

State Retirement Systems



Request for Proposal for Actuarial Consulting Services (System Reference # 24100)

Issued on February 2, 2024

Responses Due by 2:00 P.M. CST on March 4, 2024

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I. INTRODUCTION

The State Retirement Systems (“SRS” or “Systems”) are requesting proposals for actuarial consulting services and actuarial advice for the Boards of Trustees and SRS staff. The objective of this Request for Proposal (“RFP”) is to solicit competitive proposals from qualified vendors in sufficient detail to permit objective evaluation of all proposals that may result in a five-year contract beginning July 1, 2024, and ending on June 30, 2029.

The State Retirement Systems are comprised of 3 retirement systems, the State Employees’ Retirement System (SERS), the Judges’ Retirement System (JRS), and the General Assembly Retirement System (GARS). Each System administers a defined benefit retirement plan for its membership that provides retirement, disability, death, and survivor benefits. SRS seeks a professional consultant to provide actuarial services to aid in the administration of all three retirement systems. The demographics and specifics of each system can be found in Section II. Summary Description of System.

If you are interested in providing these services to SRS, please read the entire solicitation package and submit a proposal to the RFP in accordance with the instructions in this packet.

SRS is committed to increasing racial, ethnic, and gender diversity in all aspects of its utilization of vendors to provide goods and services to the Systems, to the greatest extent feasible, and within the bounds of financial and fiduciary prudence. To that end, the Systems strongly encourage minority-owned businesses, women-owned businesses, businesses owned by persons with a disability, and veteran-owned businesses to submit proposals in response to this RFP.

A vendor’s preparation and submittal of a proposal or subsequent participation in contract negotiations creates no obligation on the Systems to award a contract or to pay any associated costs. All proposals and related materials will be retained by the Systems and will be subject to disclosure in accordance with the Illinois Freedom of Information Act.

II. SUMMARY DESCRIPTION OF SYSTEM

SERS is a public employee retirement system with over \$23 billion in assets, serving over 140,000 employees, retirees, and beneficiaries of the states' agencies and boards. The retirement system is administered as a qualified plan under Section 401(a) of the Internal Revenue Code. SERS operates under the provisions of the Illinois Pension Code (40 ILCS 5/). The SERS Board of Trustees consists of the State Comptroller, six elected, and six appointed board members.

The SERS plan is funded in accordance with the statutory funding policy as a level percent of payroll such that the funded ratio is projected to be 90% in the year 2045 using the Projected Unit Credit actuarial cost method. Annual actuarial valuations are used to calculate the amount of statutorily required contributions from the State of Illinois. Every three years, an experience study is conducted to monitor the validity of the actuarial assumptions in accordance with Public Act 99-0232. An experience study was completed in 2022.

Additional information regarding the System and plans administered can be obtained from our June 30, 2022, Annual Comprehensive Financial Report and the 2022 Actuarial Valuation which can be accessed on our website, [SERS of Illinois](#).

JRS is a public employee retirement system with over \$1.3 billion in assets, serving over 2,200 judges, retirees, and beneficiaries of the Judicial branch. JRS operates under the provisions of the Illinois Pension Code (40 ILCS 5/). The JRS Board of Trustees consists of the Chief Justice of the Illinois Supreme Court, the State Treasurer, and 3 active judges appointed by the Illinois Supreme Court.

The JRS plan is funded in accordance with the statutory funding policy as a level percent of payroll such that the funded ratio is projected to be 90% in the year 2045 using the Projected Unit Credit actuarial cost method. Annual actuarial valuations are used to calculate the amount of statutorily required contributions from the State of Illinois. Every three years, an experience study is conducted to monitor the validity of the actuarial assumptions in accordance with Public Act 99-0232. An experience study was completed in 2022.

Additional information regarding the System and plans administered can be obtained from our June 30, 2022, Annual Comprehensive Financial Report and the 2022 Actuarial Valuation which can be accessed on our website, [JRS of Illinois](#).

GARS is a public employee retirement system with over \$80 million in assets, serving over 500 elected state officials, retirees, and beneficiaries of the executive and legislative branches. GARS operates under the provisions of the Illinois Pension Code (40 ILCS 5/). The GARS Board of Trustees consists of 3 members appointed by the Senate President, 3 members appointed by the House Speaker, and 1 retired member elected by the retired members.

The GARS plan is funded in accordance with the statutory funding policy as a level percent of payroll such that the funded ratio is projected to be 90% in the year 2045 using the Projected Unit Credit actuarial cost method. Annual actuarial valuations are used to calculate the amount of statutorily required contributions from the State of Illinois. Every three years, an experience study

is conducted to monitor the validity of the actuarial assumptions in accordance with Public Act 99-0232. An experience study was completed in 2022.

Additional information regarding the System and plans administered can be obtained from our June 30, 2022, Annual Comprehensive Financial Report and the 2022 Actuarial Valuation which can be accessed on our website, [GARS of Illinois](#).

III. REQUIRED SERVICES

The State Retirement Systems are seeking proposals that include the following actuarial consulting services; however, SRS reserves the right to request as-hoc projects not identified below.

- (1) Annual Actuarial Valuations (Funding and GASB 67/68)
- (2) Actuarial Experience Review (Years 1 and 4) *
- (3) Economic Assumption Review (Years 2, 3 and 5)
- (4) Level Income Tables (Years 1 and 4) **
- (5) COGFA data
- (6) 415 Limitation Tables
- (7) State Actuary Response

*State law requires that the Actuarial Experience Study be performed every 3 years. For years in which the Actuarial Experience Review is not performed, the consulting actuaries will need to perform an economic assumption review.

**State law requires Level Income Tables to be updated following any change in actuarial assumptions.

The vendor shall prepare the annual actuarial valuation and determine the proposed annual employer contribution as determined by statute. In addition, the vendor will be required to conduct an in-depth experience review at three-year intervals. The next review will cover the period ending June 30, 2024. The vendor will be required to appear at quarterly board meetings to discuss various aspects of the actuarial function as well as contribute to the statutory educational requirements of the trustees. The vendor will be expected to provide various types of analyses and data in support to the State Actuary and the Commission on Government Forecasting and Accountability. Other functions to be performed by the vendor will include: (1) providing actuarial cost information on proposed legislation affecting the systems, (2) participation in special projects assigned by the Executive Secretary or Boards of Trustees, (3) keeping the Boards of Trustees apprised of any relevant accounting or reporting requirements provided by the Governmental Accounting Standards Board or other trends within the actuarial industry relevant to public pension plans, (4) conduct other services as may be reasonably asked of an actuarial consulting firm by a public pension plan. The systems plan document, including the present funding formula is contained in Articles 2, 14, and 18 of the Illinois Pension Code 40 ILCS 5/.

The selected vendor shall provide all required services in accordance with federal and State laws and in accordance with its contract with the System.

IV. PROPOSAL CONTENTS

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed in a separate section preceded by an index tab to identify the subject of the section. The proposal should be formatted on consecutively numbered pages and include a table of contents. Failure to provide information in the prescribed format may result in rejection of the proposal. All responses will be subject to verification for accuracy. **Proposals containing false or misleading information will be rejected.**

At the discretion of SRS, the vendor may be required to attend an in-person or phone interview to determine if requirements are met. An in-person interview will likely consist of a proposal presentation before the SERS Board of Trustees at their April 16, 2024, meeting, which begins at 10:00 A.M. CST and shall be conducted jointly by videoconference at the SERS' Springfield Headquarters located at 2101 S. Veterans Parkway and the Chicago Field office located at 160 N. LaSalle Avenue.

A. Cover Letter

A cover letter, which will be considered an integral part of the proposal package, in the form of a standard business letter, must be signed by an individual authorized to bind the vendor contractually. This cover letter must indicate the signer is authorized, and it must indicate the signer's title or position. An unsigned proposal will be rejected. The cover letter must also include:

- (1) A statement that the vendor is capable of providing the required services, that the proposal meets all requirements of this RFP, and that the proposal tendered by the vendor will remain in full force and effect until (and may be accepted by the State Retirement Systems) at any time prior to July 1, 2024.
- (2) A statement by the vendor certifying that it is registered as a business entity with the State Board of Elections pursuant to Section 20-160 of the Procurement Code, 30 ILCS 500/20-160, and acknowledges a continuing duty to maintain such registration under the Procurement Code or that it is not required to register under that provision; and that vendor acknowledges that any contract awarded as a result of this RFP is voidable under Section 50-60 of the Procurement Code if the vendor fails to comply with the business entity registration requirements. 30 ILCS 500/20-160; 30 ILCS 500/50-60.
- (3) A statement that the proposal is being made without fraud or collusion; that the vendor has not offered or received any finder's fees, inducements, or any other form of remuneration, monetary or non-monetary, from any individual or entity; and that the vendor has not conferred, or promised to confer, on any individual or entity, any payment, loan, advance, services, or any other form of remuneration in connection with the award of this engagement.

