



REQUEST FOR PROPOSALS FOR

**Services for the
Pennsylvania 529 College Savings Program**

ISSUING OFFICE

**Pennsylvania Treasury Department
Bureau of Support Services
Procurement Division
Room 3T, Finance Building
Harrisburg, PA 17120-0018**

RFP NUMBER

RFP 17-001

DATE OF ISSUANCE

November 20, 2017



REQUEST FOR PROPOSALS FOR
Services for the
Pennsylvania 529 College Savings Program

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CALENDAR OF EVENTS

Treasury will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Notice of Intent to Issue RFP	Issuing Office	November 8, 2017
RFP Issued and Posted to www.patreasury.gov	Issuing Office	November 20, 2017
Deadline for Written Question Submission	Vendors	November 27, 2017
Answers to Written Questions Distributed	Issuing Office	December 4, 2017
Addendum Issued, if any	Issuing Office	TBD
Sealed Proposals Received No Later Than 4:00 P.M. at: Pennsylvania Treasury Department Bureau of Support Services Procurement Division Room 3T, Finance Building Harrisburg, PA 17120 Attention: Mark Lavelle	Vendors	December 18, 2017

Treasury has the right to change the above dates and times, and if so, each Vendor shall be responsible for monitoring the Treasury website (www.patreasury.gov) for new or revised RFP information.

PART I
GENERAL INFORMATION

I-1. Purpose

This Request for Proposals (“RFP”) provides to those interested in submitting proposals for the subject procurement (“Vendors”) sufficient information to enable them to prepare and submit proposals for the Pennsylvania Treasury Department (“Treasury” or “Department”) to satisfy the need for certain 529 Services for an advisor plan to be launched within the Pennsylvania 529 College Savings Program (the “Advisor Plan,” and “PA 529” or “Program”, respectively). Unless otherwise stated, herein “Commonwealth” shall refer to all other state agencies, Boards or Commissions.

PA 529 is a qualified tuition program structured in accordance with Section 529 of the Internal Revenue Code of 1986, as amended (“Section 529” or “529” and the “Code”, respectively). It currently consists of the Investment Plan (“IP”) and the Guaranteed Savings Plan (“GSP”). The IP is a direct-sold, Section 529 savings plan in which contributions to an account are invested in the market and all earnings grow tax-deferred. The GSP is a Section 529 tuition plan, in which contributions grow based on tuition inflation if used for qualified higher education expenses. As of September 30, 2017, the IP and GSP have combined assets under management of approximately \$4.39 billion and 216,575 in accounts, as shown in the following chart:

	IP	GSP	Total
Assets	\$2,463,458,454.80	\$1,929,544,971.18	\$4,393,003,425.98
Accounts	108,693	107,882	216,575

Source: Treasury as of September 30, 2017

Currently, Treasury serves as the Program Administrator for the IP and GSP. Since 2006, Ascensus College Savings, Inc. (“Ascensus”) has provided recordkeeping services for the IP and the GSP, and Vanguard Investments Inc. has provided investment management services for the IP. Since its inception, investment services for the GSP have been provided by the Department. The services associated with the IP and the GSP are not part of this solicitation for an Advisor Plan.

Treasury now seeks proposals to provide services necessary to create, launch and manage the Advisor Plan (“Service to be Provided” or “Services”), as further described in Part IV Work Statement/Requirements. To that end, Ascensus will provide certain Services to the Advisor Plan, as shown in the chart below, along with the Services being sought by this RFP:

Services to be Provided by:	Ascensus	Bidder
Program Administration	x	x
Recordkeeping	x	
Customer Service		x
Investment Management		x
Marketing and Distribution		x

In recognition of the start-up nature of an Advisor Plan, Treasury will welcome a plan that offers a wide range of high quality investment options that will be differentiated from Advisor Plans currently

available nationwide. Treasury is also interested in creative distribution strategies that will expand the reach of an Advisor Plan beyond the Commonwealth.

Treasury seeks proposals from Vendors that will work with Ascensus so that together the two entities will provide all the Services described in Part IV, Work Statement/Requirements of this RFP. Treasury will accept proposals that include several firms and/or subcontractors but the Vendor must designate one lead contractor that will be accountable to Treasury for all Services, execute the contract and accept responsibility for the provision of all the Services.

