Oregon Retirement Savings Plan

Status Report to the Legislative Assembly

December 2016

Oregon State Treasury
www.ost.state.or.us
# Status Report

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Overview

HB 2960, passed by the Legislature in 2015 and codified at ORS 178.200-178.245, established the Oregon Retirement Savings Board (the “Board”) and directed the Board to develop a simple, voluntary, work-based retirement plan for Oregonians lacking access to a plan through their employer. The Oregon Retirement Savings Plan (“ORSP” or the “Plan”) is targeted to launch in July 2017. The first half of 2016 focused on information gathering, stakeholder engagement, and early outreach planning. In March, the Board hired researchers from the Center for Retirement Research at Boston College to perform an Oregon-specific market analysis and a program feasibility analysis. The Board also engaged Segal Company and ShoeFitts Marketing to provide early consulting work on program design and outreach activities. To assist in the early development of the Plan, members of the Board led workgroups on plan design, program design, outreach, and financial literacy. These workgroups, composed of interested parties from state government, the private sector, and the general public, provided valuable input and feedback on all aspects of ORSP.

The second half of the year focused on establishing the Plan through the rulemaking process and introducing resources to move the Plan from development into implementation. The Board engaged Segal Rogerscasey in August as the General Consultant to the Plan. In addition, the Board solicited Requests for Proposals (RFPs) for both marketing and plan service providers in September, engaging CFM Strategic Communications for marketing and outreach services in late October. The Board intends to complete the evaluation and contracting process for the plan service provider prior to the end of 2016. The plan design and rulemaking process continued throughout the fall, and will culminate in a public hearing on the proposed rules in December. Industry representatives and other stakeholders have actively participated in designing the Plan and we expect that participation to continue going forward. The Plan is currently expanding outreach efforts, the primary focus of which will be identifying and communicating with Oregon employers who do not currently offer a retirement savings plan to their employees.

This report is divided into seven sections, as prescribed in HB 2960, Section 14.

1) Results of the Market and Feasibility Analyses

Employee Market Analysis

An estimated 1.05 million workers in Oregon – 60 percent of the workforce - do not have access to a retirement plan through their employment. These workers can be categorized into three broad market segments: 1) 590,000 workers whose employer does not currently offer a plan to any workers; 2) 259,000 workers whose employer offers a plan for which they are ineligible, or in a minority of cases are eligible but not participating; and 3) 201,000 workers who are self-employed. Compared to covered workers, uncovered workers are younger, less educated, and more likely to be non-white and non-native to the United States. They also earn less, are more likely to work for a small firm, and work fewer hours. In addition, uncovered workers are likely to face greater financial pressure, be less familiar with financial products, and have a weaker understanding of financial concepts.
Anticipated Employee Response
Evidence from a variety of sources suggests that roughly 70-80 percent of workers automatically enrolled into ORSP are likely to stay in the program, while the other 20-30 percent will likely opt out. This low estimated opt-out rate is largely a function of automatic enrollment and is unlikely to change by more than 5 percentage points due to the plan designs under consideration. In other words, opt-out is expected to be low for any contribution rate between 3 and 6 percent of pay, regardless of the choice of a before-tax or after-tax savings vehicle, the number of investment choices, and the presence of a default annuity withdrawal option upon retirement. While variations in plan design are unlikely to affect opt-out rates, targeted communication has the potential to modestly boost participation.

Employer Market Analysis
At least 64,000 employers in Oregon – 66 percent of all employers – do not offer a retirement savings plan to their workers. The majority of these affected employers – 82 percent – have fewer than 10 employees. At the same time, employers with 10 or more employees represented 78 percent of the employees affected by ORSP. In other words, it is important that the program be accessible and easy to use for both small employers, who will be affected in large numbers, and large employers, who employ a majority of the affected employees. The most affected industry will be professional services, accounting for over 40 percent of employers not offering a plan. Non-professional services and retail are the next largest, with another 33 percent of affected firms in these two industries combined.

Depending on the operating modeled selected, employers could be responsible for carrying out several activities, including: 1) introducing ORSP to employees; 2) providing data to automatically enroll employees; 3) collecting opt-out decisions; 4) processing and funding payroll decisions; 5) keeping records to show compliance; and 6) resolving errors associated with items 1-5. Employer costs are estimated to be low, but will vary. Functions that require interpersonal communication will likely pose a greater burden for large firms than small firms, while functions that involve using computers to transmit data will pose less of a burden for employers that rely on software to administer payroll (or outsource payroll) and maintain employee records. The administrative and technical expertise of business owners also drives cost estimates.

Extent to which existing plans meet the requirements outlined in HB 2960
Research found the private sector does not offer plans that meet all the criteria specified in the legislation. An analysis of common employer-sponsored retirement plans shows that many savings vehicles allow participants to be automatically enrolled, qualify for tax deduction, and accept contributions from payroll deductions that are invested in professional-managed assets. However, retirement plans with features like ORSP require employers to assume the role of a fiduciary, and portability is limited because individuals cannot continue participating in a plan after a job change.

Financial Feasibility
The analysis determined ORSP is financially feasible using two metrics: first, the time it takes for the program to become cash positive or “self-sufficient” (i.e. annual fee revenue generated by account balances is equal to or greater than operating costs); and second, the time needed for the
program to become net positive (i.e. revenue will cover both start-up and operating costs). The analysis shows ORSP is forecast to be cash-flow positive within four to five years and net positive in seven to eight years. These results are based on a set of initial assumptions for program design and participant behavior, and include annual fees of 1.0 to 1.2 percent (or 100 to 120 basis points) on asset balances, declining over time. These results hold under a wide variety of scenarios. By offering the plan service provider a contract of seven years or more, ORSP expects the provider to use the surpluses in later years to balance any losses they experience during start-up and early operations.

2) Findings from Legal Advice
The Board engaged K&L Gates to obtain legal advice regarding the applicability of the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (Tax Code) to ORSP. K&L Gates advised that until ORSP’s terms are finalized, there will not be sufficient facts to provide such legal advice. In the interim, K&L Gates provided a general discussion of the applicability of ERISA and the Tax Code on the expected ORSP design (an employer-based, payroll withholding IRA savings program with automatic enrollment set at a default rate and auto-escalation) in anticipation that this discussion will provide the basis for their subsequent legal advice.

Based on anticipated design and discussions to date, K&L Gates advised that the Board should be able to establish the ORSP in a manner which complies with the U.S. Department of Labor (DOL) safe harbor, allowing state-enabled “auto IRA programs” to be considered a non-ERISA plan and for IRAs established thereunder to satisfy the Tax Code requirements. K&L Gates also clarified that employers exempt from the ORSP mandate are not allowed to offer ORSP to their employees voluntarily; doing so would make the specific employer a fiduciary under ERISA.

3) Potential Costs to Employers and Recommendations on Cost Reduction or Elimination
ORSP imposes requirements on businesses in Oregon that do not offer retirement plans to their employees. By definition, ORSP will impose an economic impact on business. Through plan and program design, the Board has ensured the employer’s role will be limited; however, there will be “startup” and ongoing costs that cannot be reduced or eliminated without a financial incentive. “Startup” costs will be driven by the time needed to introduce the plan to employees and process opt-out decisions. The analysis estimates Oregon employers will spend an aggregate 4-5 hours on these “startup” activities, plus a small number of minutes per employee.

Ongoing costs will be largely driven by the cost of making an additional payroll deduction. It is estimated that employers would spend about 30 minutes per pay period including the ORSP deduction in their payroll activity, and about an hour per month on records retention and any other potential activities related to ORSP. For employers using payroll services, these activities will be carried out by the payroll service provider and not the employer. We expect the way employers administer payroll will determine, to a large extent, their ultimate financial and administrative burden. Using data on how employers file unemployment insurance, we assume approximately 34
percent of affected businesses in Oregon use a payroll service provider; 45 percent process payroll in-house using software; and up to 21 percent calculate payroll in-house without the aid of software or a service provider.

Any financial incentive, waiver of state fees, or tax credit will require action by the Legislature. The financial impact on the State would depend on the amount, duration, and number of employers receiving the incentive. There are five incentive models the Legislature could consider: 1) A basic incentive to help employers cover their “startup” costs, in whole, or in part. 2) An incentive functioning as a penalty (i.e. employers that fail to comply with the law would not receive the incentive). 3) An incentive encouraging employers to take further action (i.e. the State could incentivize businesses that calculate payroll manually to automate the process). 4) A state incentive similar to the federal tax credit for employers offering a retirement plan. 5) A fee waiver for businesses in compliance with the law (i.e. offering the ORSP or another retirement plan to employees).

The Board recommends the Legislature consider offering a financial incentive with the following attributes:

- **Standardized in amount**: An incentive is easiest to administer as a fixed amount per business, or possibly per employee.
- **Capped**: A cap limits the impact on state revenue and ensures the primary recipients are small businesses, for whom compliance will have more of an impact.
- **Fixed duration**: An incentive limited to one to three years will help businesses cover “startup” costs.
- **For impacted employers**: Limit the incentive to employers who facilitate ORSP.
- **In the form of a fee waiver or tax credit**: These incentives are easier to administer than payments.

The exact design of any incentive will depend on what the Legislature deems an acceptable impact on state revenue. The Board recommends a more targeted incentive focused on businesses that will derive the greatest benefit; for example, providing a “startup” tax credit for employers to incentivize moving from manual to automated payroll, or providing a limited incentive to any impacted business with fewer than 10 employees.

