrator shall comply with of applicable SBA policies regarding remote access and confidential/sensitive electronic handling and shall provide immediate notice the SBA in an event it becomes aware of any security beach or any unauthorized transmission or loss of any SBA data.
5. Administrator agrees to provide the SBA a detailed contingency plan for disaster recovery of Administrator's electronic data processing equipment that assures some system functionality will be back in operation within forty-eight (48) hours of a disaster.
6. Administrator will have an established backup plan in place that ensures the Administrator can restore all participant data, transaction history, and other client-related data in the event of a system malfunction or failure.
7. Administrator must have an established disaster recovery plan in place that includes procedures and regularly scheduled testing of the cut over to the recovery site and return switch over to the main site.
8. Administrator agrees that information regarding the Investment Plan that is contained in all materials, records, documents, accounting records, software programs, computer tapes or disks that are purchased, developed and /or maintained by Administrator for purposes relative to accounts of the Investment Plan belong to the SBA and shall be accessible to the SBA at all times.
9. Administrator shall maintain duplicate computer tapes or discs of all records in connection with the Investment Plan. Duplicate records shall, at all times, be kept offsite and in a place of safekeeping as approved by the SBA.
10. Administrator shall open all books, records, ledgers and journals relating to the Investment Plan for inspection and audit by the SBA or its designee, at any time during normal working hours, with seventy-two (72) hours advance notice. Records requested shall be provided by Administrator on electronic media in an acceptable format within thirty (30) days from receipt of request.
11. The Administrator shall agree that 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.
12. The Administrator shall acknowledges that failure to maintain security that results in a breach of data may subject to the administrative sanctions for failure to comply with Section 501.171, Florida Statutes, together with liability for any costs to the SBA of such breach of security caused by the Contractor.
13. The Administrator shall ensure that 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.

Section II.2 – Scope of Services (Optional Self-Directed Brokerage Account Services)

Respondents have the option to include a proposal for Self-Directed Brokerage Account (SDBA) Services, to be provided to eligible participants in the Investment Plan, in addition to the General Administrative Services Section II.1 outlined in the preceding section. The purpose of this section is to define the basic services to be provided by the SDBA provider. Please note, response to this section should only be applicable to your firm and the products and services it provides directly, unless a question expressly dictates otherwise. The services outlined below include, but are not limited to all the services expected from the Provider.

Generally, the SDBA provider will provide members with the following:

1. Access to securities as investment alternatives, which include, but are not limited to:
 - a. Stocks on the SEC regulated national exchanges;
 - b. Exchange traded funds; and,
 - c. Mutual funds.
2. Provide for education material, reviewed and approved by the SBA, that is available in multimedia formats and that provides impartial and balanced information about investment options and fees associated with participation in the self-directed brokerage account.
3. Ensure all SDBA members will be provided, at minimum, a quarterly statement that meets Financial Industry Regulatory Authority (FINRA) requirements which details member investments in the SDBA. The statement shall include, but is not limited to:
 - a. Member specific accounting of the investment instruments selected by a member;
 - b. Account gains and losses;
 - c. Transfers into and out of the account;
 - d. Buy/sell transactions; and,
 - e. Confirmation of trade settlement to be sent for each transaction and all fees, charges, penalties and deductions associated with each transaction that are netted in the trade and reflected in the transaction confirmation.

Provide a platform for buying and selling securities and other investment vehicles not offered in the Investment Plan which is fully integrated with the Investment Plan Administrator's recordkeeping system and BNY Mellon as the custodian of records for the Plan. Furthermore, any revenue sharing relating to the investments held by Investment Plan participants within the SDBA, including, but not limited to, shareholder servicing fees, administrative fee payments and sub-transfer agent fees received by the Administrator or its affiliates and retained service providers must be accounted for and reported to the FRS.

Generally, the SDBA provider may not:

1. Include any of the follow as investment alternatives:
 - a. Over-the-Counter Bulletin Board securities;
 - b. Pink Sheet securities;
 - c. Leveraged exchange traded funds;
 - d. Direct ownership of foreign securities;
 - e. Derivatives, including, but not limited to, futures and options contracts on securities, market indexes, and commodities;
 - f. Buying or trading on margin;
 - g. Investment Plan products; or
 - h. Any investment that would jeopardize the Investment Plan's tax qualified status.
2. Offer any proprietary products as investment alternatives (including products from any related entities).

Section III – Evaluation Criteria

General Administrative Services

A. 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:

B. Scoring Categories

Category:	Weights
Experience, qualifications and resources	60%
Quality, clarity and responsiveness of the proposal	5%
Adherence to ITN requirements	5%
Fees	<u>30%</u>
TOTAL	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, up to three firms will be recommended 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 will then make 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 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 for FRS members. 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. The right of the SBA to set aside submitted proposals and re-negotiate with its existing vendors is retained without exception.

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, January 7, 2019	ITN Issued
Monday, January 14, 2019	Notifications of Intent to Respond and Qualifications Due, no later than 5:00 p.m., ET
Monday, January 14, 2019	Requests for clarification on ITN due
Tuesday, January 22, 2019	Responses to ITN requests for clarification posted
Monday, February 4, 2019	ITN Responses Due; no later than 5:00 p.m., ET
Friday, March 1, 2019	Selection of Finalist(s)
March 4 – March 15, 2019	Interviews/Onsite Visits, if necessary
Friday, April 5, 2019	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. Firms submitting Notification and Intent to Respond and Qualifications Due will receive supplemental documents as referenced within the ITN directly.

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 should 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 should also affirm explicitly the following:

1. The Respondent has the current capability to provide the proposed services.
2. The Respondent has reviewed the minimum qualifications and meets the eligibility criteria set forth in Section I, Subsection F. of this ITN.
3. The Respondent has thoroughly reviewed the ITN.
4. The Respondent acknowledges and accepts all terms and conditions included in the ITN.

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

B. General Information

Each proposal should include the following:

1. Respondents must submit for each of the proposed members of the project team the following information:
 - a. The name of the person responsible for the project.
 - b. The role this person would play on the project and his/her role and position within the company.
 - c. 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 (Note: Direction to SEC filings in and of itself is not considered a responsive answer to this question).
 - a. 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. 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.

C. Summary of Proposed Services

Provide an executive summary which describes your approach and plans for accomplishing the work outlined in Section II.1 and Section II.2, Scope of Services and why your firm is the most

qualified respondent to perform such services. The description should be provided in sufficient detail to permit the evaluation of proposals fairly without the possibility of misinterpretation. Limit your executive summary to no more than three pages in bullet format. The Respondent should indicate any additional tasks that are necessary and/or advisable that it recommends as well as a detailed description of the information and assistance the Respondent would require from SBA staff and Investment Plan/MyFRS Financial Guidance Program vendors in the provision of the services required to satisfy Section II.1 and Section II.2 Scope of Services, as applicable.

A summary of the Respondent's plan to work with the SBA staff and Investment Plan/MyFRS Financial Guidance Program vendors should be provided as well. Respondents should provide a detailed description of the information and assistance the Respondent would require from SBA staff and Investment Plan/MyFRS Financial Guidance Program vendors in the provision of the services required to satisfy Section II.1 and Section II.2, Scope of Services, as applicable.

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.

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 will 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 for FRS members. 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 FRS members.

Further, the SBA has 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.

E. Fiscal Report

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

Respondents must accompany their financial statements with their most recent SSAE 18 / SOC reports on internal controls for all service organizations providing service under this contract.