- (4) **A statement that the vendor is willing to enter into an agreement in the form attached to the RFP as Appendix D, including all certifications, disclosures, exhibits, and representations described or set out therein, and that the vendor acknowledges and understands that certain general provisions in the sample agreement mandated by Illinois state law to be included in contracts with agencies of the State of Illinois are not subject to negotiation.**
- (5) A reference to all matters required to be disclosed under Paragraph I below (“Other Disclosures”).
- (6) A statement that the vendor acknowledges that all documents submitted in response to this RFP are subject to disclosure under the Illinois Freedom of Information Act, 5 ILCS 140, and the Illinois Open Meetings Act, 5 ILCS 120.
- (7) An acknowledgment by the signer that the information provided in the proposal is true and accurate, and that the signer is aware that pursuant to the Illinois Pension Code, 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code (i.e., the System) in an attempt to defraud the retirement system or pension fund is guilty of a Class 3 felony.

In addition to the required cover letter, the proposal must contain the following information about the vendor and its staff who are available for assignment on the SRS project:

B. Background

- (1) Vendor shall provide a description of the firm, location of the firm’s home office, location of each branch office, location of the office that will service the SRS accounts, number of years in business, and scope of experience with private and public entities.

C. Actuary Staff Support

- (1) Vendor shall identify all professional and clerical staff to be assigned to the account. Resumes including relevant education, qualifications and work experience must be provided. The lead actuary must meet the American Academy of Actuaries Qualification Standards for an Enrolled Pension Actuary for the duration of the contract.

D. Technical Ability & Experience

- (1) Vendor must demonstrate its capability to evaluate, validate, and endorse the actuarial valuations produced by the System in accordance with the statutory provisions applicable to all 3 retirement systems administered by the procuring agency.

- (2) Vendor must have the ability to develop reasonable actuarial assumptions associated with the plan design and demographics of the Systems in accordance with Actuarial Standards of Practice.
- (3) The lead actuary must be familiar with the Illinois Pension Code requirements.
- (4) Vendor must possess the ability to consult and provide actuarial analysis to the Systems' staff on potential legislative changes that may impact the funding and valuation methodology.
- (5) Vendor must possess the ability to program necessary changes to incorporate statutorily required projected unit credit method.
- (6) Vendor must be able to maintain a data processing interface with the retirement system by electronic means and be in compliance with Illinois Public Act 99-0503.
- (7) Vendor must demonstrate the ability to complete the projects outlined in item III. Required Services in a manner acceptable to the Agency.
- (8) Vendor must demonstrate oral communication skills necessary to explain technical issues in an understandable way.

E. Ability to Meet Deliverables

- (1) Vendor must disclose its commitment, at the company and staff level, to working with the Systems to meet appropriate timetables and statutory requirements.
- (2) Vendor shall describe the resources available to coordinate with the Systems and to meet deliverables.
- (3) Vendor shall provide a detailed description on how they will evaluate and validate the actuarial valuations produced under the assumptions utilized by the Systems in accordance with the provisions of the Illinois Pension Code.
- (4) Vendor shall provide actuarial support on an as needed basis during the contract term. The vendor shall describe the resources available to coordinate with the Systems and meet deliverables.
- (5) State specifically any other information or professional services to be provided by your firm, such as newsletters, tax expertise, legislative information, etc.
- (6) Provide information on any insurance policy maintained by your firm as it might pertain to this consulting assignment.

F. Prior Performance

- (1) To demonstrate the ability to meet the needs of the Systems for this project, the vendor shall, for each of the areas listed below, provide examples of public sector clients where the vendor has completed similar work.
 - (a) Name of client and contact information.
 - (b) Time period for the project.
 - (c) Description of the project.
 - (d) Current commitment to the project.
 - (e) Any other information regarding the project that would assist the Systems in evaluating the vendor's experience (size of the fund and experience working with regulatory agencies).
- (2) Contact information, including the names, addresses, telephone numbers, and e-mail addresses, as well as completed "Reference Authorization Letters," for clients that SRS may contact as references, including at least three (3) former client references for which the vendor has performed, within the last three (3) years, actuarial services similar to those described in this RFP and at least one current client reference for which the vendor has performed, within the last three (3) years, actuarial consulting services similar to those described in this RFP. See "Appendix A: Reference Authorization Letter" for the text to be included in each of the Reference Authorization Letters.

G. Fee Proposal

Vendor must submit a written fixed fee proposal for the services described in Section III ("Services Required"). The fee proposal shall cover and include all planning, fieldwork, administrative, third-party, travel, and other costs, and it shall be in the format prescribed in Appendix C. Any deviation from the prescribed format which in the opinion of SRS is material may result in the rejection of the proposal. The proposed fee shall include all expenses for providing the services to SRS as described in this RFP.

If SRS does not consider the proposal price to be fair and reasonable and cannot negotiate an acceptable price, then SRS reserves the right to cancel the award and take appropriate action to meet its needs. SRS will determine whether the cost is fair and reasonable by considering the proposal, including the vendor's qualifications, the price proposed, other known prices, the project budget, and other relevant factors.

H. Contract

This RFP is neither a contract nor meant to serve as a contract.

It is anticipated that one of the proposals submitted in response to this RFP may be selected as the basis for negotiation of a contract with the selected vendor. Such a contract is presently contemplated to contain, at a minimum, the terms and conditions set forth in the sample agreement included as Appendix D, but the contract will also incorporate the terms of the proposal submitted, as finally negotiated and approved by the Systems. SRS reserves

the right to negotiate additions, deletions, or modifications to the sample agreement and/or the terms of proposals submitted.

Certain provisions in the sample agreement are required by the State of Illinois and are therefore not subject to negotiation. **Thus, it is critically important that vendors submitting proposals clearly and thoroughly identify all contractual concerns in their written proposal. Material changes to the sample agreement may preclude the proposal from further consideration.** A vendor that waits until contract negotiation to object to SRS contract terms may be precluded from further consideration.

I. Other Disclosures

In addition to the information required above, the vendor shall also include in its proposal the following information:

- (1) A written statement that identifies and thoroughly describes any investigation, non-routine examination, complaint, disciplinary action, or other proceeding of or against the vendor that was commenced by any state or federal regulatory body or professional organization during the past five (5) years.
- (2) A disclosure of all potential conflicts of interests that might exist if the vendor is awarded the contract, including any current business relationship or any current negotiations for prospective business with SRS, or with any member of the SRS Board of Trustees or SRS staff, or any party currently rendering services to SRS. Provide a detailed statement explaining why such relationships do not constitute a conflict of interest.

J. Measuring Progress Toward System’s Diversity Goal

Vendor must indicate in its response whether it is (or is not) a minority-owned business, woman-owned business, or business owned by a person with a disability, as those terms are defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/2), which is available online at the following address: <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=003005750K2>. The System has established an aspirational goal, as well as an Inclusion Policy, to use businesses owned by minorities, women, and persons with disabilities for not less than the percentage specified in paragraph (10) of Section 1-109.1 of the Illinois Pension Code for all contracts awarded and purchases made by the System. To ensure that it is making progress toward its aspirational goal established under Section 1-109.1, SRS will require the selected vendor to certify whether it is a minority-owned business, woman-owned business, or business owned by a person with a disability. See the “Supplemental Diversity Certification” form in Exhibit B of the sample agreement for the required certification to the System.

K. Cybersecurity Practices

Vendor must also include in its response the following information concerning its current cybersecurity practices:

- (1) a written description of and, if available, copies of its information security standards, practices, and policies;
- (2) a written description of actions that it takes to validate its cybersecurity practices and compliance with its cybersecurity policies;
- (3) a list of the cybersecurity standards that it meets and has implemented;
- (4) a list of its cybersecurity breaches within the last 5 years, if any, and its response to those breaches; and
- (5) a list of the insurance policies, if any, which it carries and which would cover System losses resulting from cybersecurity or identity theft breaches, as well a statement of the amount of coverage that will be maintained under those policies during the period when actuarial auditing services would be provided by the Vendor.