4) **Request for Proposal (RFP) to Solicit Bids from Plan Administrators**
The Services for Plan Administration and Management RFP was issued September 21, 2016 and closed October 26, 2016. The RFP is attached to this report.

5) **Timeline for Implementation of the Plan**
The Board intends to select a Plan Service Provider (PSP) prior to the end of 2016. The selected PSP will develop a phased approach for plan implementation beginning in July 2017. The phased approach may incorporate a voluntary pilot with a small number of employers. After the pilot, the PSP will open the plan to employers in phases (for example, employers with 100+ employees;
employers with 50+ employees; employers with 10+ employees, etc.). It is the Board’s intent to allow individuals who are self-employed or whose employer offers a plan for which they are ineligible to opt-in to the Plan. The PSP will need to further investigate how those workers will be identified, enrolled, and the method by which they will make contributions to Plan accounts.

The following are projected implementation milestones:

1st Quarter 2017
- Establish a phased implementation plan with the plan service and marketing providers
- Identify and confirm pilot participants
- Complete rulemaking for the Plan
- Select investment options for the Plan
- Expand statewide outreach to focus on employer-readiness

2nd Quarter 2017
- Prepare to implement pilot and first phase
- Broad outreach and visibility focused on positive momentum and impact
- Ensure Plan is in full compliance with all relevant laws and authorities in advance of launch

3rd Quarter 2017
- Launch plan and accept first contributions (7/01/2017)
- Fine tune program operating characteristics based on experience in first phase
- Prepare to implement second phase
- Continue broad outreach strategy

4th Quarter 2017
- Continue implementation progression and outreach activities
- Prepare and provide annual report to the Legislature

2018 onward
- Continue execution of roll-out strategy; duration will be determined in concert with PSP

6) Overview of Contracts Approved by the Board
The Board approved five contracts with an aggregate cost of $610,000 and expects to approve a sixth contract prior to the end of the year.

- Marketing Support/Implementation  ShoeFitts Marketing, Inc. (2/2016)
  - Provision of retirement plan and marketing expertise; messaging guidance; editorial and graphic design services; and overall project coordination. ($10,000)

- Market Analysis/Financial Feasibility  Center for Retirement Research at Boston College (3/2016)
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- Complete an Oregon-specific market analysis to affirm suitability and fit of the proposed plan design and confirm whether and to what extent plans with the characteristics described in HB 2960 currently exist in the private market; conduct a financial feasibility analysis of ORSP as described in HB 2960. ($75,000)

- **Program Design Consulting**  
  **Segal Company (3/2016)**
  - Complete program design, providing recommendations for structure and administration, identifying the key considerations for the types of entities positioned to administer the program based on the market analysis. Recommend a process to determine employee/employer eligibility and how to enforce participation by qualified employers with eligible employees. ($75,000)

- **General Consultant to the Plan**  
  **Segal Rogercasey/Segal Advisors, Inc. (8/2016)**
  - Provide ongoing, comprehensive, full-service retainer and consulting services, as well as program pre-launch services to the Board and Treasury, including assistance in: drafting a plan provider RFP, assessing candidate responses, negotiation and retention of service provider(s), and program implementation support. ($300,000)

- **Marketing and Outreach Support**  
  **CFM Strategic Communications Inc. (10/2016)**
  - Develop brand, identity, and messaging; establish a statewide marketing and outreach plan to ensure Oregonians are aware of and favorably inclined toward the plan; and create an introduction of the plan and its impact for key stakeholders such as employers and employees. ($150,000)

- **Plan Service Provider**  
  **TBC (late 2016)**
  - Provide all services necessary for successful implementation and operation of the program including but not limited to all implementation and support services as well as the daily administration, customer support, and record keeping services for the program.

7) **Recommendations to Increase Financial Literacy in Oregon**

ORSP, together with the Governor’s Office, Department of Consumer and Business Services (DCBS), Department of Human Services (DHS), Oregon Department of Education (ODE), Oregon Housing and Community Services Department (OHCS), the ORSP financial literacy workgroup, and private and public industry experts, developed six financial literacy recommendations. The interagency workgroup agrees the recommendations below, if implemented, will have a positive impact on financial literacy in Oregon. With the support of the Legislature, state government is well-situated to act as a leader in this field and to work with private partners to achieve shared goals.

1. **Assigning responsibility for the coordination of statewide financial education efforts**
Oregon would benefit from having one entity responsible for the coordination of statewide financial education efforts, either permanently or for a fixed term. The single entity would:

- Develop a statewide strategy, including setting goals, metrics, and key performance indicators, based on a review of research and the current state of financial education;
- Create a long-term plan for achieving goals;
- Prioritize efforts and resources;
- Sponsor relevant legislation;
- Identify revenue sources and provide funding for financial literacy work;
- Encourage private/public partnerships and programs;
- Measure and monitor progress in financial literacy; and
- Ensure the implementation of lasting change.

The responsible entity could come from the public or private sector, for example, an existing state agency; a workgroup; a new, fixed-term government entity, such as a council, board, or commission; or an external party, such as a non-profit, with considerable expertise and reputation in the financial education area.

**Recommendation:** The Governor’s Office should assign responsibility for coordinating statewide financial education efforts to a single entity. The entity would convene a mix of public and private sector experts and stakeholders to bring together disparate resources and expertise to develop a strategy and goals, create a long-term plan, coordinate efforts, and monitor and report on progress. It is strongly recommended that specific outcomes and timelines be established beforehand for such an entity to ensure efficient and effective results.

2. Connecting Oregonians to current resources

Oregon already has a wide range of providers who offer strong financial education and coaching services; yet, it can be difficult for consumers to find and connect with these resources. Treasury intends to develop a limited webpage to share relevant financial education resources with Oregonians as part of the ORSP implementation. A single, well-organized, and more comprehensive clearinghouse of all of Oregon’s financial education resources would better connect Oregonians with the information and services they need. Oregonians, agencies, and partners would use the comprehensive clearinghouse to search for resources by topic, location, and other factors.

**Recommendation:** An organization within or outside of state government should develop and manage a more comprehensive clearinghouse to meet the needs of the broader public. The Legislature could appropriate funding for the development of the clearinghouse, or the State could partner with a non-profit organization to secure grant funding.

3. Providing support for current programs
State agencies and the Legislature should reach out to Oregon’s asset building and financial knowledge community to determine the type of support they need and what they could accomplish with additional assistance. These organizations would also help agencies improve their programs and augment outreach and education efforts. ORSP provides an excellent opportunity for engagement and best practice-sharing with the asset building community.

**Recommendation 1:** DCBS, DHS, ODE, OHCS, and OST should provide enhanced support for the asset building and financial knowledge community through cross promotion and more public/private partnerships to share best practices and ensure coordination of financial education efforts.

**Recommendation 2:** The Legislature could allocate funding to help financial education providers with a track record of success expand initiatives, especially to reach underserved, unbanked/underbanked communities, and non-English speaking communities. To help fund these initiatives, the Legislature could pass legislation to tie civil penalties from financial entities, which currently go to the General Fund, to financial education programs.

4. Improving curriculum-based financial education

In 2007, House Bill 2584 created a Civics and Financial Literacy Task Force (“Task Force”) to make recommendations to improve K-12 civics and financial education in public schools. The Task Force recommendations, however, have yet to be fully implemented. Effective financial education is a continuous process. Financial education is not taught in the economics/financial literacy academic content standards for grades 3, 5, 6, 7, and 8 in Oregon public schools, nor is a high school-level personal finance course required for the Oregon diploma. Implementing the recommendations of the Task Force would help make financial education more consistent and ensure it is an essential part of learning every year of K-12. Financial education programs for adults, career technical education, and K-12 education could also be better aligned to ensure consistency.

**Recommendation 1:** ODE should implement all of the recommendations of the Task Force. Implementation will require significant resources for assessment, curriculum purchase or development, and evaluation. A “cut score” must be developed to demonstrate proficiency in the Essential Skill.

**Recommendation 2:** State agencies and partners should better align adult and K-12 financial education programs. This could require the purchase or development of curriculum by education providers.
Appendix A: Full text of the RFP to Solicit Bids from Plan Administrators

State of Oregon
Oregon State Treasury
350 Winter Street NE, Suite 100
Salem, Oregon 97301-3896

on behalf of the
Oregon Retirement Savings Board

REQUEST FOR PROPOSAL (RFP)
RFP # 170-1119-16

FOR

SERVICES FOR PLAN ADMINISTRATION AND MANAGEMENT

Date of Issue: September 21, 2016
Closing Date/Time: October 26, 2016 @ 4:00 PM PST

Single Point of Contact (SPC): Connie Lelack
Address: 350 Winter St NE Suite 100
City, State, Zip: Salem, OR 97301
Phone (voice): 503-378-2335
E-mail: connie.lelack@ost.state.or.us
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**ATTACHMENTS:**

- Attachment A - Proposal Cover Sheet
- Attachment B - Minimum Qualifications
- Attachment C - Questionnaire
- Attachment D – Additional Organizational Qualifications
- Attachment E - Standard State Terms and Conditions
- Attachment F – Sample Statement of Work
- Attachment G - House Bill 2960
- Attachment I – Feasibility Study, August 2016
- Attachment J – Program Design, July 2016
- Attachment K – Program Design Analysis & Supporting Documentation, July 2016
- Attachment L – Approved Basic Plan Design, July 2016
1.0 Introduction

1.1 Purpose

The State of Oregon, acting by and through the Oregon State Treasury (“Treasury”) as staff to the Oregon Retirement Savings Plan Board (“Board”) is seeking proposals from qualified professional firms for the purpose of performing third party services for data collection, record keeping, plan administration, and management services for the Oregon Retirement Savings Plan (the “Program” or “Plan”). All firms submitting proposals are referred to as Proposers in this document; after negotiations, the awarded Proposer will be designated as the Plan Services Provider (“Services Provider” or “Provider”).