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 10-point font in **bold** and precede each response. The electronic copy of the Questionnaire Response included on each flash drive should be presented in Microsoft Word format.

G. Conflicts of Interest

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

The Respondent must disclose within its proposal the results of a good faith effort and reporting as to whether any officer, director, employee, or agent is also a current or former employee of

the SBA, or any of the members of the Board of Trustees. 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 Investment Plan. Address any anticipated fees or other remuneration to be paid by such vendors resulting from the relationship, if any.

H. Service Requirements Affirmation Statement:

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

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 should:

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:

Send a letter (to be received either by fax, email, or hard copy) **by 5:00 PM ET on January 14, 2019** addressed to:

RUTHIE BIANCO
Defined Contribution Specialist
Office of Defined Contribution Programs
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308
Ruthie.bianco@sbafla.com
(850) 413-1494 (office)
(850) 413-1489 (fax)

In this letter, 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 **by February 4, 2019 at 5:00 PM ET.**

Submit and deliver all documentation as required and necessary for a complete response to this ITN to the SBA contact listed below:

Clearly mark envelope:

INVESTMENT PLAN ADMINISTRATOR AND PLAN CHOICE ADMINISTRATOR SERVICES

RUTHIE BIANCO
Defined Contribution Specialist
Office of Defined Contribution Programs
State Board of Administration of Florida
1801 Hermitage Blvd, Suite 100
Tallahassee, FL 32308

The following should be included in your response:

Item to be Provided	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. Additional Attached Materials	8	Optional
9. Trade Secret Information (See Section VI. F.)	8	If necessary
10. USB Flash Drive of the entire submission	3	Yes

Please provide the indicated number of hard copies of each section (in order) in your proposal. Provide three flash drives (electronic copies) with your submission to the SBA. (Note: Information legitimately marked as “trade secret” can be excluded from electronic copy.)

It is each Respondent's responsibility to deliver its response to the exact location specified above 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 will 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 or prior to the issuance of a contract. The SBA will 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 in written form and sent via email to:

Ruthie.Bianco@sbafla.com
Jennifer.Williams@sbafla.com.

Oral requests for additional information or clarification will not be accepted.

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 **RUTHIE BIANCO and JENNIFER WILLIAMS**. Questions will be taken through January 14, 2019. Copies of all questions and answers will be provided to all Respondents via a posting on the SBA

website (www.sbafla.com) on January 22, 2019. 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) under "Vendors." 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 will 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 ruled a "trade secret" as defined in Section 812.081, Florida Statutes, **please mark each page (as appropriate and necessary) as such and include in a separate attachment clearly marked - "Trade Secret Information – Investment Plan Administrator and Plan Choice Administrator Services ITN Response."** Please include a table of contents within this attachment with a detailed listing of and explanation for EACH item marked as a "trade secret." Designation of items as "trade secrets" 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 has 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 has 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.

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 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 an Administrator for a period of 5 years with a possible extension of 2 years for a total of 7 years. The contract will 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 participants 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 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 January 7, 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.

P. False or Misleading Statements

Any response which contains false or misleading statement, 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 the such response.

Q. 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.
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 will 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. 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.)**
16. 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.
17. Third Party Assurances or Certifications – The Respondent should describe any third party assurances or certifications it has obtained as an organization such as SSAE18, SOC reports, ISO certifications, etc. Also, on a staff level, provide any industry-wide standards, certifications, or qualifications that would demonstrate the Respondent's expertise, experience and capabilities to provide the requested services.

Section VII. Questionnaire

General Administration Services

(Covers Services Outlined in Section II.1 of the ITN)

A. General Qualifications; Organization and Staffing

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Organization and Staffing or a detailed articulation of qualifications, if any.
2. Provide the name, title, address, e-mail address, telephone, and fax numbers of the contact person from your organization whom we may contact with questions regarding your response. This individual must be authorized to negotiate contracts regarding the scope, terms, and pricing outlined in the fee proposal form.
3. Provide a brief overview of your company history, including history of your organization and any parent/subsidiary/affiliate relationships.
4. 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.
5. 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)	

6. Identify the names and functions of any outside organizations, if any, with which you will subcontract to provide and/all services requested under this ITN. Provide a description of the nature of your relationship and the length of your relationship with each organization.
7. Identify your firm's target market and primary area of focus.
8. What portion of the organization's overall revenues is attributable to administration services for defined contribution plans, exclusive of investment management?

9. 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.
10. 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
11. Complete the following table in response to how many plans your organization currently provides daily recordkeeping services to as of December 31, 2018:

401(a) Plans					
Year	Total Assets Gained	# of Accounts Gained	Total Assets Lost	# of Accounts Lost	Reasons
2018 YTD					
2017					
2016					
2015					
2014					

457(b) Plans					
Year	Total Assets Gained	# of Accounts Gained	Total Assets Lost	# of Accounts Lost	Reasons
2018 YTD					
2017					
2016					
2015					
2014					

All 401(k) Plans					
Year	Total Assets Gained	# of Accounts Gained	Total Assets Lost	# of Accounts Lost	Reasons
2018 YTD					
2017					
2016					
2015					
2014					

All Other DC Plans					
Year	Total Assets Gained	# of Accounts Gained	Total Assets Lost	# of Accounts Lost	Reasons
2018 YTD					
2017					
2016					
2015					
2014					

Participant Count	401(a) Plans		457(b) Plans		All 401(k) Plans		All Other DC Plans	
	Total # of Plans	Total Assets	Total # of Plans	Total Assets	Total # of Plans	Total Assets	Total # of Plans	Total Assets
less than 100,000								
100,000 – 199,999								
200,000 – 299,000								
300,000 and over								

12. Complete the following table in response to how many accounts your organization has gained and lost over the past five years and the reasons for any lost account:

13. How many plans (involving 50,000 or more participants) that allow their members a choice between two or more plans does your organization administer? How many have been implemented during the last three years?

14. Describe in detail your organization's ability to add 500,000 participants to your recordkeeping system. Specifically comment on current and required systems, personnel, and processing capacity to manage this relationship.

15. Complete the following Table of Information describing proposed team staffing for our account:

POSITION	Name	Title	Years with Firm / Years in Industry	Education	Experience	Gov't Clients previously worked with	Gov't Clients currently working with	Total Number of Clients currently working with
The individual who will oversee the ongoing administration team								
The individual who will have direct responsibility for supervision and training of the customer service representatives								
The individual who will plan and coordinate all activities associated with communication and other program support activities, if applicable								
Any local service office(s) you are proposing and the personnel that will staff that office								
The individual who will oversee the day to day transaction processing of the account								
The individual who will coordinate the transition of our account (if applicable)								
Others								

