

STATE OF TENNESSEE  
TREASURY DEPARTMENT



**REQUEST FOR PROPOSALS # 30901-49522  
AMENDMENT # 1  
FOR THIRD PARTY ADMINISTRATOR (“TPA”) FOR  
THE DEFINED CONTRIBUTION (“DC”) PLANS AND  
PARTICIPANT SERVICE AND PARTICIPANT  
FINANCIAL EDUCATION PROVIDER FOR THE  
DEFINED CONTRIBUTION PLANS AND THE  
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
 (“TCRS”) DEFINED BENEFIT PLAN**

**DATE: December 12, 2022**

**RFP # 30901-49522 IS AMENDED AS FOLLOWS:**

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		November 21, 2022
2. Disability Accommodation Request Deadline	2:00 p.m.	November 23, 2022
3. Pre-response TeleConference	10:00 a.m.	November 29, 2022
4. Notice of Intent to Respond Deadline	2:00 p.m.	November 30, 2022
5. Written “Questions & Comments” Deadline	2:00 p.m.	December 5, 2022
6. State Response to Written “Questions & Comments”		December 12, 2022
7. Second & Final Round of Written “Questions & Comments” (Follow-Up Questions & Comments) Deadline (See RFP Section 1.4.4.)		December 16, 2022
8. State Response to Second & Final Round of Written “Questions & Comments”		December 22, 2022
9. Technical Response and Cost Proposal Deadline	2:00 p.m.	January 4, 2023
10. State Completion of Technical Response Evaluations		January 19, 2023

11. State Schedules Respondent Oral Presentations (Respondent Finalists Only)		January 20, 2023
12. Respondent Oral Presentations (Respondent Finalists Only)	8 a.m. - 4:30 p.m.	January 27 – January 31, 2023
13. State Opening & Scoring of Cost Proposals (Respondent Finalists Only)		February 1, 2023
14. Negotiations (Optional to the State)		February 2 – February 6, 2023
15. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		February 7, 2023
16. End of Open File Period		February 14, 2023
17. State sends contract to Contractor for signature		February 15, 2023
18. Contractor Signature Deadline	2:00 p.m.	February 21, 2023

**2. State responses to questions and comments in the table below amend and clarify this RFP.**

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1 Technical Response, General Is it acceptable to include links within the technical response for exhibits and requested samples?	No. A Respondent must submit its Technical Response in the manner provided in Section 3.2 of the RFP. In the event a Respondent's Response with all attachments and supporting documentation will exceed 15 megabytes in total, the Respondent must place the documents in a zip file or make two or more submissions such that the documents per e-mail submission do not exceed 15 megabytes.
2 Section C, C.12 We currently provide GASB reporting to the State in a mutually agreed upon format. Will we be able to continue with our existing reporting format or is the expectation that we transition to the provided template?	As provided in Section A.23 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6), the "required template" in C.12 is "either the template provided in Attachment 6.16 to the RFP or another format as agreed upon between the successful vendor and the State".
3 Section C, VII Plan Implementation/Conversion How would you like the incumbent to respond this section?	The incumbent would respond to Question C.78 by saying something to the effect that if they are the winning respondent who is awarded a contract under the RFP there would be no transition or conversion of the account. The incumbent should answer Questions C.79 through C.81.