The Board seeks a strong organization to partner in delivering services for this new program. Key characteristics will include organizational strength, depth and experience with defined contribution programs and individual retirement accounts, as well as the intent to partner and innovate to help drive success of the Plan across a wide range of dimensions, including member satisfaction (employers and employees), percent of eligibles participating (across demographic cuts), income replacement in retirement, and more.

Please note, although the Plan contains some elements that are new, it is significantly based on the concepts, best practices (see Attachment P) and capabilities associated with the defined contribution plans and retirement accounts Providers service today. Proposers are encouraged to respond based on their current capabilities, calling out where new or expanded capabilities will be needed or desirable to service the Program efficiently and well over time.

1.2 Background

In 2015, the Oregon Legislative Assembly enacted House Bill 2960, which is codified at ORS 178.200 through 178.245 (the “2015 Act”), Attachment G, calling for the establishment of a state-administered retirement savings program (the “Plan” or “Program”) that provides employees with automatic enrollment, payroll deduction, and automatic annual contribution escalation, all on a flexible, opt-out basis. The Plan is governed by an appointed board and will be operated by the Board through a contract with a private-sector service provider, with a minimum employer role.

The 2015 Act provides that the Board shall establish a plan in compliance with these intended rules. The plan developed and established by the Board under section 2 of this 2015 Act must:

A. Allow eligible individuals employed for compensation in this state to contribute to an account established under the plan through payroll deduction.

B. Require an employer to offer its employees the opportunity to contribute to the plan through payroll deductions unless the employer offers a qualified retirement plan, including but not limited to a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p) or section 457(b) of the Internal Revenue Code.

C. Provide for automatic enrollment of employees and allow employees to opt out of the plan.

D. Have a default contribution rate set by the board by rule.
E. Offer default escalation of contribution levels that can be increased or decreased within the limits allowed by the Internal Revenue Code.

F. Provide for contributions to the plan to be deposited directly with the investment administrator for the plan.

G. Whenever possible, use existing employer and public infrastructure to facilitate contributions to the plan, recordkeeping and outreach.

H. Require no employer contributions to employee accounts.

I. Require the maintenance of separate records and accounting for each plan account.

J. Provide for reports on the status of plan accounts to be provided to plan participants at least annually.

K. Allow for account owners to maintain an account regardless of place of employment and to roll over funds into other retirement accounts.

L. Pool accounts established under the plan for investment.

M. Be professionally managed.

N. Provide that the State of Oregon and employers that participate in the plan have no proprietary interest in the contributions to or earnings on amounts contributed to accounts established under the plan.

O. Provide that the investment administrator for the plan is the trustee of all contributions and earnings on amounts contributed to accounts established under the plan.


Q. Keep administration fees in the plan low.

R. Allow the use of private sector partnerships to administer and invest the contributions to the plan under the supervision and guidance of the board.

S. Allow employers to establish an alternative retirement plan for some or all employees.

T. The plan, the board, each board member and the State of Oregon may not guarantee any rate of return or any interest rate on any contribution. The plan, the board, each board member and the State of Oregon may not be liable for any loss incurred by any person as a result of participating in the plan.

The 2015 Act envisions that the Plan will be made available to Oregonians on July 1, 2017. When fully launched, it is anticipated that the Plan may be made available to over 1 million Oregonians, which is over half the working population, and one quarter of all residents of the state:

- 600,000 Oregonians whose employer does not offer a retirement savings plan
- 200,000 Oregonians whose employer offers a plan for which they are not eligible
- 200,000 Oregonians who are contract workers or otherwise self-employed

1.2.1 Plan Overview

The following gives a general overview of the Plan. Some items are shown as Proposed because they are under consideration as part of the public rulemaking process for the plan (see Attachment O), or are otherwise still in review. Until the Plan is finalized, other characteristics could also change. Please note, the ORSP will be subject to Rulemaking as a concurrent process to the retention of the Services Provider. Some rules, like rollout timing, are being held open so that the Services Provider can weigh in. For continuous status on Rulemaking, please refer to the Plan’s web page.

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<th>Name of Plan</th>
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<td>Type of Plan</td>
<td>State Administered Payroll Deduction Individual Retirement Account (IRA)</td>
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<th>Date Contributions Begin</th>
<th>July 1, 2017</th>
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**ELIGIBILITY**

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<th>Employer Defined</th>
<th>Employers as defined by ORS 657.025, Oregon’s Unemployment Insurance statutes, and who do not offer retirement plans to employees</th>
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<tr>
<td>Employer Estimates</td>
<td>At least 64,000 of Oregon’s 130,000 employers, and potentially more. It is estimated that 64,000 employers do not offer any form of plan.</td>
</tr>
<tr>
<td>Employees Defined</td>
<td>Employees as defined by ORS 657.015, and generally, Employees working in Oregon who are:</td>
</tr>
<tr>
<td>Number of Potential Participants</td>
<td>An estimated 1.05 million workers in Oregon currently do not have access to a retirement plan through their employment. 1) 590,000 workers whose employers do not currently offer a plan to any workers (employee opt out); 2) 259,000 workers whose employers offer a plan for which they are ineligible (employee opt out or opt in); and 3) 201,000 workers who are self-employed (employee opt in).</td>
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<tr>
<td>Participant Projections</td>
<td>Total accounts estimated as 383,000 (Year 3), 446,000 (Year 5) and 502,000 (Year 10).</td>
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<tr>
<td>Plan Asset Projections</td>
<td>$0 at 7/1/2017, $732M (Year 3), $1.857M (Year 5), $5.117M (Year 10).</td>
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**PROGRAM BASICS**

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<th>Account Type</th>
<th>IRA -- one account per Participant</th>
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<td>IRA Type</td>
<td>Roth as default (Traditional as an election/future enhancement)</td>
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<tr>
<td>Contributions - Employer</td>
<td>Not permitted</td>
</tr>
<tr>
<td>Contributions - Employee</td>
<td>Employee contributions are withheld and transmitted by the Employer on behalf of the Employee</td>
</tr>
<tr>
<td>Contributions – Opt-in Participants</td>
<td>Participants not employed by an Eligible Employer – for example, the self-employed – will be allowed to opt-in and make contributions directly (feature to be added later if not included in the initial service start-up).</td>
</tr>
</tbody>
</table>

**EMPLOYEE CONTRIBUTIONS**

<table>
<thead>
<tr>
<th>Auto Enrollment Process</th>
<th>Employer facilitated with technical support by the State and its service providers. An-opt out period will occur before payroll deductions begin. Only the individual can opt themselves out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Contribution Rate</td>
<td>5%</td>
</tr>
<tr>
<td>Contributions – Minimum Amount / Electable Levels</td>
<td>Employees can choose any increment of 1%</td>
</tr>
<tr>
<td>Contributions – Maximum Amount</td>
<td>Per IRA limits; in 2016 $5,500 (under age 50) and $6,500 (over age 50). Any other relevant Internal Revenue Service (IRS) limits also apply.</td>
</tr>
<tr>
<td>Catch-Up Contributions</td>
<td>As permitted under IRS rules</td>
</tr>
<tr>
<td>Contribution Changes</td>
<td>Employees can elect alternative contribution amount (increments of 1%) at</td>
</tr>
</tbody>
</table>

---

3. Attachment I Feasibility Study, August 2016, page 10, Table 3
4. Attachment I Feasibility Study, August 2016, page 12 figure 2
<table>
<thead>
<tr>
<th><strong>Employee Contribution Cessation (0% contribution election)</strong></th>
<th>Participants can stop contributing at any time.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automatic Contribution Escalation</strong></td>
<td>Annual auto-escalation of 1% per year (feature to be added later if not included in the initial service start-up).</td>
</tr>
<tr>
<td><strong>Contribution Data and Fund Deposit Frequency</strong></td>
<td>Contribution files can be received as frequently as daily.</td>
</tr>
<tr>
<td><strong>Contribution Deposit Methods by Employer</strong></td>
<td>Payroll can be administered in three basic ways: 1) outsourced to a payroll service provider (estimated at 34% of facilitating employers); 2) administered in-house using software (45%); or 3) administered in-house without using software (up to 21%).</td>
</tr>
<tr>
<td><strong>Contribution File Management</strong></td>
<td>To be determined jointly by the Board and the Service Provider. Note that the Board is actively working with Payroll processors to identify a common standard and best practices (see Attachment P).</td>
</tr>
<tr>
<td><strong>Contribution File Processing Issue/Reject Management</strong></td>
<td>Employer “file” via portal w/Web submittal and Automated Clearing House (ACH) or equivalent funding.</td>
</tr>
<tr>
<td><strong>Contribution Limit Monitoring and Management (Per Employer)</strong></td>
<td>Employer payroll- or portal-controlled with contribution limit monitoring at the Program level.</td>
</tr>
<tr>
<td><strong>Contribution Limit Monitoring and Management (Across Employers)</strong></td>
<td>Employee responsibility with contribution limit monitoring at the Program level.</td>
</tr>
<tr>
<td><strong>Roth IRA income limits</strong></td>
<td>Employee is responsible for complying with IRS income limits for Roth contributions.</td>
</tr>
<tr>
<td><strong>Contribution Limit Management (Return of excess)</strong></td>
<td>Managed by Service Provider per Employee or Employer request.</td>
</tr>
</tbody>
</table>