16. Indicate which of the above individuals would be fully dedicated to the Investment Plan account.
17. Name the individual who will have direct account management responsibilities for the Investment Plan. Will this individual be fully dedicated to the Investment Plan? (By “fully dedicated to Investment Plan”, we mean someone that works 100% of the time on Investment Plan matters). If not fully dedicated, describe the percentage of time this individual will expect to dedicate to this account during the transition/implementation period (if applicable), the first year of the contract, and subsequent years of the contract.
18. Discuss the ability of the direct account management professional to effect tangible change on behalf of the Investment Plan. Discuss the number of approvals required to secure authority to garner additional resources on our behalf when needed, etc. Provide the resume of this individual, including his or her qualifications, experience, number of years with your organization, and primary work location. Describe the duties and responsibilities that this individual will have. If not fully dedicated to servicing the Investment Plan, how many other accounts is the individual responsible for?
19. Describe your organization's overall recordkeeping department — the number of employees at the various levels, their years of experience, and the turnover rates during the last three years for each level of employees, including senior employees. Provide an organizational chart indicating lines of reporting of major service areas.
20. Where is your organization's recordkeeping department located?
21. What global resources, offices, staffing, and workflows are leveraged to deliver your services? Specifically focus on services and functions that are delivered wholly offshore, wholly onshore and for combined onshore/offshore services, clearly articulate whether an onshore-only solution is available.
22. What back-up exists for the key recordkeeping employees?
23. Does your organization utilize a team or functional approach to delivering administrative services?
24. If a team approach is used:
 - a. How many team members would your organization assign to this account?
 - b. For how many other plans would the assigned team be responsible?
 - c. How is information (regarding the processing requirements) shared among all team members?
 - d. Describe any conflict with multiple processing schedules. How does your organization provide back up?
25. If a functional approach is used:
 - a. How are the various functions divided?
 - b. How are tasks assigned to the individuals within each functional area?
 - c. How is information (regarding the processing requirements) shared between and within functional areas?
 - d. What oversight is provided to ensure that overall requirements and standards are met?
26. Is it your intention to staff the administrative service team for this account with current employees?
 - a. If you intend to utilize current employees, explain how and when you will transfer current client responsibilities.
 - b. If you intend to add employees, explain how many positions will be added, when each position will be added, and how each employee will be trained on the operational procedures of your organization and the service requirements of the Investment Plan.
 - c. Describe the process you will use to recruit for each type of position and what measures you will take to ensure that the requisite number of positions will be filled.

27. Will the employees who service the Investment Plan work exclusively on this account? If not, provide the number of additional clients to be serviced by each employee.
28. How do you assure quality control and customer satisfaction with regard to your employees? How do you assure continuity in the event of absences of assigned employees?
29. What processes are used to resolve issues raised by the Investment Plan sponsor, other service providers, or its members?

B. Investment Setup, Recordkeeping, and Administration

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Investment Setup, Recordkeeping, and Administration or a detailed articulation of qualifications, if any.
2. Describe in detail (common plans, interface mechanisms, length of common service relationship) your organization's experience in interfacing with the Investment Plan's custodian/fund accountant, BNY Mellon.
3. Identify any/all major investment management, mutual fund, custodians, fund accountants, non-proprietary self-directed brokerage firms, and/or insurance companies with which your organization cannot work.
4. What are the minimum requirements you have, if any, for maintaining a working interface with investment management firms, mutual funds, custodians, fund accountants, proprietary and non-proprietary self-directed brokerage firms, and/or insurance companies?
5. Provide details about the depth of your client experience for other plans (those similar to the Investment Plan) to which your organization provides core services related to a multi-plan environment including communicating transfers, withdrawals, rollovers, and plan-to-plan transfers to third-parties/investment providers/custodian.
6. Does your firm currently have a self-directed brokerage account established with any external providers (i.e. non-affiliated third party providers of brokerage services)? If yes, please provide a comprehensive list your firm currently has links set up with. If no, are you willing to negotiate reimbursing all expenses to an established provider, if any, associated with the implementation and integration of such a connection?
7. Confirm your ability to deduct from member accounts a portion or the entire cost of providing your services. Can these fees be allocated as a flat fee? Indicate any limitations on the type of fees and/or method of collection.
8. Discuss the breadth, depth, duration, and extent of your firm's experience with administering customized TDF portfolios comprised of core menu investment options. Outline the operational factors that you would need to solidify with the custodian and fund accounting provider.
9. Describe additional costs, if any, associated with administering, communicating, and reporting such a set of customized portfolios.
10. Discuss your firm's experience with mapping member default contributions to a custom TDF based on age to retirement. Ensure that you address the following components:
 - a. Planning steps and possible approaches
 - b. Complicating factors
 - c. Process approaches

11. Does your firm offer an option of auto rebalancing core fund investments? Please detail any limitations on timing and frequency of such rebalancing.
12. Confirm your ability to handle after-tax contributions. This includes mandatory contributions from members whose employers have not authorized IRC Section 414(h)(2) pick-ups as well as the voluntary after-tax contribution feature.
13. Confirm your ability to capture pay-period information sufficient to allow both member and employer contributions to be easily tied to the pay-period to which such contributions relate, including reporting of IRC 415 limits.
14. What are the potential causes for delays in daily processing and how does your organization work with clients to rectify these delays? How does your company manage the process to minimize these delays and adverse impact on members?
15. Does your organization have a manual of tasks, rules, and procedures, which describe for your employees how all the services that you provide for clients are to be performed? If you do not have such a manual, explain how you maintain quality control over the services you provide.
16. Do you have a legislative staff or someone who alerts you to changes in state and federal laws governing qualified governmental plans? Describe the format in which this information is received (white paper, internal bulletin, email, newsletter, etc.) and how you will inform and work with the Investment Plan to communicate and implement needed changes.
17. What methods are available to transmit payroll data to your organization? What are your minimum data requirements? Do you currently work in, or require client usage of, a web services environment?
18. What kind of edit checks do you complete on incoming data feeds? What is the resolution process for data discrepancies, including notifications to the client prior to posting?
19. Indicate whether your recordkeeping system is capable of identifying inconsistencies every pay period. If so, indicate who is responsible for correcting the issue.

	System Can Identify? (Yes/No)	Resolved By
Illogical Data:		
Duplicate records		
Deferral %>0 but deferral = \$0		
Deferral %=0 but deferral > \$0		
Status terminated but comp > \$0 or deferral > \$0		
Other (please indicate other illogical data addressed)		
Invalid Dates:		
Birth date out of range <> specified dates		
Hire date out of range <> specified dates		
Termination date out of range <> specified dates		
Hire date > termination date		

20. How are errors, corrections, and adjustments handled through your recordkeeping system for each of the following?
 - a. Contributions (both over and under)
 - b. Distributions (both over and under)
 - c. Transfers (both over and under)
 - d. Allocation of earnings (both over and under)
 - e. Tax reporting
21. How do you process retroactive adjustments to members' accounts and negative contributions?
22. Describe how your system handles tax calculations for participants with after-tax contributions. How would you process corrected 1099Rs for refunded and retired members, who subsequent to their refund or retirement date receive corrected payroll data relating to years prior to their refund or retirement date?
23. Confirm that you can provide direct deposit for an installment or periodic payment to a member's personal bank account. What limitations, if any, exist?
24. Members may choose to rollover their distribution. Describe your ability to process a rollover under the following options:
 - a. Check directly to the member
 - b. Check directly to the receiving institution
 - c. Direct wire to the receiving institution
25. What communications do you have with members who have stale dated outstanding checks? What steps do you take to resolve outstanding stale dated checks? To what extent is the disbursement account reconciled and how frequently? How are these funds tracked and monitored? Confirm that an outstanding check report will be provided to the Plan Sponsor monthly and that all outstanding checks from inception to date will be listed on that report.
26. Describe your capabilities and processes for assisting the FRS in locating address information for participants for whom your organization receives returned mail or otherwise does not have a current mailing address. Please provide information on any outside resources or database systems utilized.
27. Describe how your organization proposes to handle forfeitures and the operations process as described Section II.1 B(X) of this ITN.
28. What is your process for monitoring and processing required minimum distributions (age 70 ½)?
29. In the format below, describe your organization's standards for performance. Assume all data, wires, or other requests are received in reasonably good condition, prior to the cutoff time for the day, and that any required approvals have been received.