L. Standard Forms Required for a Responsive Proposal

If a vendor will not be using an Illinois Procurement Gateway (IPG) Registration Number and will instead be completing Vendor Disclosure (formerly named Forms A), then the vendor must submit the following forms:

- Business and Directory Information: Vendor shall complete and return the “Business and Directory Information” form in Vendor Disclosure, Part 1.
- Illinois Department of Human Rights Public Contracts Number: Vendor shall complete and return the “IDHR Public Contracts Number” form in Vendor Disclosure, Part 2.
- Authorized to Transact Business or Conduct Affairs in Illinois: A person (other than an individual acting as a sole proprietor) must be a duly constituted legal entity prior to submitting a bid and authorized to transact business or conduct affairs in Illinois prior to execution of the contract. For more information, see “Authorized to Transact Business or Conduct Affairs in Illinois” in Vendor Disclosure, Part 3.
- Standard Certifications: Vendor shall complete and return the “Standard Certifications” form in Vendor Disclosure, Part 4.
- State Board of Elections Registration: Vendor may be prohibited from making political contributions and be required to register with the State Board of Elections. For more information, see “State Board of Elections” in Vendor Disclosure, Part 5.

- Disclosure of Business Operations with Iran: Vendor shall complete and return the “Disclosure of Business Operations with Iran” form in Vendor Disclosure, Part 6.
- Financial Disclosures and Conflicts of Interest: Vendor shall complete and return the “Financial Disclosures and Conflicts of Interest” form in Vendor Disclosure, Part 7.
- Taxpayer Identification Number: Vendor shall complete and return the Taxpayer Identification form in Vendor Disclosure, Part 8.

If a vendor will be using an Illinois Procurement Gateway (IPG) Registration Number and will instead be completing IPG Active Registered Vendor Disclosure (formerly named Forms B), then the vendor must provide:

- Active Illinois Procurement Gateway registration number with expiration date.
- Disclosure of lobbyists for vendor and parent entity(ies).
- Disclosure of pending and current contracts.
- Certifications timely to this solicitation.

V. SUBMISSION OF PROPOSALS

All proposals must be received at the address designated below by **no later than 2:00 P.M. CST on March 4, 2024**. Submit four (3) hard copies of your proposal and one (1) copy in a .pdf format on CD-ROM or thumb/jump drive to:

Mr. Robert Cooper
State Retirement Systems
Director of Administrative Services
2101 S. Veterans Parkway
Springfield, IL 62704

Proposals must be submitted in one or more sealed envelope/package(s). One of the hard copies must be marked as the “Master Copy” and submitted in a loose-leaf, three-ringed binder which displays the vendor’s name on the outside front cover. **Do not submit the Master Copy with spiral binding.**

Clearly identify the outside of each sealed proposal package with the vendor’s name and return address in the upper left-hand corner and the statement “**SEALED PROPOSAL- DO NOT OPEN - Response to Request for Proposal for Actuarial Consulting Services, Issued February 2, 2024.**” Failure to clearly identify the outside of the proposal package may result in the rejection of the proposal. SRS is not responsible for receipt of any proposal which is improperly labeled.

SRS accepts no responsibility for lost and/or late delivery of proposals. Whether mailed, hand-delivered, or delivered by carrier, the vendor is responsible for timely delivery on or before the above date and time. **Proposals that arrive late for any reason whatsoever, including mail delay or any other cause beyond the control of the vendor, will not be considered and will not be returned to the vendor.**

Except as specifically requested by SRS, submission of proposals or any portion thereof via facsimile transmission, electronic, or magnetic media is not allowed.

The proposals become the property of SRS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the vendor and shall not be chargeable to SRS.

Only one proposal from an individual, vendor, partnership, corporation, or combination thereof, will be considered for this assignment.

VI. EVALUATION PROCESS

A. Pre-Evaluation Review

Each proposal package will be date-stamped when received and will be inspected to ensure that it is properly sealed and labeled. Proposals not passing this inspection may not be accepted. All proposals will be reviewed to determine if they contain all the materials specified in this RFP. Those vendors who do not submit all the specified materials in the prescribed format will be rejected.

B. Proposal Evaluation

Proposals that pass the pre-evaluation review will undergo an evaluation process conducted by SRS staff. SRS will consider the following various elements in the decision process, ranked in no specific order, and will render a decision based on the perceived best value for the engagement. Cost will be one of the determining factors in this decision, but it may not be the primary determinative. Proposals will be evaluated based on criteria, including:

- (1) the vendor's responsiveness and responsibility;
- (2) the vendor's background;
- (3) the vendor's actuarial staff support;
- (4) the vendor's technical ability & experience;
- (5) the vendor's ability to meet deliverables;
- (6) the vendor's prior performance; and
- (7) price.

During the evaluation process, vendors may be requested to provide additional information and/or clarify the contents of their proposal. Other than information requested by SRS, no vendor will be allowed to alter the proposal or add new information after the filing date.

SRS reserves the right to amend any segment of the RFP prior to the announcement of a successful vendor. In such an event, all vendors who submitted a proposal by the deadline on March 4, 2024, will be afforded the opportunity to revise their proposal to accommodate the RFP amendment.

SRS also reserves the right without prejudice to reject any or all proposals submitted. There is no express or implied obligation for SRS to reimburse for any expenses incurred in preparing proposals in response to this RFP.

C. Vendor Responsiveness and Responsibility

As noted above, two of the criteria that will be evaluated by the System are the vendor's responsiveness and responsibility.

(1) Responsiveness

For the purposes of this solicitation, a responsive vendor is one who submits a proposal that conforms in all material respects to this RFP and includes all the materials and completed copies of the forms described in Section IV. The System will determine whether the proposal meets the

stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the Systems' needs may be accepted or corrections allowed. If no vendor meets a particular requirement, the Systems may waive that requirement. The Systems will determine whether the proposal complied with the instructions for submitting proposals.

(2) Responsibility

For purposes of this solicitation, a responsible vendor is one who has the capability in all respects to perform fully the contract requirements and who has the integrity and reliability that will assure good faith performance and who is not a prohibited bidder. The Systems determine whether the vendor is a "responsible" vendor (i.e., a vendor with whom the Systems can or should do business). For example, the Systems may consider the following:

A "prohibited bidder" includes any person assisting an employee of the Systems or State of Illinois by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or providing similar assistance unless such assistance was part of a publicly issued opportunity to review drafts of all or part of these documents. For the purposes of this section, an employee of the State of Illinois means one who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a State contract. No person or business shall submit specifications to the Systems or a State agency unless requested to do so by an employee of the State. No person or business that contracts with the Systems or a State agency to write specifications for a particular procurement need shall submit a bid or proposal or receive a contract for that procurement need.

Other factors that the Systems may evaluate to determine responsibility include, but are not limited to: political contributions, certifications, conflicts of interest, financial disclosures, taxpayer identification number, past performance in business or industry, references (including those found outside the vendor), compliance with applicable laws, financial responsibility, insurability, effective equal opportunity compliance, payment of prevailing wages if required by law, capacity to produce or sources of supply, and the ability to provide required maintenance service or other matters relating to the vendor's ability to deliver in the quality and quantity within the time and price as specified in this solicitation. The selected vendor must always have financial resources sufficient, in the opinion of the Systems, to ensure performance of the contract and must provide proof upon request. The Systems may require a performance bond if, in the opinion of the Systems, it ensures performance of the contract. The Systems may terminate the contract, consistent with the termination for cause provision of the contract, if the vendor lacks the financial resources to perform under the contract. The Systems may require that a vendor correct any deficiencies as a condition of further evaluation.

II. ANTICIPATED TIMELINE (SUBJECT TO CHANGE AT SRS DISCRETION)

TIMETABLE

Date RFP is Issued and Information is Made Available Online	February 2, 2024
Deadline for Receipt of RFP-Related Questions and Requests for Additional Information	February 15, 2024
System's Deadline for Response to RFP-Related Questions and Requests for Additional Information	February 22, 2024
Deadline for Delivery of Proposals	March 4, 2024
Presentation to SERS Board of Trustees	April 16, 2024
Last Day for Selected Vendor to Sign Contract	June 15, 2024

VIII. GENERAL CONDITIONS

A. Clarification of the RFP

To maintain the integrity of the RFP process, interested vendors are expected to respond to this RFP to the best of their understanding. Vendors must not contact SRS staff, Trustees, or related entities about this RFP. If a vendor discovers an error in this RFP or has a request for additional information about the RFP, the vendor should notify the Director of Administrative Services for the State Retirement Systems, Mr. Robert Cooper, by no later than February 15, 2024, at the following email address: robert.cooper@srs.illinois.gov. If deemed necessary or appropriate in the Systems' discretion, SRS may clarify or modify any part of this RFP or respond to a request for additional information about the RFP by posting one or more notices on the SRS website prior to February 22, 2024. Vendors should communicate about this RFP only with Mr. Cooper, who is the single point of contact for this solicitation. Neither the State nor SRS shall be held responsible for information provided by or to any other person.