I-2. Scope

This RFP seeks information to demonstrate the Vendor's ability to provide specific functions in terms of service, performance, capacity, and capability. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the services to be provided; requirements which Vendors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-3. Issuing Office

Treasury is the “Issuing Office.” The sole point of contact for this RFP shall be Mark Lavelle, Chief Administrative Officer (“Issuing Officer”). Any inquiries relating to your submission should be sent to the Issuing Officer by email at RFP17-001@patreasury.gov.

I-4. Problem Statement

Absence of Advisor Plan. Treasury is seeking proposals to provide Services necessary to create, launch and manage a new Section 529 savings plan within PA 529 to be distributed through professional financial advisors (the “Advisor Plan”). The PA 529 currently includes the Investment Plan (the “IP”) and the Guaranteed Savings Plan (the “GSP”), each of which is offered directly to the public. PA 529 was created by the Tuition Account Program and College Savings Bond Act of 1992, a copy of which is included in Attachment A to this RFP. Links to disclosure documents for the IP and the GSP can be found, respectively at: <http://www.pa529.com/pdf/ip/IP-Disclosure-Statement.pdf> and <http://www.pa529.com/pdf/gsp/GSP-Disclosure-Statement.pdf>.

Agreements are in place for the IP and the GSP pursuant to which Ascensus and Vanguard collectively provide certain administrative, recordkeeping and investment management services to the IP and the GSP, however, neither is marketed to or distributed through financial professionals. With this in mind, Treasury seeks proposals from firms interested in providing administrative, investment management, marketing and distribution services for the Advisor Plan. Ascensus will provide recordkeeping and some administrative services to the successful Vendor. Treasury, through the Tuition Accounts Program Bureau (“TAP” or the “Bureau”) has a current engagement with SAGE Scholars for both the IP and the GSP. To the extent possible, it would like to extend the current engagement to cover Advisor Plan accounts.

Broader Distribution and Investment Options Sought. As indicated above, the IP and the GSP are offered directly to the public. Additionally, the Portfolios in the IP are currently invested in underlying Vanguard index funds and returns are based on the performance of these funds net of any Program fees. To meet varying investor risk tolerances and preferences, the IP offers 15 different investment options, including three age-based, six static and six individual options. In contrast, GSP growth is based on college tuition inflation and the investments are overseen by Treasury. GSP participants

choose among different tuition growth options, without regard necessarily to the underlying investments. An Advisor Sold Plan with high quality, actively managed investments will provide the opportunity for financial professionals to offer a 529 savings option to their clients that is distinct from the options available through the IP or the GSP.

I-5. Questions and Answers

Vendors must submit questions by email (with the subject line **RFP 17-001 Questions**) to the Issuing Officer, Mark Lavelle at RFP17-001@patreasury.gov. The Vendor shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall transmit all questions and responses to each Vendor that has received this RFP.

Each Vendor shall be responsible for monitoring the Treasury website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation.

I-6. Pre-proposal Conference

There will be no pre-proposal conference.

I-7. Contracting Terms and Conditions

In the event that the Issuing Office enters into a contract as a result of this RFP, it is the intention to utilize a contract containing the Standard Contract Terms and Conditions as shown in Appendix F.

The Issuing Office, in its sole discretion, may undertake negotiations with Vendors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible, and capable of performing the services described in this RFP.

I-8. Electronic Version of RFP

This RFP is being made available via the Treasury website (www.patreasury.gov). The Vendor acknowledges and accepts full responsibility to ensure that its proposal responds to the RFP as published on this website, as amended, if at all, by subsequent electronic means and/or addenda on the Treasury website. In the event of a conflict between a version of the RFP in the Vendor's possession and the Issuing Office's final version of the RFP, the Issuing Office's final version shall govern.

I-9. Addenda to RFP

If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, it will publish updated documents on the Treasury website (www.patreasury.gov). Notice also will be provided to the entities through which this RFP is distributed.