Activity	Quality Standard (business days)	Explanation
Contribution reconciliation and posting (allowing for standard reconciliation and verification of files)	___ days* from receipt of payroll data	
Withdrawals Information Payment Detail provided to custodian bank (check or direct deposit payment details provided date)	___ days* from receipt of request	
Distributions Information Payment Detail provided to custodian bank (check or direct deposit payment details provided date)	___ days* from receipt of request	

Investment transfers into fund processed	___ days* from receipt of request	
Confirmations e-mailed or electronically delivered	___ days from execution of transaction or request	
Confirmations mailed	___ days from execution of transaction or request	
Participant statements e-mailed or electronically delivered	___ days from period end	
Participant statements mailed	___ days from period end	
QDRO Review and Processing (Assume all documents received in good order)	___ days* from receipt of request	
Review and posting of rollovers into the plan	___ days* from receipt of request	

*Assumes days from receipt of data or request received prior to 4 PM ET. If same day, please state "0."

30. Describe the process by which you propose to allocate contributions among the investment options and to reconcile individual member contributions. Provide a timeline of the process, including time requirements on the initiation of the request, the receipt of NAV information, confirmation of the receipt of funds by the custodian, and updating the participants' accounts.
31. Describe your organization's procedures for correcting contributions and investment transfers made in error. If the erroneous contribution/transfer is due to your organization's error, will your organization make the member whole at your organization's expense? Please describe how this process would work.
32. Describe how your organization handles audit documentation where paperless processing has occurred.
33. Describe your organization's compliance with SEC Rule 22-c trading restriction requirements.
34. Confirm that your organization will customize operations to comply with the Investment Plan trading restrictions - See Investment Plan Excessive Fund Trading Guidelines on MyFRS.com for details. Describe customization approaches in detail.
35. Describe in detail how your organization reviews, qualifies, denies and administers Qualified Domestic Relations Orders (QDROs).

C. Plan Reporting

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Plan Reporting or a detailed articulation of qualifications, if any.
2. What are your ad-hoc reporting capabilities? Can your service team members design and prepare ad-hoc reports or must programming staff be involved? What types of ad-hoc reports are most requested by your other clients? If there are any extra or additional costs for this service, fully describe.

3. Do you have standard account statements for participants? Black and white or color print availability? Is customization available? Provide samples and identify areas on the statement that can be customized.
4. What is a typical timeline for mailing or providing electronic statements? How would you propose providing electronic statements to participants? What is your capability and capacity for additional inserts with the statements?
5. Can your organization provide Investment Plan staff and EY online "inquiry only" access to member specific records of the Investment Plan? Please provide a link and necessary passwords to access a demo site.
6. Are you capable of applying different levels of restrictions to different accessing parties? Please describe.
7. What types of training will you provide in the use of the on-line access system and where is the training held?
8. Will Investment Plan staff be able to prepare ad-hoc reports through its access to the data? What type of reports and what limitations exist?
9. Indicate what security precautions, administrative procedures, and control procedures your organization will require to access the on-line access system.

D. Access Channels

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Access Channels or a detailed articulation of qualifications, if any.
2. Describe the inquiry and transactional processes supported through your organization's IVR system.
3. How often and for how long has the IVR system been down in the last 12 months?
4. Can the script be customized on the IVR system, initially and in the future? If so, what is the additional cost, if any?
5. Describe the inquiry and transactional processes supported through your Internet site for participant access and transactions. Is this site fully SSL enabled?
6. Will your organization customize the Internet site for Investment Plan? At what cost, if any? Include cost in the fee proposal if applicable.
7. The Investment Plan expects access for members to be 24/7 except for scheduled maintenance. What are the routine maintenance periods? How often and for how long has the Internet site been down in the last 12 months for non-scheduled maintenance reasons?
8. What security features are in place to ensure only the correct participant is given personal information? Describe your process for printing and mailing PIN for new and existing FRS members. Can you utilize a PIN that has been controlled (generated) by another Investment Plan vendor and transmitted to you? What is the maximum number of PIN characters your IVR and Internet systems will accommodate?

9. Describe the reports that the Investment Plan will receive relating to call volumes, response time, abandoned calls, number of transactions, etc. What reporting will be provided on Internet usage? Please provide sample reports.
10. Describe how your Internet system will support on-line enrollment. Describe in detail the Internet capabilities your organization would offer the Investment Plan. Provide the address and necessary access codes or passwords so that Investment Plan staff can test your Internet transaction capabilities and demonstration internet site.
11. How is data secured within the system? What accesses are monitored and how is it done? Do non-recordkeeping employees have access to this data? Do you have internal Computer Incident Response procedures established to identify and investigate data breaches?
12. Can a participant elect to move from the IVR to a CSA? Provide an example of your phone tree and what are the security access requirements? When and what services can be made available via the IVR
13. Provide an overview of your organization's Call Center(s) including the number CSAs currently employ to service your DC recordkeeping clients and management structure? Where are the CSAs for these clients located and how many are at each site? How does each site act as a backup for the others?
14. What do you believe to be an adequate number of licensed and trained CSAs, given the services that will be required as described in this ITN? Please list the number of primary and secondary CSAs that will be servicing the Investment Plan account.
15. Will the CSAs identified above be dedicated to the Investment Plan? If not, will they service an identified group of plans in addition to the Investment Plan or will they randomly respond to calls from any of the plans you service? If they will service an identified group of plans, specify the number of members outside of the Investment Plan who will be serviced by the CSAs and the number and type of plans serviced (e.g. 401(a), 401(k), 403(b) 457, etc.).
16. Describe your organization's minimum requirements for CSAs. Do you have a training program for CSAs? Describe your organization's required licensing and education program, including:
 - a. Number of hours of training
 - b. Who is responsible for ongoing training?
 - c. Training methodology (classroom, on-line, outside classes, etc.)
 - d. Qualifications of instructors
 - e. Performance requirements for satisfaction of training program
 - f. Frequency and volume of ongoing call monitoring
 - g. Continuing education requirements
17. Provide a proposed training schedule to ensure the CSAs are prepared to service the Investment Plan.
18. Describe your call monitoring capabilities.
 - a. With what frequency does management monitor calls (provide volumes for monitored calls per week)?
 - b. How are CSAs performance ratings communicated to the Investment Plan?
 - c. Describe what capabilities clients have to monitor calls.
 - d. Can clients and/or plan participants receive calls at the client's request?
 - e. How long does it take to retrieve a call?
 - f. What is the cost for receiving copies of calls, if any?
 - g. What sorts of security issues do recorded calls give rise to and how do you address those issues?