B. Restrictions on Communications

Vendors must not discuss or share the contents of their proposals with other potential vendors. SRS policy and the Illinois state ethics law strictly limit communication during the search process. **Any attempt to initiate contact with SRS staff or SRS Trustees, other than as specifically stated in this RFP, may disqualify the vendor from further consideration.**

C. Prior Deficiencies

A vendor that is or has been deficient in current or recent contract performance in dealing with SRS or other clients may be disqualified unless the deficiency is shown to have been beyond the reasonable control of the vendor. SRS may reject a proposal from any vendor that is in default on any debt owed to, or contract with, SRS or other clients, or that is in default as surety or otherwise, upon any obligation to SRS, or has failed to perform faithfully any previous contract with SRS. Vendors that are newly formed business concerns having substantially the same owners, officers, directors, or beneficiaries as a previously existing non-responsible vendor may be disqualified unless the new organization can prove it was not set up for the purpose of avoiding an earlier declaration of non-responsibility.

D. No Confidentiality

Proposals become the property of SRS upon submittal, and late submissions will not be returned. All proposals will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140/) and other applicable laws and rules, unless the vendor requests in its proposal that the Systems treat certain information as confidential. A request for confidential treatment will not supersede the Systems' legal obligations under FOIA. The Systems will not honor requests to keep entire proposals confidential. Vendors must show the specific grounds in FOIA or other law or rule that support confidential treatment. Regardless, the Systems will disclose the successful vendor's name, the substance of the proposal, and the price if a contract is awarded.

If a vendor requests confidential treatment of any portion of its proposal, the vendor must submit an additional copy of the proposal with the proposed confidential information redacted. This redacted copy must describe the general nature of the material removed and must retain as much of the underlying proposal as possible. In a separate legal memorandum, the vendor shall supply a listing of each of the specific provisions that it has redacted and shall offer a detailed explanation of the statutory basis or bases under Illinois law for the redacted provision to be exempted from public disclosure.

Vendor will hold harmless and indemnify the State of Illinois, the Systems, the Boards of Trustees of the Systems, and Systems' staff and consultants for all costs and damages associated with defending vendor's request for confidential treatment. Vendor agrees that the Systems may copy the proposal to facilitate evaluation, or to respond to requests for public records. Vendor warrants that such copying will not violate the rights of any third party.

E. Reservation of Rights

Each vendor must read and understand this RFP and tailor its proposal and all activities to ensure compliance with the requirements of the RFP and all applicable State and federal laws and regulations and SRS policies. The Systems reserve the right to amend the solicitation, reject any or all proposals, issue an award by item/services, group of items/services, or grand total, and waive immaterial defects. Waiver of an immaterial defect shall in no way modify the RFP or excuse a vendor from full compliance with all requirements in the RFP. The Systems may request clarification, inspect vendor's premises, interview staff, request a presentation, or otherwise verify the contents of the proposal, including information about subcontractors and suppliers. The Systems may request best-and-final proposals when appropriate. The Systems will make all decisions on compliance, evaluation, and terms and conditions, and shall make decisions in the best interests of the Systems and in accordance with Board procurement policies and applicable State and Federal statutes and regulations. This competitive process may require that the vendor provide additional information and otherwise cooperate with the Systems. If a vendor does not comply with requests for information and cooperate, the Systems may reject the proposal as non-responsive to the solicitation. Submitting a proposal does not entitle vendor to an award or a contract. Posting a vendor's name on the Systems' website does not entitle the vendor to a contract. Neither the Systems nor the State are responsible for or will pay any costs associated with the preparation or submission of a proposal. Awarded vendors shall not commence, and will not be paid for, any billable work undertaken prior to the date all parties execute the contract, unless approved in writing in advance by the SRS Director of Administrative Services. Nothing in this RFP or any resulting contract shall preclude SRS from procuring services like those described herein from other sources.

F. Award

The Systems are not obligated to award a contract pursuant to this RFP. If the Systems issue an award, the award will be made to the responsible and responsive vendor whose proposal best meets the needs of the Systems as articulated in Section VI of this RFP. However, if the Systems do not consider the price to be fair and reasonable and negotiations fail to meet an acceptable price, then the Systems reserve the right to cancel the award and take appropriate

action to meet the needs of the Systems. The Systems will determine whether the price is fair and reasonable by considering the proposal, including the vendor's qualifications, the vendor's reputation, all prices submitted, other known prices, the project budget, and other relevant factors. The Systems may post a notice to its website identifying the apparent responsible and responsive vendor whose proposal best meets the needs of the Systems as articulated in Section VI of this RFP. Vendors are responsible for monitoring the website.

G. Reference Checks

Reference checks may be conducted for each finalist. Please provide a reference authorization letter in the format prescribed in Appendix A for each reference.

H. Equal Opportunity

SRS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the Systems' intent to comply with all state, federal, and local equal employment and opportunity laws and public policies.

Appendix A: Reference Authorization Letter
[On prospective vendor letterhead]

[Month, Day, Year]

[Reference Name]

[Reference Title]

[Company Name]

[Reference Address]

[City, State, Zip]

Dear [Reference Name]:

(Prospective Vendor Name) has submitted a proposal to the State Retirement Systems (“System”) with regard to providing actuarial consulting services. The System is conducting its due diligence with regard to *(Prospective Vendor Name)*. Through this written authorization, *(Prospective Vendor Name)* hereby authorizes any individual, business, corporation, retirement system, state agency, or other entity to release any facts and information it may have concerning *(Prospective Vendor Name)*, its principals, employees, and agents, to the System.

A copy of this authorization may be used as if it were an original. Thank you for your assistance.

Sincerely,

(Prospective Vendor Name)

(Authorized Signature and Title)

Appendix B: Minimum Qualifications

The following experience and qualifications are required for this project. If the requirement is met by the vendor, the representative for the vendor must initial on the line to the left of the requirement and sign and date this form.

- _____ (1) The primary (senior) supervising actuary to be employed on this project is a Fellow of the Society of Actuaries (FSA) or an Enrolled Actuary.

- _____ (2) Each supporting actuary to be employed on the project is a Fellow of the Society of Actuaries (FSA), an Enrolled Actuary, or has at least five years of public pension consulting service.

Representative Signature

Date

Appendix C: Fee Proposal

Vendor's Name: _____

Address: _____

Telephone: _____

Vendor shall submit pricing in the format shown below, based on the terms and conditions set forth in this Request for Proposal. Vendor's fee proposal shall serve as the basis for the compensation terms of the resulting contract. Failure to submit pricing as shown in this section may render Vendor's entire Offer Non-Responsive and ineligible for award.

Pricing shall be submitted in the following format ***for each retirement system***: SRS will be evaluating fee proposals for the total cost of the contract period. SRS requests that the vendor state their proposed cost structure by providing projects listed below on a separate fixed fee basis. The fees quoted in this proposal must be in force for the entire five-year contract period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total for Contract Period
a. Annual Actuarial Valuations (Funding and GASB 67/68)						
b. Actuarial Experience Review*		N/A	N/A		N/A	
c. Economic Assumption Review	N/A			N/A		
d. Level Income Tables**		N/A	N/A		N/A	
e. COGFA data						
f. 415 Limitation Tables						
g. State Actuary Response						
TOTAL						

*State law requires that the Actuarial Experience Study be performed every 3 years. For years in which the Actuarial Experience Review is not performed, the consulting actuaries will need to perform an economic assumption review.

**State law requires Level Income Tables to be updated following any change in actuarial assumptions.

Please provide hourly rates of compensation and estimated hours for each project for the purpose of illustrating how the annual fee was determined. The requested data must be broken down by employee title to illustrate how the vendor will assign its staff to complete each project. Include a listing of hourly rates by title for staff that will service the account effective July 1, 2024, and for each of the five years in the contract period.