### INVESTMENT OPTIONS

| Requirements | IRA compliant – note, where preferred investment options may not be considered IRA compliant but would provide the best participant outcomes (price, performance, quality), the Board will consider requesting exemption from governing authorities. |
| Default Investment Option | Target date fund based on Employee age. |
| Contribution Investment – Holding Period | Contributions to be held in a Capital Preservation investment during the initial holding period (30-90 days following initial account setup). *This is proposed in order to facilitate refund of full contribution amounts for participants who may have been unintentionally enrolled. Alternative approaches will also be considered.* |
| Participant Investment Direction | Yes |

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5 Attachment H Market Research Report, July 2016, page 33

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December 2016 |  Page | 16
<table>
<thead>
<tr>
<th>Investment Option Changes</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of Valuation</td>
<td>Daily</td>
</tr>
</tbody>
</table>

**ACCOUNT SERVICING**

<table>
<thead>
<tr>
<th>Methods</th>
<th>Mobile, web, online chat and telephone support, at a minimum; English and Spanish; facility for additional languages also preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Account Inquiry (i.e., Balances)</td>
<td>Individual self-service via participant website</td>
</tr>
</tbody>
</table>
| General Account Maintenance | Individual self-service via participant website for:  
- Investment election changes  
- Investment fund transfers  
- Indicative data changes  
- Beneficiary designations |
| Participant Account Statements | Quarterly online. Annually via mail except where electronic delivery is elected - similar to simple form of Social Security Statement which includes estimated retirement income replacement and key messages. |
| Annual Participant Reporting – Tax Related | Form 5498 via mail. |
| Distributions proposed | At any time, per IRA rules  
(Note: in accordance with recently released U.S. Department of Labor Safe Harbor Rules, some restrictions may be considered) |
| Rollovers Out | Permitted |
| Rollovers In | Potentially permitted  
(Note: under discussion pending ability to comply with Anti-Money Laundering and other regulations) |
| Distribution Services, Including Retirement Eligibles | Web-based self-service capability plus additional support methods as identified by Service Provider |
| Education and Communication Materials | Employer and Employee materials through web-based self-serve library plus additional support methods as identified by Service Provider; Key requirements include both an Employer Toolkit to support employer readiness to facilitate the program effectively, and an Employee Enrollment One-Pager and related tools and information |
| Participant Tools and Links | Participant tools to support retirement readiness estimation and links to national and in-state resources to support financial education and coaching. Examples: Consumer Finance Protection Bureau Planning for Retirement Tool; Oregon Bankers’ Association Financial Education Resource Guide |

### 1.3 Scope of Work

The following gives a general overview of the Scope of Work that will be required under the resulting contract with a successful Proposer.

### 1.0 PLAN ADMINISTRATION

#### 1.1 Employer Support Services
### 1.1.1 Employer Portal
- 1.1.1.1 General Requirements
- 1.1.1.2 Managing Roster of Individuals
- 1.1.1.3 Individual Contribution Remittance (Payroll)
- 1.1.1.4 Employer Educational Content

### 1.1.2 Employer Setup, Orientation & Training

### 1.1.3 Employer Customer Support & Technical Assistance Services

### 1.2 Activity-Based Support
- 1.2.1 Auto-Enrollment Process
  - 1.2.1.1 Auto-Enrollment & Opt-out Form Content, Availability & Employer Instructions

### 1.3 Establishing Accounts & Processing Contributions
- 1.3.1 Payroll Contributions & Setting Up Employee
- 1.3.2 Processing & Transmitting Payroll Contributions
- 1.3.3 Employer Error Correction Support Services
- 1.3.4 Contribution Limits & Monitoring

### 2.0 PARTICIPANT RECORD KEEPING & MEMBER SERVICES

#### 2.1 General Program Information & Resources

#### 2.2 IRA Account Establishment & Requirements
- 2.2.1 Participant Accounts & Reporting
- 2.2.2 Employee Qualification
- 2.2.3 Quarterly Statements
- 2.2.4 Annual Reporting
- 2.2.5 Taxation & Government Reporting
- 2.2.6 Employee Customer Support Services
- 2.2.7 Beneficiary Designation

#### 2.3 Investment Election & Allocation Changes

#### 2.4 Employee Information – Maintaining Correct & Current Contact Information

#### 2.5 Withdrawals

### 3.0 INVESTMENT MANAGEMENT & ASSET CUSTODY

#### 3.1 Investment Option Management
- 3.1.1 # & Type of Options
- 3.1.2 Quality & Performance
- 3.1.3 Qualification with IRA Requirements
- 3.1.4 Contractual Terms & Conditions

#### 3.2 Asset Custody & Related Services

### 4.0 PROGRAM IMPLEMENTATION

#### 4.1 Implementation Schedule
- 4.1.1 Employer Implementation Schedule
- 4.1.2 Employer Implementation Process
- 4.1.3 Pilot Program

#### 4.2 Employer Registration Process
- 4.2.1 Online Employer Registration & Decertification Application & Screening Process
- 4.2.2 Confirming Employers Subject to the Mandate
- 4.2.3 Notifying Identified Potential Employers

#### 4.3 Employer Decertification Process

### 5.0 PLATFORMS & TECHNICAL CAPABILITIES
5.1 Development of Employer Administration Portal

5.2 Development of Employee Website
   5.2.1 Employee Transactional Website – General Requirements
   5.2.2 Employee Transactional Website & Account Access
   5.2.3 Education & Retirement Plan Support – Content
   5.2.4 Mobile App

6.0 PROGRAM MARKETING
   6.1 Employer Program Awareness (Outreach) Support Services
   6.2 Service Provider Activities to Support Program Visibility

7.0 PROGRAM SUPPORT
   7.1 Board Support & Reporting
   7.2 Program Enforcement
   7.3 Program Financing

8.0 PHASE 2 – FUTURE SERVICE ENHANCEMENTS
   8.1 Future Service Enhancements

9.0 TRANSITION SERVICES
   9.1 Transition Process

1.4 Schedule

The table below represents a tentative schedule of events. All times are listed in Pacific Time. All dates listed are subject to change.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Proposal Issued</td>
<td>September 21, 2016</td>
<td></td>
</tr>
<tr>
<td>Optional Pre-proposal Tele-conference</td>
<td>September 27, 2016</td>
<td>12:00 – 1:00 PM</td>
</tr>
<tr>
<td>Written Questions / Requests for Clarification Due</td>
<td>October 4, 2016</td>
<td>5:00 PM</td>
</tr>
<tr>
<td>RFP Protest Period Ends</td>
<td>October 19, 2016</td>
<td>5:00 PM</td>
</tr>
<tr>
<td>RFP Closing (Proposal Due Date)</td>
<td>October 26, 2016</td>
<td>4:00 PM</td>
</tr>
<tr>
<td>Preliminary Finalists Onsite Presentations - \textit{approximate} – at Oregon State Treasury</td>
<td>November 14, 2016</td>
<td></td>
</tr>
<tr>
<td>Finalists Site Visit Interviews/Presentations - \textit{approximate} – at Proposers’ location</td>
<td>December 8, 2016</td>
<td></td>
</tr>
<tr>
<td>Issuance of Notice of Intent to Award - \textit{approximate}</td>
<td>December 9, 2016</td>
<td></td>
</tr>
<tr>
<td>Award Protests Due</td>
<td>December 16, 2016</td>
<td>5:00 PM</td>
</tr>
</tbody>
</table>
1.5 Single Point of Contact (SPC)
The SPC for this RFP is identified on the Cover Page, along with the SPC’s contact information. Proposer shall direct all communications related to any provision of the RFP, whether about the technical requirements of the RFP, contractual requirements, the RFP process, or any other provision only to the SPC.

1.6 Procurement Authority and Method
Treasury is conducting this RFP pursuant to its authority under ORS 279B.060 and ORS 178.200 using the Competitive Sealed Proposals method. Treasury may use a combination of the methods for Competitive Sealed Proposals, including optional procedures: a) Competitive Range; b) Discussions and Revised Proposals; c) Revised Rounds of Negotiations; d) Negotiations; and e) Best and Final Offers.

1.7 Estimated Contract Term
The initial term of the Contract is anticipated to be for ten (10) years, with options for two (2) extensions, each three (3) years in duration for a sixteen (16) year maximum term.

2.0 Proposal Requirements

2.1 Mandatory Proposal Requirements

DUE DATE:
October 26, 2016 by 4:00 PM PST

DELIVERY ADDRESS:
Oregon State Treasury
Attn: Connie Lelack
350 Winter Street NE, Suite 100, Salem, OR 97301

Proposals must be delivered in a sealed envelope, which clearly identifies RFP #170-1119-16, Services for Plan Administration and Management, ATTN: as stated in the Delivery Address above, and the proposal closing time and date. Mis-deliveries and late submittals will not be accepted or considered. Proposals must be received at the delivery address by the required time. Postmarks will not be considered. Proposals that are e-mailed or faxed will NOT be considered.

One (1) original signed, by an authorized signer, Proposal Response (the “Proposal”); seven (7) copies of the Proposal Response, and one (1) electronic copy of the Proposal Response must be submitted on a disc, flashdrive or similar device. The Questionnaire, Attachment C, must not exceed eighty (80) total pages; to be double-sided; 12 pt font; .5” margins. Proposer must submit a copy of their Provider contract/agreement form as Appendix I.