19. What is your average turnover rate for CSAs? How much is related to internal transfers/promotions?
20. Describe the inquiry and transactional processes supported by your CSAs.
21. Where is your customer service center that will be handling the Investment Plan located? Will your recordkeeping and administrative services also be provided from this location? If not, where will these services be provided? Where are back-up service centers that will be handling the Investment Plan located? At what point do calls roll from the primary to the secondary location(s)? Do your CSAs have direct access to the recordkeeping system, or will they be accessing another system that would link to the recordkeeping system when answering calls?
22. Will the IVR alert a member to the anticipated hold time before a CSA will be available? If not, is it possible?
23. Describe your organization's plan to deal with peak call volumes, e.g., after the issuance of member account statements or a change to the Investment Plan.
24. How frequently will your organization review the customer service staffing needs for the Investment Plan and what will be the lead-time to add staff, if necessary? Until staff is added, how will incoming calls be serviced?
25. What language services other than English are available? What percent of your CSAs speak each language? Confirm your ability to provide TRS (711) services.
26. Complete the following chart by indicating which services are available to participants through each technology. Indicate clearly Y = Yes / N = No

	IVR System	Internet	CSA
Customized greeting			
Assistance with Internet functionality			
Ongoing enrollment:			
• Request forms/packet			
• Make investment elections			
• Information on plan provisions			
Referral to other parties			
Fund performance			
Account balance:			
• By fund			
• Vested			
• Account balance as of prior date or dates			
Investment of existing balances:			
• Rearrange balances			
• By percent			
• By dollar amount			
Change investment election			
Copies of tax forms (i.e. 1099R)			
Model payment options			
View or request confirmation letters and forms			
Request distribution (paperless)			
PIN:			
• Change PIN			
• Request PIN reminder			

	IVR System	Internet	CSA
Participant addresses:			
• Make changes			
Statements on demand:			
• Prior quarterly statement			
• Previous quarterly statement(s)			
• Current balance			
• Participant specified period			
• Transactions since last period			
Link to Investment Plan customer service center.			
Flag participant interest in call back from Investment Plan customer service center.			

27. Will your call center be able to warm transfer calls to the FRS Financial Guidance Line and the Division of Retirement? If so, describe how your CSAs conduct the transfer to ensure connectivity to the third party?
28. Describe in full detail how calls are escalated within your organization if the CSA is unable to answer the member's question.
29. Once a member has requested a transaction utilizing one access channel, how is that request managed to avoid duplicate or contradictory subsequent requests using either the same or different channels?
30. What are your organization's case management procedures? Would the Investment Plan have access to your case management files?

E. Technology and Systems Abilities

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Technology and Systems Abilities or a detailed articulation of qualifications, if any.
2. Briefly describe your organization's recordkeeping system(s). Include information on the IVR, web access, and customer service systems and how they link the recordkeeping system. Also describe your:
 - a. Hardware platform to support your recordkeeping services
 - b. Operating system
 - c. Network communications
 - d. Telecommunications/remote access capability
3. Please complete the following table.

Recordkeeping System	Name of System	Proprietary System (Y/N), If no, include Vendor Name	Year Developed, Date of Last Major Upgrade	Description of Last Major Upgrade or Upgrades
Core Recordkeeping				
IVR				
Web Access				

Recordkeeping System	Name of System	Proprietary System (Y/N), If no, include Vendor Name	Year Developed, Date of Last Major Upgrade	Description of Last Major Upgrade or Upgrades
Hardware Platform				
Operating System				
Network Communication				
Remote Access/Disaster Recovery				

4. Are any major enhancements scheduled over the next two years? Briefly describe your upgrade strategy.
5. Are changes to your recordkeeping system completed by outside vendors or internal systems professionals? Explain the process by which changes to your recordkeeping system are made.
6. Is your recordkeeping system updated daily to reflect account values?
7. What is your backup process? Do you have a disaster recovery plan? How often is it tested? When was it last successfully tested? What encryption method is used for your offsite backups? Describe your key management process. Provide a summary of test results.
8. Provide a log of your recordkeeping system's downtime during the last 12 months.
9. How much customization does your platform allow? Give examples.
10. Describe in detail your test environment. What is the availability of your test system to Investment Plan service providers? Are there restrictions on when Investment Plan would be allowed to access the test environment? How often is the test environment refreshed?
11. What additional capacity is currently available on your recordkeeping system (as a percentage and number of member records)?
12. How many calls is your IVR system configured to answer each day? On what assumptions is this number based (average telephone call length, etc.)? How are calls handled that exceed this configuration? How often has this happened? Has your organization ever "stress-tested" the system? If so, when was the last test conducted and what were the results?
13. Provide the following statistics relative to service levels for your organization's toll-free customer service line for the periods shown:

	Quality Standard	Actual Result for 7/1/2018 to 12/31/2018
Average IVR answer time in number of seconds.		
IVR downtime (% of hours per month).		
CSA downtime (% of available hours per month).		
Internet/web site downtime (% of hours per month).		
Number of calls handled by IVR.		

	Quality Standard	Actual Result for 7/1/2018 to 12/31/2018
Number of CSAs.		
Number of participants served by CSAs.		
Average minutes per day that a CSA is on the telephone.		
Number of seconds the caller is "on hold" while call transfers to CSA.		
Average number of seconds CSA spends on "after call work".		
Call abandonment rate – CSA.		
Call abandonment rate – IVR.		
Average speed of answer – CSA.		
Average speed of answer – IVR.		
Percentage of calls requiring calls back.		
Amount of time to call back with status on issue.		
Amount of time to handle issue resolution.		
Frequency that a CSA's calls are monitored by qualified supervisor.		
Number of Internet "hits" received N/A.		
Number of participants using the Internet access to view or transact N/A.		

14. Provide a sample of a statistical report that your organization has prepared for clients showing how you monitor these statistics and other general utilization information.
15. What is the lead-time for adding additional capacity to your telephone lines for IVR and CSAs?
16. What transactions will result in the generation of a written confirmation statement? When initiating transactions through a CSA, does the member receive a confirmation number as well as a written confirmation statement?
17. Can copies of confirmation statements be reproduced and re-sent if a plan participant makes such a request?
18. Can member account statements and confirmations be produced without displaying the member's social security number? If you cannot fully eliminate social security numbers from these documents, what alternatives do you propose?
19. Describe your ability to provide the Investment Plan staff with electronic images of all confirmations within one business day?
20. How will you identify members who default to an age-appropriate Retirement Date Fund from those who elect it?
21. How do you ensure the security of participant data on the IVR system, Internet, or with CSAs? Can you customize and accommodate specific plan requirements from other clients on your system?
22. Are your organization's IVR, Internet, and CSA access systems fully integrated into your recordkeeping system? If not, how are your systems fully updated and how frequently? Have there been any system update failures across the various system components? If so, how were the failures resolved and what steps taken to avoid a reoccurrence?
23. Investment Plan new hires can elect a retirement plan via form, CSA and web. By law, new hires have eight calendar months from the month of hire to elect their retirement plan. If no valid election is made, the new hire will default to either the Investment Plan or Pension Plan, based on membership class, at the end of their choice period. Election by form is considered made at the time the form is received by the Administrator (therefore time and date stamp processing must be

strictly accurate since this evidences the time of receipt). Elections via CSA and web are considered to be completed when the member confirms their selection (by voice or the push of a button).

24. Describe how you will ensure that plan elections made by these various methods will be processed correctly with relation to the cutoff time of 4:00 PM ET on the last business day of the 8th month. Specifically discuss mail receipt/time and date stamp procedures, batch cutoff windows, etc.
25. Describe how you will ensure that new hires are defaulted to the correct FRS plan, based on their membership class.
26. Describe your records retention schedule for your fax server logs and activities.