SRS reserves the right to request ad-hoc projects not identified in this table. The fee for such projects shall be based on the hourly rates of the employees that serviced the project.

This fee proposal shall include all fees, expenses, and costs related to this project. A fixed fee proposal is required and should include all out-of-pocket expenses attributable to the performance of services, i.e., all travel expenses, including, but not limited to, lodging, transportation, meals, telephone, facsimile, Internet, or other communication devices, postage, delivery, copying, clerical time, and overtime.

Pricing shall not include any taxes unless accompanied by proof the System is subject to the tax. If necessary, Vendor may request the applicable tax exemption certificate.

Attach additional pages if necessary or if the format of pricing specified above requires additional pages.

TOTAL FEE FOR ALL TIME, MATERIALS, MEETINGS, AND TRAVEL EXPENSES NOT TO EXCEED \$ _____

Please check the following statement as it pertains to travel expenses:

_____ The above costs DO include all expected travel expenses and those expenses will not be billed separately to SRS.

I, _____, licensed to conduct business in the State of Illinois and an authorized representative of the above-indicated vendor, have reviewed and understand the SRS Request for Proposal Issued on February 2, 2024, and the vendor is authorized to provide the services described in this RFP for the above costs.

Appendix D: Sample Agreement

On the following pages are the base agreement and exhibit(s) that contain the minimum terms and conditions that the Systems anticipate being included in the contract that will be negotiated to procure the services described in this RFP. Note that the selected Vendor will also be required to provide to the Systems either (i) IPG Active Registered Vendor Disclosure (formerly named Forms B) AND IPG Certifications and Financial Disclosures OR (ii) Vendor Disclosure (formerly named Forms A), including Standard Certifications and Financial Disclosures. If you will not be using an Illinois Procurement Gateway (IPG) Registration Number, then you must complete Vendor Disclosure (formerly named Forms A). If you will be using an Illinois Procurement Gateway (IPG) Registration Number, then you must complete IPG Active Registered Vendor Disclosure (formerly named Forms B). Vendor Disclosure (formerly named Forms A) and IPG Active Registered Vendor Disclosure (formerly named Forms B) may be downloaded from the Chief Procurement Officer for General Services website at <https://cpo-general.illinois.gov/solicitation-and-contract-templates.html>.

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
CONTRACT
ACTUARIAL CONSULTING SERVICES**

System Reference # 24100

The Parties to this contract are the State Employees' Retirement System of Illinois ("SERS" or "System"), a retirement system established under and pursuant to the laws of the State of Illinois, and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitutes the entire contract between the Parties concerning the subject matter of the contract, and in signing the contract, the Vendor affirms that the Certifications, Exhibits, and if applicable the Financial Disclosures and Conflicts of Interest attached hereto are true and accurate as of the date of the Vendor's execution of the contract. This contract supersedes all prior proposals, contracts, and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts upon agreement of the Parties.

Contract includes BidBuy Purchase Order? (The Agency answers this question prior to contract filing.)

Yes

No

Contract uses Illinois Procurement Gateway Certifications and Disclosures?

Yes (IPG Certifications and Disclosures including FORMS B)

No

1. **DESCRIPTION OF SUPPLIES AND SERVICES**
2. **PRICING**
3. **TERM AND TERMINATION**
4. **STANDARD BUSINESS TERMS AND CONDITIONS**
5. **SUPPLEMENTAL PROVISIONS**
6. **STANDARD CERTIFICATIONS**
7. **FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST (IF APPLICABLE)**
8. **CONTRACT SPECIFIC CERTIFICATIONS AND DISCLOSURES – "FORMS B" (IF APPLICABLE)**

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page.

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
CONTRACT
ACTUARIAL CONSULTING SERVICES**

System Reference # 24100

Vendor Name:	Address:
Signature:	Phone:
Printed Name:	Fax:
Title:	Email:
Date:	

Procuring Agency:	Phone:
Street Address:	Fax:
City, State ZIP:	
Official Signature:	Date:
Printed Name:	
Official's Title:	
Legal Signature:	Date:
Legal Printed Name:	
Legal's Title:	
Fiscal Signature:	Date:
Fiscal's Printed Name:	
Fiscal's Title:	

AGENCY USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

- Agency Reference #:
- Project Title:
- Contract #:
- Procurement Method (IFB, RFP, Small Purchase, etc.):
- IPB Reference #:
- IPB Publication Date:
- Award Code:
- Subcontractor Utilization? Yes No Subcontractor Disclosure? Yes No
- Funding Source:
- Obligation #:
- Small Business Set-Aside? Yes No Percentage:
- Minority Owned Business? Yes No Percentage:
- Women Owned Business? Yes No Percentage:
- Persons with Disabilities Owned Business? Yes No Percentage:
- Veteran Owned Small Business? Yes No Percentage:
- Other Preferences?

1. DESCRIPTION OF SERVICES

1.1. SERVICES REQUIRED:

Perform and render actuarial services to aid in the administration of the retirement system. The consultant shall prepare the annual actuarial valuation and determine the proposed annual employer contribution as determined by statute. The firm will also be required to appear at quarterly board meetings to discuss various aspects of the actuarial function as well as contribute to the statutory educational requirements of the trustees. The firm will also need to provide various types of analyses and data in support to the State Actuary and the legislative and executive branches. Other functions to be performed by the consultant will include: (1) providing actuarial cost information on proposed legislation affecting the system, (2) participation in special projects assigned by the Executive Secretary or Board of Trustees, (3) keeping the Board of Trustees apprised of any relevant accounting or reporting requirements provided by the Governmental Accounting Standards Board or other trends within the actuarial industry relevant to public pension plans, (4) conduct other services as may be reasonably asked of an actuarial consultant by a public pension plan.

1.2. MILESTONES AND DELIVERABLES:

SERS reserves the right to request ad-hoc projects not identified below.

1.2.1. Annual Actuarial Valuations (Funding and GASB 67/68)

1.2.2. Economic Assumption Review

1.2.3. State Actuary Response

1.2.4. Level Income Tables

1.2.5. COGFA data

1.2.6. 415 Limitation Tables

The Vendor shall provide the services described in this Section in accordance with all applicable federal and State laws, as well as the terms of this contract.

1.3. VENDOR / STAFF SPECIFICATIONS:

The Vendor represents and warrants that the actuarial consulting services that it provides under this contract will be performed using a primary (senior) supervising actuary who is a Fellow of the Society of Actuaries (FSA) or Enrolled Actuary and one or more supporting actuaries who are Fellows of the Society of Actuaries, enrolled actuaries, or have at least five years of public pension consulting service. Vendor further represents and warrants that neither Vendor, nor any actuaries performing services pursuant to this contract, are involved in any disciplinary action involving the provision of actuarial services. Vendor shall, during the term of this contract, immediately notify the System if the Vendor or any of the actuaries performing services under this contract become the subject of a disciplinary action concerning the provision of actuarial services.

Vendor assumes all liability for damage or loss resulting from the wrongful acts or negligence of its employees and agents while they are on System property or performing services on behalf of the System. Vendor is solely liable for any injuries that occur to its employees or agents while they are on System

property or performing services on behalf of the System. In addition, Vendor shall provide all personal protective equipment needed to guard its agents and employees from infectious agents that may be encountered on System property or when performing services under this contract. Vendor shall also be solely responsible and liable for implementing any protocols needed to protect its employees and agents from exposure to infectious agents when on System property or performing those services.

The vendor shall evaluate, validate, and endorse the actuarial valuations produced for the System in accordance with the statutory provisions applicable to the retirement system. The firm shall develop reasonable actuarial assumptions associated with the plan design and demographics of the System in accordance with Actuarial Standards of Practice. When requested, the firm shall provide actuarial analyses to the System staff on potential legislative changes that may impact the funding and valuation methodology. The firm shall program necessary changes to incorporate the statutorily required projected unit credit method. The firm shall communicate and explain technical issues in an understandable way. The firm shall provide actuarial support on an as needed basis during the term of the contract.

1.4. TRANSPORTATION AND DELIVERY:

The vendor shall deliver work products via electronic mail whenever possible. Such materials provided to Trustees at Board meetings shall be provided by the firm in hardcopy form as may be requested by the Executive Secretary.

1.5. SUBCONTRACTING

Subcontractors are allowed.

1.5.1. Will subcontractors be utilized? Yes No

A subcontractor is a person or entity that enters into a contractual agreement with a total value of \$100,000 or more with a person or entity who has a contract subject to the Illinois Procurement Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract.