All proposals shall be valid for ninety (90) days from the RFP closing date.
All costs associated with Proposer’s submission of the project concept and/or proposals are the sole responsibility of the Proposer and shall not be borne by the State of Oregon. All proposals submitted will become public record.

Treasury will not be held responsible for any error or omissions from downloading the RFP. The official solicitation document is the one held at the Treasury.

Those proposals which are incomplete or which do not meet all requirements of the RFP, will be deemed by Treasury to be "non-responsive" and will be rejected and will not be evaluated by Treasury. Proposals considered complete, or "responsive," will be evaluated to determine if they comply with the administrative, contractual, and technical requirements of the RFP. If a proposal is unclear, the Proposer may be asked to provide written clarification to assist Treasury in determining the issue of the proposal’s responsiveness.

### 2.1.1 Mandatory Proposal Requirements

Proposer may use this section of mandatory proposal requirements as a checklist to ensure the proposal is complete:

<table>
<thead>
<tr>
<th>MANDATORY - PROPOSAL RESPONSE SUBMISSION CHECKLIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Proposal Submission Deadline Date and Time met</td>
</tr>
<tr>
<td>☐ One (1) original Proposal Response</td>
</tr>
<tr>
<td>☐ Seven (7) copies of the complete Proposal Response</td>
</tr>
<tr>
<td>☐ One (1) electronic copy of complete Proposal Response</td>
</tr>
<tr>
<td>☐ Attachment A - Proposal Cover Sheet with authorized original signature</td>
</tr>
<tr>
<td>☐ Attachment B – Minimum Qualifications</td>
</tr>
<tr>
<td>☐ Attachment C – Questionnaire</td>
</tr>
<tr>
<td>☐ Attachment D – Additional Organizational Qualifications</td>
</tr>
<tr>
<td>☐ Appendix A – SSAE 16 or similar audit (refer to Attachment B (5.a))</td>
</tr>
<tr>
<td>☐ Appendix B – SOC 1 Type 2 report or similar (refer to Attachment B(5.b))</td>
</tr>
<tr>
<td>☐ Appendix C – SOC 2 Type 2 report or Treasury Security Questionnaire (refer to Attachment B (5.c))</td>
</tr>
<tr>
<td>☐ Appendix D – Sample fund information (refer to Attachment C (A.3 (3)))</td>
</tr>
<tr>
<td>☐ Appendix E – Sample contract, prospectus, and related document for each investment proposed, or custodial contract (refer to Attachment C (A.3 (14)))</td>
</tr>
<tr>
<td>☐ Appendix F – Sample of similar reporting (refer to Attachment C (A.4 (16)))</td>
</tr>
<tr>
<td>☐ Appendix G – Samples of the statement and Participant account information (refer to Attachment C (B.3 (32)))</td>
</tr>
<tr>
<td>☐ Appendix H – Audited Financial Statement (refer to Attachment D (9))</td>
</tr>
<tr>
<td>☐ Appendix I – Provider’s contract/agreement form</td>
</tr>
</tbody>
</table>

### 2.2 Electronic Submission
Electronic (email) proposals will not be accepted.

### 2.3 RFP Questions

All inquiries relating to the RFP process, administration, deadline or award, or to the substantive technical portions of the RFP, must be directed to the Single Point of Contact (“SPC”) listed in section 1.5 of this RFP. All questions regarding the intent of the work or technical aspects of the work must be submitted in writing (mail or e-mail). When appropriate, revisions, substitutions, or clarifications shall be issued as addenda to this RFP. Changes/modifications to the RFP requirements shall **ONLY** be recognized if in the form of written addenda issued by Treasury. Treasury will provide notice of any addenda to Treasury notified RFP recipients and advertise the response on the Oregon Procurement Information Network (ORPIN) [http://orpin.oregon.gov/open.dll/welcome](http://orpin.oregon.gov/open.dll/welcome) and on the Treasury website: [http://www.oregon.gov/treasury/AboutTreasury/Pages/Requests-for-Proposals.aspx](http://www.oregon.gov/treasury/AboutTreasury/Pages/Requests-for-Proposals.aspx). Anyone who has received a copy of this RFP from somewhere else will only be alerted to the existence of any addenda by checking ORPIN or the Treasury website.

Questions regarding this RFP will be accepted until **5:00 PM PST on October 4, 2016**. Questions from and answers to any one proposer will be forwarded to all proposers (as soon as resolved and before the submission deadline), if such questions will clarify any part of this RFP.

### 2.4 Solicitation Changes or Protests

A Proposer who believes the RFP specifications are unnecessarily restrictive or limit competition must submit its protest to the SPC as listed in Section 1.5 of this RFP.

Requests for change or protests of solicitation specifications or contract provisions must be delivered in person or mailed and received by Treasury, in writing, on or before **5:00 PM PST on October 19, 2016**. Requests for change or protests may **NOT** be e-mailed or faxed. No requests for change or protest of solicitation specifications or contract provisions shall be considered after the deadline stated above.

Such request for change or protests shall include the reasons for the request for change or protest, and proposed changes to specifications or provisions. Envelopes containing requests for change or protest must be marked SOLICITATION SPECIFICATION REQUEST FOR CHANGE or CONTRACT PROVISION PROTEST, and must identify the RFP number and proposal closing time and date. Treasury reserves the right to amend the RFP, amend the proposal acceptance closing date, or deny the request or protest.

If Treasury deems it necessary to amend the RFP an Addendum will be prepared and issued to all proposers. If so instructed in a particular Addendum, Proposers shall be required to sign and attach a copy of the Addendum to their proposal. If the Proposer has already submitted a proposal, the Proposer shall modify the proposal as set forth above. The Treasury will provide copies of any Addendum to all known RFP recipients and advertise the response on ORPIN and the Treasury website. Anyone who has received a copy of this RFP from somewhere else will only be alerted to the existence of any Addendum by checking ORPIN or the Treasury website.

Unless a different date is set forth in the Addendum, a Proposer may submit a written request for change or protest to the Addendum by the close of the Treasury’s next business day after issuance of the Addendum, or up to the last day allowed to submit a request for change or protest, whichever date is later.
Proposals may be withdrawn at any time prior to the scheduled closing date for the receipt of proposals. This can be accomplished by written notification on company letterhead signed by an authorized representative. This notice must be delivered in person or mailed. The notice may NOT be e-mailed or faxed. Treasury will not be responsible for any costs associated with returning withdrawn proposals. If the Proposer chooses to pick up the proposal in person, appropriate identification and the requisite letter must be presented before Treasury will release the proposal.

Modifications to previously submitted proposals which are made prior to the closing date for proposal acceptance will be considered by Treasury, if received prior to that scheduled closing date. Envelopes must be clearly marked as to MODIFICATION, the RFP number, and the proposal closing time and date. Oral or telephone modifications or corrections will not be recognized or considered.

2.5 Optional Pre-Proposal Tele-conference

An optional pre-Proposal tele-conference will be held via teleconference on September 27, 2016 from noon to 1:00 PM PST. Interested parties may participate by calling 1-877-336-1828 enter participant code: 1691288. Prospective Proposers’ participation in this conference is highly encouraged but not mandatory.

The purpose of the pre-Proposal tele-conference is to:

- Provide additional context around the Program to date;
- Provide additional context around the required services to be performed;
- Explain the RFP process; and
- Answer any questions Proposers may have related to the services or the RFP process.

Statements made at the pre-Proposal tele-conference are not binding upon Treasury. Proposers may be asked to submit questions in Writing.

2.6 Presentations; On-site Review

Top Ranked/Selected Proposers may be invited, in Treasury’s sole discretion, to make an oral presentation to Treasury staff on November 14, 2016, unless otherwise specified by Treasury. Such presentations will take place in Tigard, Oregon.

Treasury may request an on-site review in a Proposer’s office(s) after the oral presentation on December 8, 2016, unless otherwise specified by Treasury.

Treasury may score oral presentations and site visits.

3.0 Evaluation Criteria

3.1 Minimum Qualifications (Not Scored)

Complete and include the Minimum Qualifications contained in Attachment B of the RFP. While the responses to the Minimum Qualifications will not be scored, they will be considered as part of Treasury’s overall evaluation and consideration of proposal’s and its’ due diligence efforts to ensure the selected Proposer is the most qualified, responsive and responsible respondent. (Not included in the page limit)
3.2 Questionnaire (Scored Criteria)

Complete and include the Questionnaire contained in Attachment C of the RFP. Proposer Responses to this Questionnaire must not exceed a maximum of sixty (60) pages total to be double sided with .5” margins and 12 pt font.

3.3 Additional Organizational Qualifications (Not Scored)

Complete and include the Additional Organizational Qualifications contained in Attachment D of the RFP. While the responses to the Additional Organizational Qualifications will not be scored, they will be considered as part of Treasury’s overall evaluation and consideration of proposal’s and its’ due diligence efforts to ensure the selected Proposer is the most qualified, responsive and responsible respondent. (Not included in the page limit)

4.0 Evaluations

4.1 Evaluation Process

The selection process shall be administered in accordance with the authority and procedures in ORS 279B.060. Proposals submitted will be reviewed to determine that all Pass/Fail Submission Criteria in section 4.2 have been met. Proposals meeting those criteria will be forwarded to an evaluation committee for scoring against the evaluation criteria described in section 4.3.