F. Communications

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Communications or a detailed articulation of qualifications, if any.
2. Please provide examples of communication material provided for other clients. These should include: member account statements, transaction confirmation statements/letters, etc.
3. Provide examples of print materials that could be used to assist the Investment Plan members to understand your organization's customer service center and on-line systems.
4. Describe the requirements and any limitations imposed and if there is an extra cost associated with inserting information provided by the SBA into members' account statement. Do you have a library of investment related articles that the Investment Plan could access? If so, at what cost (include this information in your fee proposal as well)?
5. Indicate how your organization will store and retrieve the Investment Plan member account statements for each quarter, any written communications including confirmation of plan choice, transactions, etc., if requested.
6. Can you accommodate custom records retention schedules for all print, electronic and telephonic mediums? What limitations exist?
7. Confirm that your organization's quarterly statement will be personalized for the Investment Plan and that your organization can provide, at a minimum, the following data elements:
 - a. Member name and address
 - b. Current investment election(s)
 - c. Transactional level statement, if requested by the member
 - d. Fees paid (both \$ and % data elements)
 - e. Asset allocation in percentages
 - f. Asset allocation in graph or pie chart format
 - g. Investment option rates of return
 - h. Contributions for the quarter, by month, by source
 - i. Linking of contributions to the pay period from which the contributions were generated
 - j. Prior quarter closing account balance
 - k. Total vested account balance
 - l. Total non-vested account balance
 - m. Total account balance
 - n. Vested percentage
 - o. Indicative dates
 - p. Year-to-date contributions, by source

- q. Inception-to-date contributions, by source
 - r. Investment Plan-specified messages
 - s. Investment performance relative to benchmarks
 - t. Quarterly personal rate of return
 - u. Member's personal rate of return from beginning of Plan to end of current quarter
 - v. Value of account if converted to monthly benefit
 - w. Beneficiary designation(s)
8. Can you provide personalized rates of return on member account statements? If so, how are these rates calculated? Is a member's rate of return reflective of when contributions were made on behalf of the member and take into account when inter-fund changes are processed?
 9. Can you provide to members, either on-line or within their quarterly statements, pay-period information that ties employer and employee contributions to the pay-period to which it relates, assuming that the Investment Plan provided such information with each contribution?
 10. Do you have the ability to produce letters, flyers, postcards and other informational documents containing variable member specific information? Please provide examples of such documents that you feel would especially benefit members of the Investment Plan. Please include itemized costs for each.

G. Risk and Transition Management (Non-Incumbent for Assumption of Relationship | Incumbent for Transition to New State of Relationship)

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 and Transition Management or a detailed articulation of qualifications, if any.
2. Describe in detail your transition plan for this account (or if incumbent, approach to implement outlined changes). Confirm your ability to meet the implementation dates listed in the ITN. Provide a detailed work plan and flow chart of activities, responsibilities and time frames for conversion of the plan.
3. (Non-Incumbent Only): Provide names and contact information for three new clients (obtained within the past three years) for whom you have assumed recordkeeping services from another Administrator.
4. (Non-Incumbent Only): The SBA will expect the successful respondent to utilize the current format of data feeds that are currently sent to and received from the Division and other Investment Plan service providers. Will your organization commit to utilizing the Investment Plan's current data feed formats? If not, please explain in detail any departure from utilizing Investment Plan current data feed formats. See Appendix A for file layouts/descriptions.
5. (Non-Incumbent Only): What do you consider to be an acceptable "black out period" (i.e. the period of time when a member can neither access their account information from the outgoing Administrator nor the incoming Administrator)? Describe what communications you provide to members to alert them to the potential blackout period and what follow-up information do you provide once the members can access their account on your recordkeeping system?
6. (Non-Incumbent Only): What is the minimum amount of time that your company would require to conduct this transition? How much notice will your company require prior to commencing this transition? Provide an estimate of the type and amount of resources that the Investment Plan would need to provide to you for this transition.

7. (Non-Incumbent Only): How many employees do you have that work exclusively on transitions? How many are typically assigned to a transition of this size? Where would the transition team be located? How many individuals would be exclusively assigned to the transition of the Investment Plan? Identify the expected members of the transition team(s) by functionality. Include a description of the role of each member. Over what period of time will they be dedicated to the Investment Plan?
8. (Non-Incumbent Only): If the team (or any team member) will not be working exclusively on this transition, how many additional plans/programs will they be working on?
9. (Non-Incumbent Only): Describe how the transition team will coordinate with the on-going administration team both prior to and after transition.
10. (Non-Incumbent Only): What is the minimum amount of time, prior to a desired contract effective date of July 1, 2020, that your organization would require to conduct the transition of the recordkeeping function? Assuming transition activities were slated to start any time after July 1, 2019, is this adequate time for a July 1, 2020, live cutover date?
11. As Investment Plan staff will be an integral part of the transition team and process, what documentation will be provided to the Investment Plan regarding tests conducted and their results? How will you ensure that the Investment Plan staff is fully incorporated into the process?
12. How will your organization guarantee its stated implementation time frame?

H. Client Satisfaction

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to Client Satisfaction or a detailed articulation of qualifications, if any.
2. Describe your organization's quality management and quality improvement program.
3. Describe your organization's client relations structure and how the Investment Plan will be slotted into that structure.
4. How does your organization measure and evaluate client satisfaction? How does your organization intend to report the results of such measurement to the Investment Plan?
5. After reviewing the Investment Plan member complaint rules and policies (available on MyFRS.com), how will written and verbal complaints from members be handled and resolved within your organization?
6. How will you notify the Investment Plan of potential problems arising from member complaints? What safeguards would you utilize to ensure that the Investment Plan is informed of all serious or repetitive complaints regarding your organization's performance?
7. How long do complaints remain at each level before escalation to the next? Describe in full detail your escalation procedures. Describe your formal conflict resolution process.
8. Will you work with the Investment Plan to develop mutually agreed-upon performance standards? Are you willing to put fees at risk for missing agreed upon performance standards? Please provide samples of performance standards that you would agree to as part of a contract for plan administration services, clearly specifying any penalty compensation.

9. Please provide at least five (5) references of DC recordkeeping and administration clients for whom services have been provided for at least five (5) years. Optimally, references from similar plans to the Investment Plan (401(a) plans and/or plans with 100,000 or more participants) will be provided.

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. 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.
9. Does your organization have Cyber Security Insurance policy in place? If so, provide a copy of the policy. If not, do you anticipate obtaining insurance in the future?
10. How do you assess employees' security awareness/knowledge? Describe your internal security awareness program.
11. Describe your disaster recovery plan. How often do you test your recovery system?
12. 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?
13. How do you protect customer data in transit and at rest?
14. 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?
15. 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.

16. Do you use a third party to perform security assessments of your information systems?
17. Do you have dedicated internal teams for simulating malicious attacks and fixing security holes?
18. Do you perform security assessments of your suppliers, contractors and business partners?
19. What training does your development and testing teams receive specific to application security?
20. Does your organization follow current threat trends? How?
21. Do you have a breach notification plan?
22. 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.
23. Is there a formal procedure for reporting a suspected security violation?
24. Who are the key day-to-day and executive contacts in case of a cybersecurity issue?
25. How and when will you notify customers of any suspected security breaches?
26. Are you knowledgeable of State of Florida notification requirements, Section 501.171, Florida Statutes, if an issue occurs?
27. Describe your incident response plans and capabilities. Are there any services that you would provide members who may be impacted by the data breach, at no charge to the member or the SBA?