All contracts with subcontractors where the annual value of the subcontract is greater than \$50,000 must include Standard Illinois Certifications completed by the subcontractor.

1.5.2. Please identify below subcontracts with an annual value of \$100,000 or more that will be utilized in the performance of the contract, the names and addresses of the subcontractors, and a description of the work to be performed by each.

- Subcontractor Name: [Click here to enter text](#)

Amount to Be Paid: [Click here to enter text](#)

Address: [Click here to enter text](#)

Description of Work: [Click here to enter text](#)

- Subcontractor Name: [Click here to enter text](#)

Amount to Be Paid: [Click here to enter text](#)

Address: [Click here to enter text](#)

Description of Work: [Click here to enter text](#)

If additional space is necessary to provide subcontractor information, please attach an additional page.

- 1.5.3. All contracts with the subcontractors identified above must include the Standard Illinois Certifications completed.
- 1.5.4. If the annual value of any the subcontracts is more than \$100,000, then the Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.
- 1.5.5. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, in writing, the Agency Purchasing Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to this Contract. Any subcontracts entered into prior to award of the Contract are done at the sole risk of the Vendor and subcontractor(s).

1.6. SUCCESSOR VENDOR

Yes No This contract is for services subject to 30 ILCS 500/25-80. Heating and air conditioning service contracts, plumbing service contracts, and electrical service contracts are not subject to this requirement. Non-service contracts, construction contracts, qualification based selection contracts, and professional and artistic services contracts are not subject to this requirement.

If yes is checked, then the Vendor certifies:

- (i) that it shall offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and
- (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract.

This certification supersedes a response to certification 4, Form F, of the Illinois Procurement Gateway (IPG).

1.7. WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor. Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received

additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States. Location where services will be performed: United States. Value of services performed at this location: 100%.

2. PRICING

- 2.1 TYPE OF PRICING:** The Illinois Office of the Comptroller requires the System to indicate whether the contract value is firm or estimated at the time it is submitted for obligation. The total value of this contract is estimated.
- 2.2 DISCOUNT:** The System will not receive a discount for early or prompt payment.
- 2.3 VENDOR'S COMPENSATION:**
- 2.3.1 [AS AGREED]**
- 2.3.2** The fee described in Section 2.3.1 shall include all normal business expenses, including all overhead expenses associated with Vendor's business, such as clerical time and overtime, computer usage, telephone calls, tele-facsimiles, photocopying, and mailing and express delivery expenses.
- 2.3.3** All out-of-pocket expenses attributable to performance of services under this Agreement, including without limitation, transportation, lodging, and meals during the period of travel, shall be at Vendor's own expense, and the System shall have no obligation to reimburse Vendor for any such out-of-pocket expenses.
- 2.4 ESTIMATED AMOUNT:** The estimated amount to be paid under this contract is as provided in Section 2.3.1 .

3. TERM AND TERMINATION

3.1 TERM OF THIS CONTRACT: Unless earlier terminated in accordance with this agreement, the initial term of this contract shall commence on July 1, 2024, and shall end on June 30, 2029. Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted pursuant to 30 ILCS 500/20-80.

3.2 TERMINATION FOR CAUSE: The System may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the System determines that the actions or inactions of the Vendor, its agents, or employees have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the System that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the System's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the System determines that the Vendor lacks the financial resources to perform the contract, the System shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the System's written notice. If not cured by that date the System may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

If during the first 2 weeks of the contract, any of the consultants demonstrate that they cannot perform the work identified in the RFP, the System will consider their work performance unacceptable and not pay the Vendor for the time that consultant worked during the 2-week period. The State at that time reserves the right to cancel the contract.

If the vendor's proposed candidate is unable to fulfill the term of the contract, the vendor will have 3 days to offer an equivalent or comparable candidate for replacement. The replacement candidate must be approved by the agency.

For termination due to any of the causes contained in this Section, the System retains its rights to seek any available legal or equitable remedies and damages.

3.3 TERMINATION FOR CONVENIENCE: The System may, for its convenience and with thirty (30) days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

3.4.1. Upon submission of invoices and proof of claim, the Vendor shall be entitled to compensation for supplies and services provided in compliance with this contract up to and including the date of termination.

3.4 AVAILABILITY OF APPROPRIATION: This contract is contingent upon and subject to the availability of funds. The System, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Board of Trustees of the System fails to provide in its annual budget funds sufficient to pay such obligation, if funds are not appropriated by the General Assembly, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the System's funding is decreased in any way, or (3) the System determines, in its sole discretion or as directed by the Board of Trustees or Office of the Governor, that a reduction is necessary or advisable based upon actual or

projected budgetary considerations. Vendor will be notified in writing of the failure of appropriation or of a reduction or decrease.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 PAYMENT TERMS AND CONDITIONS:

- 4.1.1 Late Payment: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments. Payment terms contained on Vendor's invoices shall have no force and effect.
- 4.1.2 Minority Contractor Initiative: Any Vendor awarded a contract under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) of \$1,000 or more is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.
- 4.1.3 Expenses: The System will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.
- 4.1.4 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers according to the terms of their respective contracts, and (iv) provide lien waivers to the State and System upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Illinois Department of Labor (DOL) and are available on DOL's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting DOL at 217-782-6206 or (<http://www.state.il.us/agency/idol/index.htm>) to ensure understanding of prevailing wage requirements.
- 4.1.5 Federal Funding: This contract may be partially or totally funded with Federal funds. If Federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.
- 4.1.6 Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for services performed through June 30 of any year must be submitted to the System no later than July 31 of that year; otherwise, Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.
 - 4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency's state tax exemption number and federal tax exemption information.
 - 4.1.6.2 Vendor shall invoice the System upon completion of all of its responsibilities under the contract. The amount shown on the invoice shall be in accordance with the pricing provided in this contract.

Send invoices to:

Agency:	State Employees' Retirement System
Attn:	Jeff Houch
Address:	P.O. Box 19255
City, State Zip	Springfield, IL 62794-9255
Email	jeff.houch@srs.illinois.gov

- 4.2 ASSIGNMENT:** This contract may not be assigned or otherwise transferred in whole or in part by Vendor without the prior written consent of the System.
- 4.3 SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within fifteen (15) days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the Agency Purchasing Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. 30 ILCS 500/20-120.
- 4.4 AUDIT/RETENTION OF RECORDS:** Vendor shall maintain books and records relating to the performance of the contract and necessary to support amounts charged to the System pursuant the contract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three (3) years from the later of the date of final payment under the contract or completion of the contract. If Federal funds are used to pay contract costs, the Vendor must retain their respective records for five (5) years. Books and records required to be maintained under this section shall be available for review or audit by representatives of the Auditor General, other governmental entities with monitoring authority, and the System or its designee upon reasonable notice and during normal business hours. Vendor shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the System for the recovery of any funds paid by the System under this contract for which adequate books and records are not available to support the purported disbursement. The Vendor shall not impose a charge for audit or examination of the Vendor's books and records. 30 ILCS 500/20-65.
- 4.5 TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the System.
- 4.6 NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

- 4.7 FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within thirty (30) days of the declaration.
- 4.8 CONFIDENTIAL INFORMATION:** Each Party to this contract, including its agents, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the System or to which it gains access pursuant to this contract is confidential. The vendor shall agree that it will fully comply with Illinois Public Act 99-0503 when storing, transmitting, using, disposing, and disclosing information regarding members of the State Employees' Retirement System. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.
- 4.9 USE AND OWNERSHIP:** All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the System is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the System all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the System may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.
- 4.10 INDEMNIFICATION AND LIABILITY:** The Vendor shall indemnify and hold harmless the System, its board members, trustees, officers, agents, employees, and volunteers, in both individual and official capacities, as well as the State of Illinois, its agencies, officers, employees, agents and volunteers, from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act, activity or omission of Vendor or any of its employees, representatives, or agents; or (d) any actual or alleged claim that the services or goods provided under this contract infringe, misappropriate, or otherwise violate any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party. In accordance

with Article VIII, Section 1(a),(b) of the Constitution of the State of Illinois and 1973 Illinois Attorney General Opinion 78, neither the System nor the State may indemnify private parties absent express statutory authority permitting the indemnification. Neither Party shall be liable for incidental, special, consequential, or punitive damages.