The outcome of the evaluations may, at the Treasury’s sole discretion, result in:

(a) a notice to a Proposer(s) of selection for tentative Agreement negotiation and possible award;
(b) a notice to top ranked/selected Proposer(s) describing the Presentation process and date(s) of presentation;
(c) a notice to top ranked/selected Proposer(s) describing the On-site Review process and date of the On-site Review.
4.2 Pass/Fail Submission Criteria

Each Proposal must comply with the following Pass/Fail Submission Criteria. Proposals not meeting ALL Pass/Fail Submission Criteria will be rejected, unless such failure is deemed immaterial at the sole discretion of the Treasury.

MANDATORY - PROPOSAL RESPONSE SUBMISSION CHECKLIST

☐ Proposal Submission Deadline Date and Time met
☐ One (1) original Proposal Response
☐ Seven (7) copies of the complete Proposal Response
☐ One (1) electronic copy of complete Proposal Response
☐ Attachment A – Proposal Cover Sheet with authorized original signature
☐ Attachment B – Minimum Qualifications
☐ Attachment C – Questionnaire
☐ Attachment D – Additional Organizational Qualifications
☐ Appendix A – SSAE 16 or similar audit (refer to Attachment B (5.a))
☐ Appendix B – SOC 1 Type 2 report or similar (refer to Attachment B (5.b))
☐ Appendix C – SOC 2 Type 2 report or Treasury Security Questionnaire (refer to Attachment B (5.c))
☐ Appendix D – Sample fund information (refer to Attachment C (A.3 (3)))
☐ Appendix E – Sample contract, prospectus, and related document for each investment proposed, or custodial contract (refer to Attachment C (A.3 (14)))
☐ Appendix F – Sample of similar reporting (refer to Attachment C (A.4 (16)))
☐ Appendix G – Samples of the statement and Participant account information (refer to Attachment C (B.3 (32)))
☐ Appendix H – Audited Financial Statement (refer to Attachment D (9))
☐ Appendix I – Provider’s contract/agreement form

4.3 Evaluation Criteria & Scoring

Provider responses to section 3.2 will be evaluated and scored based on the following:

<table>
<thead>
<tr>
<th>SECTION</th>
<th>CRITERIA</th>
<th>MAXIMUM POINTS POSSIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section A.</td>
<td>Organization &amp; Service Strategy</td>
<td>40</td>
</tr>
<tr>
<td>A.1 Overview</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.2 Trust &amp; Custody Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.3 Investment Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.4 Program Management and Reporting (Program Level)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.5 Transition Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section B.</td>
<td>Participant Services and Experience</td>
<td>25</td>
</tr>
<tr>
<td>B.1 Member Communications</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
While the responses to the section 3.1 Minimum Qualifications and 3.3 Additional Organizational Qualifications will not be scored, they will be considered as part of Treasury’s overall evaluation and consideration of proposals and its due diligence efforts to ensure the selected Proposer is the most qualified, responsive and responsible respondent.

4.4 Notice of Intent to Award

Proposers will be notified in writing of Treasury’s intent to award, as well as be posted on the ORPIN network and on the Treasury website.

Unsuccessful Proposers may protest the selection process, proposal award, or if applicable, rejection of their proposal. The protest must be in writing delivered in person or by mail, and must be received at the address set forth below, within seven (7) calendar days of written notification date of the pending award to another proposer, or notice of proposal rejection. The protest may NOT be e-mailed or faxed. The protest must state with clarity the issue protested, and the rationale and basis for such protest. The envelope containing the protest MUST be marked PROTEST, and MUST identify the RFP number and the closing time and date for acceptance of proposals, as well as to the SPC and address as listed in Section 1.5 of this RFP.

5.0 GENERAL SOLICITATION TERMS

5.1 Treasury may require clarification to understand any of the selected Proposer’s Proposal Response. Any necessary clarifications or modifications will be made before executing the Agreement and may become part of the final Agreement.

5.2 Treasury reserves the sole right and option to amend the Agreement, which results from this RFP. Agreement amendments may be for increases in time or, consideration, or for changes within the Statement of Work, and shall occur only upon mutual consent and signature by all parties to the Agreement. All amendments shall be in writing and shall conform to the amendment process.
5.3 After selection of a successful Proposer, Treasury may use Treasury’s standard contract form or negotiate Provider’s contract form. By submission of Proposal, Provider accepts all State Standard Terms and Conditions as set forth in Attachment E, provided however that Treasury reserves the right to negotiate the Statement of Work, Pricing, and the following terms and conditions:

- Ownership of Work Product
- Indemnity
- Default; Remedies; Termination
- Severability
- Confidentiality
- Non-Disclosure Agreements
- Merger Clause; Waiver

5.4 The selected Provider shall be required to carry all necessary and appropriate Insurance as requested by the Board which may include but is not limited to:

- Workers Compensation (ORS 656.017)
- Professional Liability
- Commercial General Liability
- Fiduciary Liability
- Automobile Liability (ORS 806.060)
- Crime Protection Coverage: Employee Dishonest or Fidelity Bond

Provider shall include the State of Oregon, the Oregon Retirement Savings Board, the Oregon State Treasury, its officers, employees and agents as Endorsed Additional Insureds but only with respect to Provider’s activities to be performed under the resulting Agreement.

5.5 Provider shall be required to provide certificates of insurance and any applicable endorsements to Treasury, upon request, prior to execution of the Agreement.

5.6 ORS 60.701 requires that foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a corporation-for-profit incorporated under a law other than the law of the State of Oregon. If a firm is selected for the Agreement as a result of this solicitation they must register to do business in Oregon.

5.7 Treasury reserves the right, at its sole discretion: (1) to amend the RFP prior to the closing date (2) to amend the deadline for submitting proposals; (3) to determine whether a proposal does or does not substantially comply with the requirements of this RFP; (4) to waive any minor irregularity, informality, or nonconformance with this RFP; (5) to obtain from and/or provide to other public agencies, upon request, references, regarding the Proposer’s contract performance; (6) at any time prior to Agreement execution (including after announcement of the apparent awardee): (a) to reject any proposal that fails to substantially comply with all prescribed RFP procedures and requirements; and (b) to reject all proposals received and cancel this RFP upon a finding by Treasury that there is good cause and that such cancellation would be in the best interests of the State; (7) seek clarification on any or all proposals; and (8) negotiate the final description of work tasks, deliverables, pricing, and proposers terms and conditions within the scope of what is advertised here for inclusion in the resulting Agreement.
5.8 This RFP and one copy of each original response received, together with copies of all documents pertaining to the award of an Agreement, shall be kept by Treasury and made a part of a file or records, which shall be open to public inspection. If a proposal contains any information that is considered a trade secret under ORS 192.501 (2), each sheet of such information must be marked with the following legend:

“This information constitutes a trade secret under ORS 192.501 (2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192.”

The Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only “unless the public interest requires disclosure in the particular instance” ORS 192.501 (2). Therefore, non-disclosure of documents or any portion of a document submitted as part of a proposal may depend upon official or judicial determination made pursuant to the Public Records Law.

If a Proposal contains any information that may be considered exempt from disclosure under the various grounds specified in Oregon Public Records Law, ORS 192.430 through 192.505, Proposers must clearly designate any portion of its Proposal as exempt, along with a citation to the authority relied upon. Application of the Oregon Public Records Law shall determine whether any information is actually exempt from disclosure. Identifying a Proposal in whole as exempt from disclosure is not acceptable. Failure to identify a portion of the Proposal as exempt from disclosure, and the authority used, shall be deemed a waiver of any future claim of non-disclosure of that information.

5.9 The Provider will be required to assume responsibility for all services outlined and finalized in the Agreement, whether the Provider, a representative or subcontractor produces them. Treasury considers the prime Provider responsible for any and all contractual matters, including performance of work and the stated deliverables.

5.10 In accordance with the 2003 Oregon Sustainability Executive Order and ORS 279A.125, Proposers must use recyclable products to the maximum extent economically feasible in the performance of the Agreement work set forth in this document.

5.11 The cost, Statement of Work of the project and any terms and conditions as noted above in section 5.7, may be negotiated, within the overall intent described in this RFP, with the selected Proposer. If negotiations are not successful and an Agreement is not executed within 60 days, Treasury may either: (a) terminate negotiations with the top selection and begin negotiations with the next highest ranked Proposer, (b) cancel the solicitation, or (c) continue negotiations with the highest ranked Proposer.

5.12 Proposers submitting proposals may be afforded an opportunity for discussion and revision of proposals. Revisions may be permitted after submissions of proposals and prior to award for the purpose of obtaining best and final offers. For Proposers that do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer. Negotiations may be conducted with responsible Proposers who submit proposals found to be reasonably likely to be selected for award.
   a. Records Maintenance. Provider shall maintain all fiscal/financial records relating to the subject matter of this Agreement in accordance with Generally Accepted Accounting Principles (“GAAP”). Additionally, Provider shall maintain any other records pertinent to this Agreement in such a manner as to document clearly Provider’s performance of its duties under this Agreement. Provider shall retain and keep accessible all such [fiscal/financial] records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required under applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.
   b. Access. Provider shall permit the Board, the Oregon State Treasury, the Oregon Secretary of State’s Office, and the federal government, and their duly authorized representatives access to such fiscal/financial records and other books, documents, papers, plans, and examinations and audits and make excerpts and transcripts.