**Optional Self-Directed Brokerage Account (SDBA) Services to Be Provided
(Covers Services Outlined in Section II.2 of the ITN)**

1. Provide a clear statement outlining either your organization's unqualified ability to meet all areas outlined in the scope of services related to the Optional Self-Directed Brokerage Account or a detailed articulation of qualifications, if any.
2. Indicate whether the proposed self-directed brokerage capabilities are vended or proprietary. Specifically, describe when and how the platform was created and/or acquired.
3. How long has your firm been providing self-directed brokerage account access? What is the current amount of self-directed brokerage account assets recordkept?
4. Complete the following table in response to how many plans your organization currently provides SDBA services to as of December 31, 2018:

Participant Count	401(a) Plans	457(b) Plans	All 401(k) Plans	All Other DC Plans
less than 100,000				
100,000 – 199,999				
200,000 – 299,000				
300,000 and over				

5. Complete the following table in response to how many accounts your organization has gained and lost over the past five years and the reasons for any lost accounts:

Year	Total Assets Gained	# of Accounts Gained	Total Assets Lost	# of Accounts Lost	Reasons
2018 YTD					
2017					
2016					
2015					
2014					

6. What are the structural advantages and/or key differentiators that distinguish the SDBA features from those of your competitors?
7. Does your firm maintain the status of a registered investment advisor under the Investment Advisors Act of 1940, regardless of whether any exemption from registration applies?
8. Is your firm willing to act as a fiduciary as set forth in s. 121.4501(15), F.S.? Provide your firm's rationale for willingness or lack thereof.
9. Please provide a copy of the most recent disclosure statement (e.g. Form ADV) required by any regulatory agency with which the firm is registered.
10. Describe the process and the timeline involved when a plan member moves funds between their Investment Plan primary investments and the SDBA including any holding period within a money market fund. If the process is not immediate, please explain when the purchase/sell of investments in the SDBA can be finalized.
11. Will the SDBA provider track cost basis and detailed information regarding gains and/or losses on a per position basis?
12. What is the total number of mutual funds in the proposed brokerage account? Identify what types of funds are available through your brokerage account including the number of no transaction fee (NTF), no-load, and load funds. Are these categories easy for the participant to locate?
13. Discuss all aspects of securities lending as it relates to the brokerage window?
- Are security assets subject to re-hypothecation and lending by the brokerage provider? If so, fully describe the nature of your program.
 - Does your platform have any restrictions on the inclusion of investment products that may include embedded securities lending in an indirect fashion – i.e. a mutual fund that permits and uses securities lending?
14. Describe the firm's securities trading capabilities associated with the self-directed brokerage account. Where will trading occur for this product? What team(s) is responsible?
15. Does your firm trade through a broker affiliate? If so, what is the average percentage of trades directed to the broker affiliate? Does your firm trade for the management of client accounts through this broker/dealer?
16. Are soft dollars created in the subject products? If so, how are they used and provide a list of the top 10 recipients of soft dollars generated by this product.
17. What type of trading system does the SDBA provider use?

18. Explain how the SDBA provider trading desk is able to execute the trades with the funds/securities within the brokerage account placed by plan member up until 3:59 PM ET. How does the trading desk communicate with the various funds?
19. What is the role of SDBA provider's trading desk as it relates to the proposed self-directed brokerage business?
20. Describe how the SDBA provider enforces trading restrictions and/or levy of redemption fees on the SDBA member accounts.
21. What is the frequency of the SDBA account statements and how soon after the end of the statement period, will the statements be mailed (or made available to members if they are electronic)? Does the member have a choice as to electronic or hard copy statements?
22. Do you provide a customized internet site for members using the brokerage account? Can plan members access the brokerage account information via a link from the Investment Plan Administrator's website? If not, explain why not.
23. Will the SDBA allow single sign on from the Investment Plan Administrator/Recordkeeping platform? If not, why not?
24. Will a member with both pre- and post-tax funds (excluding Roth funds) need to establish two brokerage accounts in order to keep the pre- and post-tax funds separated? If so, will the member be charged more for establishing and maintaining two accounts?
25. When a member utilizing a brokerage account liquidates fund(s), will the entire account value be liquidated and transferred immediately to the member's core investment option(s)? Or will residual income items (dividends, interest) hit the account at a later date and have to be paid out in arrears? If so, please explain in detail how you would work with the Plan Administrator to deal with these residual amounts to ensure they are fully distributed from the brokerage account to the Plan for the benefit of the member
26. Who provides technical support regarding issues with the brokerage account (i.e. website, passwords, transactions not processing, etc.)?
27. Describe how the SDBA provider would work with the Investment Plan's custodial bank and plan administrator to ensure accruals are properly accounted for and income received on payable dates.
28. Describe the process for reconciling positions, cash balances, pricing and market values with our custodial bank and master record keeper. The description should include the frequency of reconciliation, tolerance threshold for investigating discrepancies and the method for addressing discrepancies.
29. What type of reports are available to the Investment Plan detailing total number of members in the SDBA, member SDBA balances and total SDBA investments by investment type (i.e. mutual fund, stocks, ETF)? What frequency can these reports be provided?

Section VIII. Fees and Services

A. Fee Proposal

All respondents must complete the applicable portion of this Fee Proposal Form. The fee proposed should take into consideration all requirements described in this ITN, Section II.1 Scope of Services. Any deviations, reductions, enhancements, or changes to the services outlined in the ITN must be fully disclosed and described in detail.

For purposes of the general administration services, the respondent should assume a five-year contract period, with the full two-year extension. Fees would be negotiated at the time of contract extension. Contract terms for services described in Section II.1 are to be determined.

General Scope of Services (Section II.1 of the ITN)

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.

1. Base Fee Schedule

Respondents must propose a per-member annual dollar fee, which must be proposed as a total fee for all members (as described in the chart below). Total per-member fees proposed should be applied uniformly across all member accounts based on the total member count as of each period end. 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 Investment Plan to fully evaluate the costs and benefits of such a schedule. Out of pocket expenses are not to be included in the per participant fee. Provide a list of anticipated out of pocket expenses which you expect to be reimbursed and provide an estimated per participant cost.

Assuming Call Center Hours 9:00 AM – 8:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
<224,999		
225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

Assuming Call Center Hours 9:00 AM – 7:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
<224,999		
225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

Assuming Call Center Hours 8:00 AM – 6:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
<224,999		
225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

2. Additional/Deleted Services

Provide additional fee information for any ongoing services not included in your base fees for which you expect to be compensated in addition to the fees provided in the schedule above. For example, list separately any additional costs if the respondent is responsible for deducting fees from participant accounts, or if there are any separate fees for processing plan choice enrollments. The fee for information technology enhancements should be separately provided. The fee should be based on a “not to exceed” hourly rate.

3. 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, setup of interfaces with the Investment Plan, the custodian, the Division of Retirement, the fund accountant, and/or investment providers, design and development of forms, web site and others.

One-Time Implementation Costs	Fee	Comments
Recordkeeping system customization		
Report customization		
Toll-free number set-up		
Interactive voice response set-up		
Customer service center set-up		
Internet set-up		
On-line access set-up		
Web-site customization		
Coordination of single sign on through Investment Plan		
System user training		
Plan documentation		
Charges for termination of Investment Plan / relationship		
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 three-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.

	Amount, if applicable	Itemized Breakdown By Activity
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		

4. Pricing Assumptions

Each respondent must fully identify the assumptions made in arriving at the fee proposal. The assumptions should include, at a minimum, the volume and use of the various service components proposed (e.g. the number of members who will call the customer service center telephone line or access the web site; the number of copies of materials prepared and distributed (if applicable); and the number of calls that must be transferred to or received from Investment Plan).