- 4.11 INSURANCE:** Vendor shall, at all times during the term of this contract and any renewals or extensions, maintain and provide a Certificate of Insurance naming the System as an additionally insured for all required bonds and insurance. Certificates may not be modified or canceled until at least thirty (30) days' notice has been provided to the System. Vendor shall provide: (a) General Commercial Liability insurance in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto (Combined Single Limit Bodily Injury and Property Damage), in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in the amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.
- 4.12 INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State or System. All payments by the System shall be made on that basis.
- 4.13 SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by the System during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Executive Secretary of the System if Vendor solicits or intends to solicit System employees to perform any work under this contract.
- 4.14 COMPLIANCE WITH THE LAW:** The Vendor, its employees, and agents shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract, as well as all policies of the System. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.
- 4.15 BACKGROUND CHECK:** Whenever the System deems it reasonably necessary for security reasons, the System may conduct, at its expense, criminal and driver history background checks of Vendor's officers, employees, or agents. Vendor shall immediately reassign any individual who, in the opinion of the System, does not pass the background check.
- 4.16 APPLICABLE LAW:**
- 4.16.1 **PREVAILING LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois.
- 4.16.2 **EQUAL OPPORTUNITY:** The Department of Human Rights' Equal Opportunity requirements are incorporated by reference. 44 ILL. ADM. CODE 750.
- 4.16.3 **COURT OF CLAIMS; ARBITRATION; SOVEREIGN IMMUNITY:** Any claim against the State or System arising out of this contract is governed by Illinois law and must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The System shall not enter into binding arbitration to resolve any dispute arising out of this contract. Neither the State of Illinois nor the System waives sovereign immunity by entering into this contract.

4.16.4 **OFFICIAL TEXT:** The official text of the statutes cited herein is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).

- 4.17 ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under Federal or State antitrust laws relating to the subject matter of this contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State all of Vendor's rights, title and interest in and to the claim or cause of action.
- 4.18 CONTRACTUAL AUTHORITY:** The System shall be the only State entity responsible for performance and payment under this contract.
- 4.19 EXPATRIATED ENTITIES:** Except in limited circumstances, no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with a System or State agency if that business or any member of the unitary business group is an expatriated entity
- 4.20 NOTICES:** Notices and other communications provided for herein shall be given in writing via electronic mail whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery, via courier (UPS, Federal Express or other similar and reliable carrier), or via facsimile showing the date and time of successful receipt. Notices shall be sent to the individuals who signed this contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change its contact information.
- 4.21 MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the System's and the Vendor's terms, conditions and attachments, the System's terms, conditions and attachments shall prevail.
- 4.22 PERFORMANCE RECORD / SUSPENSION:** Upon request of the State or System, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The System may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the System for a specified period of time, or whether Vendor can be considered responsible on specific future contract opportunities.
- 4.23 FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to or required to be provided to the System are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.
- 4.24 SCHEDULE OF WORK:** Any work performed on System premises shall be done during the hours designated by the System and performed in a manner that does not interfere with the System and its personnel.
- 4.25 WARRANTIES FOR SERVICES:** Vendor warrants that all services will be performed to meet the requirements of this contract in an efficient and effective manner by trained and competent personnel meeting the requirements specified in the request for proposal issued by the System on February 2, 2024.

Vendor shall monitor performances of each individual and shall immediately reassign any individual who does not perform in accordance with this contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State or System policies.

4.26 REPORTING, STATUS AND MONITORING SPECIFICATIONS: Vendor shall immediately notify the System of any event that may have a material impact on Vendor's ability to perform this contract.

EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

5. SUPPLEMENTAL PROVISIONS

5.1. SYSTEM SUPPLEMENTAL PROVISIONS

- Agency Definitions
N/A
- Required Federal Clauses, Certifications and Assurances
N/A
- Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.
N/A
- Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2,000 per year or printing) 30 ILCS 500/25-60.
- Agency Specific Terms and Conditions
EXHIBIT A: DATA SECURITY CLAUSES
EXHIBIT B: SUPPLEMENTAL DIVERSITY CERTIFICATION
- Other (describe)
N/A

5.2. VENDOR SUPPLEMENTAL PROVISIONS

N/A

6. STANDARD CERTIFICATIONS

...

7. FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST (IF APPLICABLE)

...

EXHIBIT A: DATA SECURITY CLAUSES

1. Definitions.

As used in this Exhibit A:

"Highly Sensitive Personal Information" means (i) an individual's government-issued identification number (including Social Security number, driver's license number, or State- or System-issued identification number); (ii) an individual's account number, credit card number, debit card number, or credit report information, with or without any required security code, access code, personal identification number, or password that would permit access to the individual's account; (iii) an individual's biometric, genetic, health, medical, or medical insurance data; or (iv) an individual's date of birth.

"Personal Information" means System Data that: (i) identifies or can be used to identify an individual (including, without limitation, names, signatures, addresses, telephone numbers, email addresses, and other unique identifiers); or (ii) can be used to authenticate an individual (including, without limitation, employee identification numbers, government-issued identification numbers, passwords or PINs, user identification and account access credentials or passwords, account numbers, credit report information, student information, biometric, health, genetic, medical, or medical insurance data, answers to security questions, and other personal identifiers), including, without limitation, in case of both subclauses (i) and (ii), any Highly Sensitive Personal Information. "Personal information" also includes any System Data that is personal information as defined in Section 5 of the Personal Information Protection Act (815 ILCS 530/).

"Security Breach" means (i) any act or omission that compromises either the security, confidentiality, or integrity of System Data or the safeguards put in place by Vendor, or by System should Vendor have access to System's information technology infrastructure, which relate to the protection of the security, confidentiality, or integrity of System Data or (ii) receipt of a complaint in relation to the privacy and data security practices of Vendor or a breach or alleged breach of this Agreement relating to such privacy and data security practices. Without limiting the foregoing, "security breach" includes any "breach," as defined in Section 5 of the Personal Information Protection Act (815 ILCS 530/5) or any other unauthorized access to or disclosure or acquisition of System Data.

"System" means the State Employees' Retirement System of Illinois and, to the extent that the Vendor has access to data of the General Assembly Retirement System or the Judges' Retirement System of Illinois, the General Assembly Retirement System and the Judges' Retirement System of Illinois.

"System Data" any information concerning the System or its participants, annuitants, agents, employees, or trustees that is provided to the Vendor by or at the direction of the System or any of its agents or employees or by or at the direction of the actuarial consulting firm retained by the System or any of its agents or employees; any information concerning the System or its participants, annuitants, agents, employees, or trustees that is created, obtained, or stored by the Vendor in the course of providing services to the System; and any information to which access has been or is being provided to Vendor by or at the direction of the System as a consequence of its contract with the System.

"Vendor" means the Vendor with whom the State Employees' Retirement System of Illinois contracts to have performed the actuarial audit services described in the Request for Proposals issued by it on May 21, 2021.

2. Standard of Care.

(a) Vendor acknowledges and agrees that, in the course of its engagement by System, Vendor may create, receive, or have access to System Data, including, but not limited to, System Data that is Personal Information. Vendor shall comply with the terms and conditions set forth in this Agreement in its creation, collection, receipt, transmission, storage, disposal, use, and disclosure of System Data, and Vendor shall be

responsible for any unauthorized creation, collection, receipt, transmission, access, storage, disposal, use, or disclosure of System Data that is under its control or in its possession.

System Data, including, but not limited to, System Data that is Personal Information, is deemed to be Confidential Information of System and is not Confidential Information of Vendor. In the event of a conflict or inconsistency between this Section and other portions of this Agreement, the terms and conditions set forth in this Section shall govern and control.

(b) In recognition of the foregoing, Vendor agrees and covenants that it shall:

(i) not copy or transfer any System Data to a physical data storage device (e.g., a CD, DVD, portable USB flash drive, external hard drive, memory cards, or printed report) or to a personal computing device or data storage platform (e.g., PCs, laptops, tablets, cellphones, or cloud-based data storage solution), except in accordance with instructions provided by the System;

(ii) not send Personal Information through the mail or unencrypted e-mail;

(iii) keep and maintain all System Data in strict confidence, using such degree of care as is appropriate to avoid unauthorized access, use, or disclosure;

(iv) not create, collect, receive, access, or use System Data in violation of law;

(v) use and disclose System Data solely and exclusively for the purposes for which the System Data, or access to it, is provided pursuant to the terms and conditions of this Agreement, and not use, sell, rent, transfer, distribute, or otherwise disclose or make available System Data for Vendor's own purposes or for the benefit of anyone other than System; and

(vi) not, directly or indirectly, disclose System Data to any Unauthorized Third Party without System's prior written consent unless and to the extent expressly required, by applicable law, in which case, Vendor shall (A) notify System before such disclosure; (B) be responsible for and remain liable to System for the actions and omissions of such Unauthorized Third Party concerning the treatment of such System Data as if they were Vendor's own actions and omissions; and (C) require the Unauthorized Third Party that has access to System Data to execute a written agreement agreeing to comply with the terms and conditions of this Agreement.