QUESTION / COMMENT	STATE RESPONSE
<p>4 Section D, Technical Response and Evaluation Guide</p> <p>Should this page be provided as a part of the one digital technical response document or should it be provided as a separate document.</p>	<p><b>RFP Attachment 6.2., Section D - ORAL PRESENTATION</b>, is not to be provided as a part of the Respondent’s Technical Response. Instead, the questions posed in RFP Attachment 6.2, Section D are the areas the finalists are to cover during their oral presentations.</p>
<p>5 Cost Proposal</p> <p>Is it acceptable to include a list of assumptions for our cost proposal for areas such as SUBSCORE A and SUBSCORE E? If yes, please confirm the appropriate location for cost assumptions.</p>	<p>No. As stated in the Cost Proposal and Scoring Guide, “a Respondent <u>must NOT record any other rates, amounts, or information</u>” on the Cost Proposal and the failure to provide a complete Cost Proposal <u>exactly</u> as required on the Cost Proposal and Scoring Guide will result in disqualification.</p>
<p>6 Cost Proposal</p> <p>If we have additional services we believe would be beneficial to participants, where should we include the fees associated with these services within the cost proposal.</p>	<p>The cost proposal must not include any additional fees or other pricing that it not asked for in the Cost Proposal and Scoring Guide. Please note that a Respondent must <u>only</u> record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal and Scoring Guide, <u>and must NOT record any other rates, amounts, or information.</u></p>
<p>7 Cost Proposal</p> <p>Regarding SUBSCORE C where it is stated to “provide the annual basis point fee reflecting the highest cost for the lowest account balance tier”, are you asking to assume the participant’s balance is in the lowest tier (ex: \$0-\$100,000 tier) and provide the fee that participant would receive?</p>	<p>For Subscore C, each respondent must set forth their own breakpoint asset tiers, which <u>must be an asset based fee</u> as explained in Subscore C of the Cost Proposal &amp; Scoring Guideline. THEN based upon and in accordance with those breakpoint assets tiers that the respondent provides, the respondent must insert the highest asset-based fee charged to the lowest account balance tier.</p> <p>As an example, if the Respondent charges Managed Account Service participants a 40 basis point fee on the first \$100,000 in assets and 20 basis points on assets above \$100,000, then 40 basis points should be the proposed annual basis point fee in Subscore C.</p>
<p>8 Section A.35 Exclusivity (QUESTION)</p> <p>Does this provision of the Pro Forma Contract restrict the Contractor from providing recordkeeping services to other TN plans it has acquired due to mergers and acquisitions?</p>	<p>There would be no prohibition against continuing to service those plans under contracts existing on the commencement date of any contract awarded under this RFP. However, the provisions of Section A.35 shall apply to those plans when the contracts for those plans expire, come up for renewal, or are otherwise rebid. The successful respondent of this RFP must provide the State with a list of those plans on or before the commencement date of any contract awarded under this RFP.</p>
<p>9 Section D.6 Termination for Cause (QUESTION)</p>	<p>Yes. See Item 3 below for an amendment to Section D.6. of the <i>Pro Forma</i> Contract (RFP Attachment 6.6.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Will the State agree to granting the Contractor an opportunity to cure its default prior to immediately terminating for Contractor's breach?</p>	
<p>10 Section D.24 Force Majeure (QUESTION) Does the State have any flexibility on agreeing to a longer period of delay than the 48 hours listed, in the Contractor's performance of services due to a force majeure event prior to immediately terminating?</p>	<p>No. If any Force Majeure Event results in a delay in the Contractor's performance longer than forty-eight (48) hours, the State <u>may</u>, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; <u>or</u> (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. The Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.</p>
<p>E.5. Contractor Hosted Services Confidential Data, Audit, and Other Requirements</p>	
<p>11 Section E.5.a.(2) Encryption (QUESTION) Our organization is not a Federal agency and therefore not utilizing the FIPS methodology. The most current industry best practice encryption methodologies are utilized. We do utilize FIPS compliant algorithms such as AES. Would these algorithms be acceptable?</p>	<p>Yes.</p>
<p>12 Section E.5.a.(4) Penetration Testing (QUESTION) Will the Contractor be considered non-responsive if they cannot agree to the State performing Penetration Tests and Vulnerability Assessments of the Contractor's Processing Environment as defined in this Section?</p>	<p>See Item 4 below for an amendment to Section E.5.a.(4) of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>
<p>13 Section E.5.b.(1) Minimum Requirements: Compliance with the State's Enterprise Information Security Policies (QUESTION) Our organization utilizes industry best practices, state, and regulatory requirements to build and maintain a robust defense in depth information security program. Complying with individual client policies is not scalable or defensible to our regulatory agencies. We meet the spirit of the state's Information Security Policies and are happy to map our policies to the State and discuss variances should they exist. Is this acceptable?</p>	<p>Yes.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>14 Section E.6 Personally Identifiable Information (QUESTION)</p> <p>Does the State have any flexibility on the Contractor reporting an Unauthorized Disclosure of PII within three (3) business days, instead of 24 hours?</p>	<p>No.</p>
<p>15 I would like to kindly inquire about RFP # 30901-49522:</p> <p>Third Party Administrator (“TPA”) for the Defined Contribution (“DC”) Plans and Participant Service and Participant Financial Education Provider for the Defined Contribution Plans and the Tennessee Consolidated Retirement System (“TCRS”) Defined Benefit Plan.</p> <p>May I please confirm if this is now the Rebid for <b>contract number 63136</b> which will expire on June 30, 2024? Or the RFP is a separate and new requirement?</p>	<p>Contract number 63136 is the Tennessee Treasury Department’s contract with Corvel that expires 06/30/2024 and it is for Worker’s Compensation pharmacy benefits, TPA administration, provider network, bill repricing and utilization review and or managed care services. Consequently, contract number 63136 does not relate to this RFP.</p>
<p>16 Please provide the number of unique participants.</p>	<p>185,839 as of 12/31/2021</p> <p>188,854 as of 6/30/22</p> <p><i>In addition</i>, more detailed participant breakdowns are provided in RFP Attachments 6.12 and 6.15. As stated in the RFP, a link to these attachments and other RFP attachments can be obtained by contacting the Procurement Coordinator, Dawn Rochelle, by email at <a href="mailto:Dawn.Rochelle@tn.gov">Dawn.Rochelle@tn.gov</a>.</p>
<p>17 With regard to the interface with the current payroll systems, please clarify what is involved in the interface and what the cost is.</p>	<p>Interface refers to the ability for the payroll systems to receive electronic feedback files from the recordkeeper (deferral, loan, etc) and submit electronic payroll files with all relevant participant information to the recordkeeper.</p> <p>The State cannot speak to any costs that may or may not be involved in facilitating the interface, if necessary.</p> <p>Banner is the payroll provider for all TBR and LGI Institutions.</p> <p>UT indicates that its own staff would perform any necessary interface work and costs would be based on the duration of the project.</p>
<p>18 With regard to Section 4, General Contracting Information &amp; Requirements, Item 4.4.1., would the State accept the addition of the language highlighted in red? The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP</p>	<p>The State respectively declines. The successful respondent cannot assign the Contract or enter into a subcontract for any of the services provided under the Contract without the prior written approval of the State. <b>Note:</b> Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one</p>