The fee proposal must be made assuming that the respondent receives no commissions, reimbursements, sub-transfer agency, or broker’s fees, special premiums or that any other kind of fee or charge is paid or will be established for payment to any third party for the Investment Plan.

No representations or warranties of any kind are made by the Investment Plan as part of this ITN as to the volume of activity that may take place, the potential use of services offered by respondent, or any other factor that might impact the provision of services to the Investment Plan.

B. Bundled Fee Proposal

Should respondents wish to submit a proposal for bundled services, which will include general administrative/recordkeeping services as well as SDBA services. The fee proposed should take into consideration all requirements described in this ITN, Section II.1 and Section II.2, Scope of Services. Any deviations, reductions, enhancements, or changes to the services outlined in the ITN must be fully disclosed and described in detail.

For purposes of both general administration services and SDBA services, 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. Contract terms for services described in Section II.2 are to be determined.

General Scope of Services (Section II.1 of the ITN)

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.

1. Base Fee Schedule

Respondents must propose a per-member annual dollar fee for general administrative services which must be proposed as a total fee for all members (as described in the chart below). Total per-member fees proposed should be applied uniformly across all member accounts based on the total member count as of each period end. 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 Investment Plan to fully evaluate the costs and benefits of such a schedule. Out of pocket expenses are not to be included in the per participant fee. Provide a list of anticipated out of pocket expenses which you expect to be reimbursed and provide an estimated per participant cost.

Assuming Call Center Hours 9:00 AM – 8:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
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225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

Assuming Call Center Hours 9:00 AM – 7:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
<224,999		
225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

Assuming Call Center Hours 8:00 AM – 6:00 PM ET Monday – Friday

Number of Members	Total Per Member Fee	Per Minute Phone Charges (excluding non-answered hang-ups, time waiting for answer (ACW) and time on hold)
<224,999		
225,000 – 299,999		
300,000 – 374,999		
375,000 – 449,999		
450,000 – 524,999		
525,000<		

2. Additional/Deleted Services

Provide additional fee information for any ongoing services not included in your base fees for which you expect to be compensated in addition to the fees provided in the schedule above. For example, list separately any additional costs if the respondent is responsible for deducting fees from participant accounts, or if there are any separate fees for processing plan choice enrollments. The fee for information technology enhancements should be separately provided. The fee should be based on a "not to exceed" hourly rate.

3. 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, setup of interfaces with the Investment Plan, the custodian, the Division of Retirement, the fund accountant, and/or investment providers, design and development of forms, web site and others.

One-Time Implementation Costs	Fee	Comments
Recordkeeping system customization		
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Toll-free number set-up		
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Customer service center set-up		
Internet set-up		
On-line access set-up		
Web-site customization		
Coordination of single sign on through Investment Plan		
System user training		
Plan documentation		
Charges for termination of Investment Plan / relationship		
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.

	Amount, if applicable	Itemized Breakdown By Activity
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		

4. Pricing Assumptions

Each respondent must fully identify the assumptions made in arriving at the fee proposal. The assumptions should include, at a minimum, the volume and use of the various service components proposed (e.g. the number of members who will call the customer service center telephone line or access the web site; the number of copies of materials prepared and distributed (if applicable); and the number of calls that must be transferred to or received from Investment Plan).

The fee proposal must be made assuming that the respondent receives no commissions, reimbursements, sub-transfer agency, or broker's fees, special premiums or that any other kind of fee or charge is paid or will be established for payment to any third party for the Investment Plan.

No representations or warranties of any kind are made by the Investment Plan as part of this ITN as to the volume of activity that may take place, the potential use of services offered by respondent, or any other factor that might impact the provision of services to the Investment Plan

5. SDBA Fee Structure

Indicate the specific fee structures for the proposed self-directed brokerage account in the table below:

SDBA Membership Requirements	Per/Participant Fee (\$)
Cost to Open Account	
Monthly/Annual Administrative Fee (define)	
SDBA Features	Requirements
Minimum Deposit Requirement	
Minimum Initial Transfer of Funds	
Minimum Subsequent Transfer of Funds	
Minimum SDBA Account Balance	
Maximum SDBA Account Balance	
Fund Universe	Number of Funds
Number of waived load or no transaction fee ("NTF") funds available on provider approved list	
Number of other funds available on provider platform (non-NTF funds)	
SDBA Fees	Per/Trade or Transaction Fee (\$)
Stock and ETF Trades	
Unassisted Stock/ETF trades	
Representative Assisted Stock/ETF trades	
Mutual Fund Trades	
Unassisted online Mutual Fund trades for funds on approved NTF list	
Unassisted online Mutual Fund trades for funds not on approved NTF list	
Representative Assisted Mutual Fund trades for funds on approved NTF list	
Representative Assisted Mutual Fund trades for funds not on approved NTF list	
Fixed Income Trades	
Primary Issues	
U.S. Treasury Issues at Auction	
Corporate, Agency and Municipal Bonds	
Certificates of Deposit	
Secondary Market Trades	
U.S. Treasuries and Agency Bonds	
Maturities of 2 years or less	
Maturities of more than 2 years	
Corporate Bonds	
Maturities of 2 years or less	
Maturities of more than 2 years	
Certificates of Deposit	
Maturities of 2 years or less	
Maturities of more than 2 years	

1. Describe any additional fees passed on to the plan members, SBA, Administrator or Custodian associated with placing trades (broker assisted, telebroker, website, etc.). Is it mandatory that the fees are clearly announced to the plan member prior to the trade?
2. Will your firm charge an implementation or annual fee for the proposed self-directed brokerage account to either SBA or the Administrator? Are the fees negotiable?
3. Please list any and all direct and indirect fees that may be charged by your firm that were not addressed in the preceding questions. Of those fees, which are borne by the plan sponsor and which are charged directly to the plan participants who utilize the brokerage account? If charged directly to the plan participant, how are these fees identified and communicated to the plan participants?
4. If your firm requires transfers between the SBA core accounts and the SDBA to be held in a fund for a given amount of time, describe fees charged and the compounding rate. What period of time are the monies held? Is interest earned on the "holding" account and who is credited with the interest earned? If the fund is a money market fund, provide the fund prospectus. Are the investment management fees and/or 12b-1 fees negotiable?

C. Alternative Service Proposal

The SBA encourages respondents to make alternative proposals that use different methods or approaches to the administration processes outlined in the ITN. Each alternative should be fully described with complete pricing detailed utilizing the template from Section VIII above. For each alternative, the respondent should briefly, but clearly, describe the benefits that would result from the alternative approach. Although the SBA reserves the right to enter into negotiations based on the terms of an alternative service proposal, note that the receipt of an alternative service proposal in no way obligates the SBA to consider such proposal.

Appendix A: 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 F. of the ITN.

The Respondent has read and affirmed its understanding of the Scope of Services set for in Section II.1 and Section II.2 as applicable of the ITN and has responded completely and accurately regarding its capabilities and willingness to meet all listed scope requirements.

The Respondent hereby agrees to abide by all conditions of this ITN for Florida Retirement System Investment Plan Administrator and Florida Retirement System Plan Choice Administrator, 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 A.

Authorized Signature (Manual)

Name and Title (Typed)

Date (Typed)