2. Governing Law.
   Choice of Law. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

3. Designation of Forum and Consent to Jurisdiction.
   a. Designation of Forum. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County. Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.
   b. Federal forum. Notwithstanding Section 2, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This section applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon’s sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This section is also not a waiver by the State of Oregon of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

4. Appropriation Limitation.
   Available Funding. The State of Oregon’s payment obligations under this Agreement are conditioned upon the Board’s receiving funding, appropriations, limitations, allotments, or other expenditure authority
sufficient to allow Treasury, in the exercise of its reasonable administrative discretion, to meet its payment obligations under this Agreement. Provider is not entitled to receive payment under this Agreement from any part of Oregon state government other than the Board. Nothing in this Agreement is to be construed as permitting any violation of Article XI, section 7 of the Oregon Constitution or any other law regulating liabilities or monetary obligations of the State of Oregon.

5. Tax Compliance Certification. By signature on this Agreement for Provider, the undersigned hereby certifies under penalty of perjury that the undersigned is authorized to act on behalf of Provider and that Provider is, to the best of the undersigned’s knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, “Oregon Tax Laws” means a state tax imposed by ORS 320.005 to 320.150 (Amusement Device Taxes), 403.200 to 403.250 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 321 (Timber and Forest Land Taxation) and 323 (Cigarettes And Tobacco Products) and the elderly rental assistance program under ORS 310.630 to 310.706 and any local taxes administered by the Department of Revenue under ORS 305.620.

6. No waiver of jury trial.

7. No right of set-off as a remedy.

8. No Third Party Beneficiaries. The Board and Provider are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

   a. Provider’s Representations and Warranties. Provider represents and warrants to the Board that (1) Provider has the power and authority to enter into and perform this Agreement, (2) this Agreement, when executed and delivered, shall be a valid and binding obligation of Provider enforceable in accordance with its terms and will not violate: (i) any provision of the charter documents of Provider, (ii) any state law or judgment, decree, order, regulation or rule of any court, or governmental authority applicable to Provider, or (iii) any agreement to which Provider is bound which violation would result in a material adverse effect on the business and financial condition of Provider, (3) the Work under this Agreement shall be performed in a good and workmanlike manner and in accordance with professional standards, (4) the personnel of Provider that are responsible for discharging Provider’s duties and obligations under this Agreement are individuals experienced in the performance of the Work contemplated under this Agreement and shall, at all times during the term of this Agreement, be qualified, professionally competent, and shall have completed, obtained and performed all registrations, filings, approvals, authorizations, consents, examinations or licensing required by any governmental authority to perform the Work, (5) there are no (i) actions, (ii) proceedings or (iii) investigations by any state or federal regulatory authority pending, or to Provider’s knowledge threatened, against Provider (A) that could have a material adverse effect on the business and financial condition of Provider or its ability to perform the Work or (B) that claim or allege fraud or misrepresentation by Provider or its officers, directors or partners, including its Key Personnel, nor has Provider, or any of its officers, directors or partners, including its Key Personnel, been found liable under or guilty of any claims of fraud or misrepresentation, and (6) any software products delivered under this Agreement that process dates or date-related data shall recognize, store, and transmit date data in a format that explicitly and unambiguously specifies the correct century.
b. Warranties Cumulative. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.


a. Definitions. As used in this Section 10, and elsewhere in this Agreement, the following terms have the meanings set forth below:

(i) “Provider Intellectual Property” means any intellectual property owned by Provider and developed independently from the Work.

(ii) “Third Party Intellectual Property” means any intellectual property owned by parties other than the Board or Provider.

(iii) “Work Product” means every invention, discovery, work of authorship, trade secret or other tangible or intangible item and all intellectual property rights therein that Provider is required to deliver to the Board pursuant to the Work.

b. Original Works. All Work Product created by Provider pursuant to the Work, including derivative works and compilations, and whether or not such Work Product is considered a work made for hire or an employment to invent, shall be the exclusive property of the Board. The Board and Provider agree that such original works of authorship are “work made for hire” of which the Board is the author within the meaning of the United States Copyright Act. If for any reason the original Work Product created pursuant to the Work is not “work made for hire,” Provider hereby irrevocably assigns to the Board any and all of its rights, title, and interest in all original Work Product created pursuant to the Work, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon the Board’s reasonable request, Provider shall execute such further documents and instruments necessary to fully vest such rights in the Board. Provider forever waives any and all rights relating to original Work Product created pursuant to the Work, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

In the event that Work Product created by Provider under this Agreement is a derivative work based on Provider Intellectual Property, or is a compilation that includes Provider Intellectual Property, Provider hereby grants to the Board an irrevocable, non-exclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the pre-existing elements of the Provider Intellectual Property employed in the Work Product, and to authorize others to do the same on the Board’s behalf.

In the event that Work Product created by Provider under this Agreement is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Provider shall secure on the Board’s behalf and in the name of the Board an irrevocable, non-exclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the pre-existing elements of the Third Party Intellectual Property employed in the Work Product, and to authorize others to do the same on the Board’s behalf.

c. Provider Intellectual Property. In the event that Work Product is Provider Intellectual Property Provider hereby grants to the Board an irrevocable, non-exclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the Provider Intellectual Property, and to authorize others to do the same on the Board’s behalf.

d. Third Party Works. In the event that Work Product is Third Party Intellectual Property, Provider shall secure on the Board’s behalf and in the name of the Board, an irrevocable, non-exclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the Third Party Intellectual Property, and to authorize others to do the same on the Board’s behalf.
11. Indemnity.

a. General Indemnity. CONTRACTOR SHALL DEFEND, SAVE, HOLD HARMLESS, AND INDEMNIFY THE STATE OF OREGON, THE BOARD, AND THE OREGON STATE TREASURY AND THEIR OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER, INCLUDING ATTORNEYS FEES, RESULTING FROM, ARISING OUT OF, OR RELATING TO THE ACTIVITIES OF CONTRACTOR OR ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, OR AGENTS UNDER THIS AGREEMENT.

b. Indemnity for Infringement Claims. WITHOUT LIMITING THE GENERALITY OF SECTION 11.a, CONTRACTOR EXPRESSLY AGREES TO DEFEND, INDEMNIFY, AND HOLD TREASURY, THE STATE OF OREGON AND THEIR AGENCIES, SUBDIVISIONS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LOSSES, LIABILITIES, COSTS, EXPENSES, INCLUDING ATTORNEYS FEES, AND DAMAGES ARISING OUT OF OR RELATED TO ANY CLAIMS THAT THE WORK, THE WORK PRODUCT OR ANY OTHER TANGIBLE OR INTANGIBLE ITEMS DELIVERED TO THE BOARD BY CONTRACTOR THAT MAY BE THE SUBJECT OF PROTECTION UNDER ANY STATE OR FEDERAL INTELLECTUAL PROPERTY LAW OR DOCTRINE, OR THE TREASURY’S USE THEREOF, INFRINGES ANY PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK, TRADE DRESS, MASK WORK, UTILITY DESIGN, OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY; PROVIDED, THAT STATE SHALL PROVIDE CONTRACTOR WITH PROMPT WRITTEN NOTICE OF ANY INFRINGEMENT CLAIM.

c. Control of Defense and Settlement. CONTRACTOR SHALL HAVE CONTROL OF THE DEFENSE AND SETTLEMENT OF ANY CLAIM THAT IS SUBJECT TO SECTIONS 8.a OR 8.b; HOWEVER, NEITHER CONTRACTOR NOR ANY ATTORNEY ENGAGED BY CONTRACTOR SHALL DEFEND THE CLAIM IN THE NAME OF THE STATE OF OREGON OR ANY AGENCY OF THE STATE OF OREGON, NOR PURPORT TO ACT AS LEGAL REPRESENTATIVE OF THE STATE OF OREGON OR ANY OF ITS AGENCIES, WITHOUT FIRST RECEIVING FROM THE OREGON ATTORNEY GENERAL, IN A FORM AND MANNER DETERMINED APPROPRIATE BY THE ATTORNEY GENERAL, AUTHORITY TO ACT AS LEGAL COUNSEL FOR THE STATE OF OREGON, NOR SHALL CONTRACTOR SETTLE ANY CLAIM ON BEHALF OF THE STATE OF OREGON WITHOUT THE APPROVAL OF THE ATTORNEY GENERAL. THE STATE OF OREGON MAY, AT ITS ELECTION AND EXPENSE, ASSUME ITS OWN DEFENSE AND SETTLEMENT IN THE EVENT THAT THE STATE OF OREGON DETERMINES THAT CONTRACTOR IS PROHIBITED FROM DEFENDING THE STATE OF OREGON, OR IS NOT ADEQUATELY DEFENDING THE STATE OF OREGON’S INTERESTS, OR THAT AN IMPORTANT GOVERNMENTAL PRINCIPLE IS AT ISSUE AND THE STATE OF OREGON DESIRES TO ASSUME ITS OWN DEFENSE.