QUESTION / COMMENT	STATE RESPONSE
without prior approval of the State <b>with the exception of vendor's IT system.</b>	or more of the proposed subcontractors prior to signing the Contract.
19 Is the current vendor utilizing a minority, women, service-disabled veteran, persons with disabilities or small business enterprise in the performance of the contract? If so, what functions do they perform?	The State does not believe the requested information is necessary to enable respondents to respond to this RFP.
20 Where are the current call centers located?	<p>There are call center office locations in:</p> <ul style="list-style-type: none"> <li>• Denver, CO</li> <li>• Andover, MA</li> <li>• Overland Park, KS</li> <li>• Milwaukee, WI</li> </ul> <p>There are also call center representatives working remotely in other states.</p>
21 What duties do the three (3) dedicated DC recordkeeping client service personnel that work exclusively on this contract's scope of services perform?	<p>The client service personnel perform all administrative and issue resolution functions associated with employer reporting, employer compliance, employer education, and the onboarding of new adopting employers in the State of TN 401(k) and 457 Plans. These employers currently represent over 700 individual "payroll centers."</p> <p>The client service personnel are also responsible for data collection and reporting, including plan level data, GASB reporting data, and other ad-hoc data requests related to plan operations.</p>
22 What duties do the 16 field representatives perform? Does the State believe that 16 individuals is the appropriate number in light of the recent Covid environment and the associated increased availability of virtual interaction with plan participants?	<p>The field representative are expected to perform all duties ascribed to them in the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p> <p>In general, field representatives are responsible for providing holistic retirement plan and retirement readiness education to participants in the State of Tennessee 401(k)/457 Plans and/or the TCRS defined benefit plan through 1:1 and group meetings that may be conducted virtually or in person. Field representatives may also offer education on other financial education topics in 1:1 or group meetings/webinars. Field representatives also play a large roll in enrollment and plan education activities for the employees of local government employers that adopt the 401(k)/457 Plans.</p> <p>Please refer to the "DB/DC Holistic Participant Communication, Education, and Customer Service and "RetireReadyTN" Branding" section of the RFP introduction for more details.</p> <p>The State currently has 16 field representatives and feels this number is appropriate to meet</p>