3. Information Security.

(a) Vendor represents and warrants that its creation, collection, receipt, access, use, storage, disposal, and disclosure of System Data, including, but not limited to System Data that is Personal Information, does and will comply with all applicable federal and state privacy and data protection laws, including, but not limited to, the Personal Information Protection Act (815 ILCS 530/), as well as all other applicable regulations and System directives.

(b) Without limiting Vendor's obligations under Section 3(a), Vendor shall implement administrative, physical, and technical safeguards to protect System Data from unauthorized access, acquisition, or disclosure, destruction, alteration, accidental loss, misuse, or damage, and shall ensure that all such safeguards, including the manner in which System Data is created, collected, accessed, received, used, stored, processed, disposed of, and disclosed, comply with applicable data protection and privacy laws, including, but not limited to, the Personal Information Protection Act (815 ILCS 530), as well as the terms and conditions of this Agreement and the directives of the System.

(c) At a minimum, Vendor's safeguards for the protection of System Data shall include: (i) limiting access to System Data to the Vendor; (ii) using encrypted file transfer protocol (or another secure data transfer method specified in writing by the System) to protect the receipt and transmission of System Data; (iii) securing

paper files, backup systems, and computing equipment, including, but not limited to, all mobile devices and other equipment with information storage capability; (iv) implementing network, application, database, and platform security; (v) securing information transmission, storage, and disposal; (vi) implementing authentication and access controls within media, applications, operating systems, and equipment; (vii) encrypting System Data stored on any media; (viii) encrypting System Data transmitted over public or wireless networks; and (ix) strictly segregating System Data from information of Vendor so that System Data is not commingled with any other types of information.

4. Security Breach Procedures.

(a) Vendor shall:

(i) notify System in writing of a Security Breach as soon as practicable, but no later than 4 hours after Vendor becomes aware of it;

(ii) identify in the notification any System Data that may have been compromised and the period of time during which the data may have been compromised;

(iii) provide in the notification the phone number and e-mail address the System should use to communicate with the Vendor regarding the Security Breach; and

(iv) provide the notification to the System's Administrative Services Division Manager at robert.cooper@srs.illinois.gov.

(b) Immediately following Vendor's notification to System of a Security Breach, the parties shall coordinate with each other to investigate the Security Breach. Vendor agrees to fully cooperate with System in System's handling of the matter, including, without limitation: (i) assisting with any investigation and (ii) making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law, regulation, industry standards, or as otherwise required by System.

(c) Vendor shall at its own expense immediately contain and remedy any Security Breach and prevent any further Security Breach, including, but not limited to taking any and all actions necessary to comply with applicable privacy rights, laws, regulations, and standards. Vendor shall reimburse System for all actual costs incurred by System in responding to, and mitigating damages caused by, any Security Breach, including all costs of notice and/or remediation pursuant to Section 4(d).

(d) Vendor agrees that it shall not inform any third party of any Security Breach without first obtaining System's prior written consent, other than to inform a complainant that the matter has been forwarded to System's legal counsel. Further, Vendor agrees that System shall have the sole right to determine: (i) whether notice of the Security Breach is to be provided to any individuals, regulators, law enforcement agencies, consumer reporting agencies, or others as required by law or regulation, or otherwise in System's discretion; and (ii) the contents of such notice, whether any type of remediation may be offered to affected persons, and the nature and extent of any such remediation.

(e) Vendor agrees to maintain and preserve all documents, records, and other data related to any Security Breach.

(f) Vendor agrees to fully cooperate at its own expense with System in any litigation, investigation, or other action deemed necessary by System to protect its rights relating to the use, disclosure, protection, and maintenance of System Data.

In the event of any Security Breach, Vendor shall promptly use its best efforts to prevent a recurrence of any such Security Breach.

5. Oversight of Security Compliance.

Upon System's request, to confirm Vendor's compliance with this Agreement, as well as any applicable laws, regulations, and industry standards, Vendor grants System or, upon System's election, a third party on System's behalf, permission to perform an assessment, audit, examination, or review of all controls in Vendor's physical and/or technical environment in relation to all System Data being handled and/or services being provided to System pursuant to this Agreement. Vendor shall fully cooperate with such assessment by providing access to knowledgeable personnel, physical premises, documentation, infrastructure, and application software that processes, stores, or transports System Data pursuant to this Agreement.

6. Destruction of System Data.

At any time during the term of this Agreement at System's request or upon the termination or expiration of this Agreement for any reason, Vendor shall securely dispose of all System Data in its possession or the possession of any of its employees or agents by (i) overwriting the previously stored System Data on the drive or disk at least 3 times or physically destroying the drive or disk containing the System data and (ii) certifying in writing that the overwriting process has been completed by providing the following information: (1) the serial number of the computer or other electronic data processing equipment; (2) the name of the overwriting software or physical destruction process used; and (3) the name, date, and signature of the person performing the overwriting or destruction process.

7. Vendor Contact Information.

Vendor agrees to provide the phone number and e-mail address of the person who will serve as the point of contact for the System. If there is a change in this contact information, Vendor agrees to provide the System with updated contact information within five (5) business days.

8. Record Retention.

Vendor agrees to safeguard all System Data through both physical and digital security means which may include locking filing cabinets, restricted or locked offices, and encryption of digital data.

9. Equitable Relief.

Vendor acknowledges that any breach of its covenants or obligations set forth in this Exhibit A may cause System irreparable harm for which monetary damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, System is entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance, and any other relief that may be available from any court, in addition to any other remedy to which System may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

10. Material Breach.

Vendor's failure to comply with any of the provisions of Exhibit A is a material breach of this Agreement.

Vendor Certification

By signing below, the Vendor agrees to fully comply with the requirements of this Exhibit A, including, but not limited to the duty to comply with the requirements of the Personal Information Protection Act, when storing, transmitting, using, disposing, or disclosing System Data.

Vendor's Name: _____

Name of Official Authorized to Bind Vendor: _____

Position of Official Authorized to Bind Vendor: _____

Signature of Official Authorized to Bind Vendor: _____

Printed Name of Official Authorized to Bind Vendor: _____

Date: _____

EXHIBIT B: SUPPLEMENTAL DIVERSITY CERTIFICATION

Vendor acknowledges and agrees that compliance with this section in its entirety for the term of the contract and any renewals is also a material requirement and condition of this contract. By executing this contract, Vendor certifies compliance with this supplemental diversity certification in its entirety and is under a continuing obligation to remain in compliance and report any non-compliance. If this contract extends over multiple fiscal years, Vendor shall confirm compliance with this section in the manner and format determined by the System by the date specified by the System and in no event later than July 1 of each year that this contract remains in effect. If the Parties determine that any certification in this section is not applicable to this contract, it may be stricken without affecting the remaining provisions. Vendor certifies that it is not legally prohibited from contracting with the System or the State of Illinois, has no known conflicts of interest, and further specifically certifies as follows:

1.0 As part of each certification, Vendor acknowledges and agrees that should Vendor provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the System or the State of Illinois may void the contract, and
- the Vendor may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

1.1 Vendor acknowledges that the System has established an aspirational goal to use businesses owned by minorities, women, and persons with disabilities for not less than the percentage specified in paragraph (10) of Section 1-109.1 of the Illinois Pension Code for all contracts awarded and purchases made by the System. Vendor hereby certifies that:

Vendor is a minority-owned business, woman-owned business, or business owned by a person with disability, as those terms are defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/2), which is available online at: <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=003005750K2>.

Indicate type of business below:

- minority-owned business;
 woman-owned business; or
 business owned by a person with disability.

Vendor is not a minority-owned business, woman-owned business, or business owned by a person with disability, as those terms are defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/2), which is available online at: <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=003005750K2>.

Vendor's Name: _____

Name of Official Authorized to Bind Vendor: _____

Position of Official Authorized to Bind Vendor: _____

Signature of Official Authorized to Bind Vendor: _____

Date: _____