12. Compliance with Applicable Law. Provider shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement. Without limiting the generality of the foregoing, Provider expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Agreement: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; and (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

13. Default; Remedies; Termination.

a. Default by Provider. Provider shall be in default under this Agreement if:
(i) Provider institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis; or

(ii) Provider no longer holds a license or certificate that is required for Provider to perform its obligations under the Agreement and Provider has not obtained such license or certificate within fourteen (14) calendar days after the Board’s notice or such longer period as the Board may specify in such notice; or

(iii) Provider commits any material breach or default of any covenant, warranty, obligation or agreement under this Agreement, fails to perform the Work under this Agreement within the time specified herein or any extension thereof, or so fails to pursue the Work as to endanger Provider’s performance under this Agreement in accordance with its terms, and such breach, default or failure is not cured within fourteen (14) calendar days after the Board’s notice, or such longer period as the Board may specify in such notice; or

(iv) Provider’s representations and covenants regarding compliance with “Tax Laws” as set forth in Section 29 of this Agreement are false or become false because Provider fails to comply with any Tax Laws during the term of this Agreement.

b. The Board’s Remedies for Provider’s Default. In the event Provider is in default under Section 13.a, the Board may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to:

(i) termination of this Agreement under Section 13.e(ii);
(ii) withholding all monies due for Work and Work Products that Provider has failed to deliver within any scheduled completion dates or has performed inadequately or defectively;
(iii) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief;
(iv) exercise of its right of setoff.

These remedies are cumulative to the extent the remedies are not inconsistent, and the Board may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If a court determines that Provider was not in default under Sections 13.a, then Provider shall be entitled to the same remedies as if this Agreement was terminated pursuant to Section 13.e(i).

c. Default by the Board. The Board shall be in default under this Agreement if:

(i) the Board fails to pay Provider any amount pursuant to the terms of this Agreement, and the Board fails to cure such failure within thirty (30) calendar days after Provider’s notice or such longer period as Provider may specify in such notice; or

(ii) the Board commits any material breach or default of any covenant, warranty, or obligation under this Agreement, and such breach or default is not cured within thirty (30) calendar days after Provider’s notice or such longer period as Provider may specify in such notice.

d. Provider’s Remedies for the Board’s Default. In the event the Board terminates the Agreement under Section 13.e(i), or in the event the Board is in default under Section 13.c and whether or not Provider elects to exercise its right to terminate the Agreement under Section 13.e(iii), Provider’s sole monetary remedy shall be (a) with respect to services compensable on an hourly basis, a claim for unpaid invoices, hours worked within any limits set forth in this Agreement but not yet billed, authorized expenses incurred and interest within the limits permitted under ORS 293.462, and (b) with respect to deliverable-based Work, a claim for the sum designated for completing the deliverable multiplied by the percentage of Work completed and accepted by the Board, less previous amounts paid and any claim(s) that the Board has against Provider. In no event shall the Board be liable to Provider for any expenses related to termination of this Agreement or for anticipated profits. If previous amounts paid to Provider exceed the amount due to Provider under this Section 13.d, Provider shall pay immediately any excess to the Board upon written demand provided in accordance with Section 20.

e. Termination.
(i) The Board's Right to Terminate at its Discretion. At its sole discretion, the Board may terminate this Agreement:

(A) For its convenience upon thirty (30) days’ prior written notice by the Board to Provider;
(B) Immediately upon written notice if the Board fails to receive funding, appropriations, limitations, allotments or other expenditure authority at levels sufficient to pay for the Work or Work Products; or
(C) Immediately upon written notice if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that the Board’s purchase of the Work or Work Products under this Agreement is prohibited or the Board is prohibited from paying for such Work or Work Products from the planned funding source.

(ii) The Board's Right to Terminate for Cause. In addition to any other rights and remedies the Board may have under this Agreement, The Board may terminate this Agreement immediately upon written notice by the Board to Provider, or at such later date as the Board may establish in such notice, or upon expiration of the time period and with such notice as provided in Section 13.e(ii)(B) and 13.e(ii)(C) below, upon the occurrence of any of the following events:

(A) Provider is in default under Section 13.a(i) because Provider institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis;
(B) Provider is in default under Section 13.a(ii) because Provider no longer holds a license or certificate that is required for it to perform services under the Agreement and Provider has not obtained such license or certificate within fourteen (14) calendar days after the Board’s notice or such longer period as the Board may specify in such notice; or
(C) Provider is in default under Section 13.a(iii) because Provider commits any material breach or default of any covenant, warranty, obligation or agreement under this Agreement, fails to perform the Work under this Agreement within the time specified herein or any extension thereof, or so fails to pursue the Work as to endanger Provider's performance under this Agreement in accordance with its terms, and such breach, default or failure is not cured within fourteen (14) calendar days after the Board’s notice, or such longer period as the Board may specify in such notice.

(iii) Provider's Right to Terminate for Cause. Provider may terminate this Agreement with such written notice to the Board as provided in Sections 13.e(iii)(A) and 13.e(iii)(B) below, or at such later date as Provider may establish in such notice, upon the occurrence of the following events:

(A) the Board is in default under Section 13.c(i) because the Board fails to pay Provider any amount pursuant to the terms of this Agreement, and the Board fails to cure such failure within thirty (30) calendar days after Provider’s notice or such longer period as Provider may specify in such notice; or
(B) the Board is in default under Section 13.c(ii) because the Board commits any material breach or default of any covenant, warranty, or obligation under this Agreement, fails to perform its commitments hereunder within the time specified or any extension thereof, and the Board fails to cure such failure within thirty (30) calendar days after Provider’s notice or such longer period as Provider may specify in such notice.

(iv) Return of Property. Upon termination of this Agreement for any reason whatsoever, Provider shall immediately deliver to the Board all of the Board’s property (including without limitation any Work or Work Products for which the Board has made payment in whole or in part) that is in the possession or under the control of Provider in whatever stage of development and form of recordation such the Board property is expressed or embodied at that time. Upon receiving a notice of termination of this Agreement, Provider shall immediately cease all activities under this Agreement, unless the Board expressly directs otherwise in such notice of termination. Upon the
Board’s request, Provider shall surrender to anyone the Board designates, all documents, research or objects or other tangible things needed to complete the Work and the Work Products.

f. Provider’s Tender Upon Termination. Upon receiving a notice of termination of this Agreement, Provider shall immediately cease all activities under this Agreement, unless the Board expressly directs otherwise in such notice of termination. Upon termination of this Agreement, Provider shall deliver to the Board’s Agreement Administrator all documents, information, works-in-progress and other property that are or would be deliverables had the Agreement been completed. Upon request from the Board’s Agreement Administrator, Provider shall surrender to anyone the Board’s Agreement Administrator designates, all documents, research or objects or other tangible things needed to complete the Work.

14. Severability. The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

15. Confidentiality.  
a. At all times during the term of this Agreement and thereafter, Provider shall maintain strict confidentiality with respect to any and all information of a confidential, proprietary or secret nature that Provider, in the course of performance of the Work, has in its possession, including but not limited to information relating to the State of Oregon or local governments’ financial, accounting, investment, and information technology matters, and the security measures or mechanisms used to protect such information (“Confidential Information.”). All such information is confidential and Provider shall hold such information using at least the same degree of care as it uses in maintaining the confidentiality of its own information of a similar nature. Unless permitted by the Board in writing or required by law, Provider shall not disclose any Confidential Information, directly or indirectly, to any party, its counsel or any representatives, or use it in any way, except as provided in this Agreement or as required to perform the Work. Any disclosure of Confidential Information contrary to this provision will constitute a material breach of this Agreement and a violation of the standard of care to be exercised by Provider hereunder.

b. The foregoing restrictions shall not apply to Confidential Information that (i) was lawfully in the possession of Provider without an obligation of confidentiality prior to disclosure of the information by the Board, (ii) was, or at any time becomes, available in the public domain other than through a violation of this Agreement, (iii) was independently developed by Provider; or (iv) is disclosed pursuant to an order to do so by a court issued subpoena or similar court order.

16. Non-Disclosure Agreements. The Board’s Agreement Administrator must approve access to any information technology or network of the Board before any Provider personnel are granted access to the Board’s network or any single system therein. The Board’s Agreement Administrator may condition approval of access to the network upon execution of a Non-Disclosure Agreement in a form satisfactory to the Board’s Agreement Administrator.

17. Merger Clause; Waiver. This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind all parties unless in writing and signed by both parties and all necessary State approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of the Board to enforce any provision of this Agreement shall not constitute a waiver by the Board of that or any other provision.
## ATTACHMENT F
SAMPLE STATEMENT OF WORK

| Double-click icon to open attached file | ![Sample Statement of Work Attachment F.docx](Sample Statement of Work Attachment F.docx) |

## ATTACHMENT G
HOUSE BILL 2960

| Double-click icon to open attached file | ![House Bill 2960 Attachment G.pdf](House Bill 2960 Attachment G.pdf) |

## ATTACHMENT H
MARKET RESEARCH REPORT, JULY 2016

| Double-click icon to open attached file | ![Market Research Report, July 2016 At6](Market Research Report, July 2016 At6) |

## ATTACHMENT I
FEASIBILITY STUDY, AUGUST 2016

| Double-click icon to open attached file | ![Feasibility Study, August 2016 Attachn](Feasibility Study, August 2016 Attachn) |

## ATTACHMENT J
PROGRAM DESIGN, JULY 2016

| Double-click icon to open attached file | ![Program Design, July 2016 Attachment J.p](Program Design, July 2016 Attachment J.p) |

## ATTACHMENT K
PROGRAM DESIGN ANALYSIS & SUPPORTING DOCUMENTATION, JULY 2016
ATTACHMENT L
APPROVED BASIC PLAN DESIGN, JULY 2016

ATTACHMENT N
ORSP ASSUMPTIONS – ESTIMATED ACCOUNTS AND ASSETS BY YEAR

ATTACHMENT O
DRAFT RULES, AUGUST 2016
(These Rules are not final and will change)

ATTACHMENT P
DRAFT STATE & PAYROLL SERVICES BEST PRACTICES & STANDARDS, SEPTEMBER 2016