QUESTION / COMMENT	STATE RESPONSE
	expectations and contractual requirements at the commencement of any contract awarded under this RFP.
Questions Specific to the current stable value fund	
23 Please describe the structure of your current Stable Value Fund. Is it a separate account, commingled or a pool?	The Tennessee Stable Value Fund is structured as a separate account.
24 Would you consider a proposal for an alternative Stable Value solution?	No, the State is not considering any changes to the investment lineup, including the Stable Value Fund, as part of this RFP.
25 What is the Stable Value funds market/book ratio? Will this MV/BV come with the client to the new provider?	The State does not believe the requested information is necessary to enable respondents to respond to this RFP. The State is not considering any changes to the investment lineup, including the Stable Value Fund, as part of this RFP.
26 What is the current crediting rate?	See response to Question 25 above.
27 What is the Minimum Guaranteed Crediting Rate?	See response to Question 25 above.
28 What is the current fee of the Stable Value Fund (inclusive of investment management and wrap)?	See response to Question 25 above.
29 What are the Stable Value funds exit provisions?	This information is contained in RFP Attachment 6.12. As stated in the RFP, a link to this attachment and other RFP attachments can be obtained by contacting the Procurement Coordinator, Dawn Rochelle, by email at <a href="mailto:Dawn.Rochelle@tn.gov">Dawn.Rochelle@tn.gov</a> .
30 If the Stable Value fund has a 12-month put provision, has the put notification been submitted? If so, on what date?	See answer to Question 29 above. The State is not considering any changes to the investment lineup, including the Stable Value Fund, as part of this RFP.
<p>31 Please provide a minimum of four years of the Stable Value fund cash flow history, including contributions, withdrawals, transfers in and transfers out? Example below</p> <p>Contributions Withdrawals Transfers In Transfers Out* Total</p> <p>2018</p> <p>2019</p> <p>2020</p> <p>2021</p>	<p>Three years of cash flow history is provided in RFP Attachment 6.12. As stated in the RFP, a link to this attachment and other RFP attachments can be obtained by contacting the Procurement Coordinator, Dawn Rochelle, by email at <a href="mailto:Dawn.Rochelle@tn.gov">Dawn.Rochelle@tn.gov</a>.</p>

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32 Please provide the Stable Value funds year-end balance for the last 4 years.	<p>Three years of balance information is included in RFP Attachment 6.12.</p> <p>A link to RFP Attachments 6.7 – 6.16 listed below, can be obtained by contacting the Procurement Coordinator Dawn Rochelle by email at Dawn.Rochelle@tn.gov</p>																																																															
<p>33 Please provide the asset demographic data for the Stable Value fund broken down by ages (10-year increments, if possible) as well as by active versus inactive (terminated/retired employees). Example below:</p> <table border="1" data-bbox="261 680 773 1003"> <thead> <tr> <th></th> <th># of Active</th> <th># of Inactive</th> <th>Total #</th> <th>\$ Stable Value</th> <th>\$ Stable Value</th> <th></th> </tr> <tr> <th>Age Range</th> <th>Participants</th> <th>Participants</th> <th>Participants</th> <th>Balance Active</th> <th>Balance In-Active</th> <th>Total \$ Balance</th> </tr> </thead> <tbody> <tr> <td>&lt;30</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>30- 39</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>40- 49</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>50- 59</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>60- 69</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>70&gt;</td> <td></td> <td></td> <td>0</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>Total</td> <td>0</td> <td>0</td> <td>0</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> </tbody> </table>		# of Active	# of Inactive	Total #	\$ Stable Value	\$ Stable Value		Age Range	Participants	Participants	Participants	Balance Active	Balance In-Active	Total \$ Balance	<30			0			\$ -	30- 39			0			\$ -	40- 49			0			\$ -	50- 59			0			\$ -	60- 69			0			\$ -	70>			0			\$ -	Total	0	0	0	\$ -	\$ -	\$ -	<p>See response to Question 25 above.</p> <p>Some of this information is contained in RFP Attachment 6.12. As stated in the RFP, a link to this attachment and other RFP attachments can be obtained by contacting the Procurement Coordinator, Dawn Rochelle, by email at <a href="mailto:Dawn.Rochelle@tn.gov">Dawn.Rochelle@tn.gov</a>.</p>
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**3. Delete Section D.6 of the Pro Forma Contract, RFP Attachment 6.6, in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract ~~in a timely or proper manner~~, or if the Contractor materially violates any terms of this Contract (“Breach Condition”), the State shall ~~have the right to immediately provide written notice to Contractor specifying the Breach Condition.~~ If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any ~~Breach Condition~~ breach of this Contract by the Contractor and the State may seek other remedies allowed at law or in equity for breach of this Contract.

**4. Delete Section E.5.a.(4) of the Pro Forma Contract, RFP Attachment 6.6, in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

(4) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the



~~Processing Environment.~~ Summary results of those Penetration Tests and Vulnerability Assessments will be provided to the State.

5. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.