I-10. Response Date

To be considered, each Vendor must submit eight hard copies of its proposal to the Issuing Office on or before the time and date specified in the Calendar of Events on page iii of this RFP. Additionally, each Vendor shall email an electronic copy of its proposal to the Issuing Officer, Mark Lavelle, at RFP17-001@patreasury.gov on or before the time and date specified in the Calendar of Events on page iii of this RFP. Late proposals shall not be considered.

Please remember to allow sufficient mail delivery time to ensure timely receipt of the proposal. If, due to inclement weather, natural disaster, or any other cause, the Issuing Office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission shall be automatically extended until the next business day on which the Issuing Office is open, unless the Vendors are otherwise notified by Treasury. The time for submission of proposals shall remain the same even if the response date is extended. Late proposals shall not be considered.

I-11. Incurring Costs

The Issuing Office is not liable for any costs the Vendor incurs in preparation and submission of its proposal, in participating in the RFP process, or in anticipation of award of the contract.

I-12. Economy of Preparation

Vendors should submit proposals that are simple and provide a straightforward, concise description of the Vendor's ability to meet the requirements of the RFP.

I-13. Proposal Contents

- a. **Confidential Information.** Treasury is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Vendors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Vendors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Vendor that determines that it must divulge such information as part of its proposal must follow the procedure described below:
 - (1) Prepare an un-redacted version of the appropriate document, and
 - (2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and
 - (3) Prepare a signed written statement that states:
 - i) The attached document contains confidential or proprietary information or trade secrets;
 - ii) The Vendor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and
 - iii) The Vendor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.
 - (4) Submit the documents along with the signed written statement to Treasury.

- (5) This information may be subject to Right-to-Know Law as such Section 53 would apply.
- b. **Treasury Use.** All material submitted with the proposal shall be considered the property of Treasury and may be returned only at the Issuing Office's option. Treasury has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Vendor copyright designations contained on proposals, Treasury shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
 - c. **Public Disclosure.** After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Financial capability information submitted in response to this RFP is exempt from public records disclosure under 65 P.S. § 67.708(b) (26).

I-14. Vendor's Representations and Authorizations

By submitting its proposal, each Vendor understands, represents, and acknowledges that:

- a. All of the Vendor's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in making an award. Treasury shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- b. The Vendor has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Vendor or potential Vendor. This provision has no application to those Vendors who partner to provide a comprehensive solution.
- c. The Vendor has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is a Vendor or potential Vendor for this RFP, and the Vendor shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- d. The Vendor has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The Vendor makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Vendor, the Vendor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation

by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Vendor has disclosed in its proposal.

- g. To the best of the knowledge of the person signing the proposal for the Vendor and except as the Vendor has otherwise disclosed in its proposal, the Vendor has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Vendor that is owed to the Commonwealth.
- h. The Vendor is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Vendor cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- i. The Vendor has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the solution described in its proposal.
- j. Each Vendor, by submitting its proposal, authorizes Commonwealth agencies to release to the Issuing Office information concerning the Vendor's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- k. Until the selected Vendor receives a fully executed contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Vendor shall not begin to perform.

I-15. Restriction of Contact

From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Vendor's proposal. If the Issuing Office later discovers that the Vendor has engaged in any violations of this condition, the Issuing Office may reject the offending Vendor's proposal or rescind its contract award pursuant to terms and conditions.

Vendors must agree not to distribute any part of their proposals beyond the Issuing Office. A Vendor who shares information contained in its proposal with other Treasury personnel and/or competing Vendor personnel may be disqualified.

I-16. Prime Vendor Responsibilities

The selected Vendor will be required to assume responsibility for all services offered in the proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Vendor to be the sole point of contact with regard to contractual and contract matters. Any function that will be subcontracted must be identified in the proposal. Treasury reserves the right to approve or reject any subcontractor. The selection of any subcontractor must be approved in writing by Treasury.

I-17. Rejection of Proposals

The Issuing Office reserves the right, in its sole and complete discretion, to reject any or all proposals received in response to this RFP, or to negotiate separately with competing Vendors.

I-18. Discussion for Clarifications

Vendors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Vendor responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-19. Best and Final Offer

While not required, the Issuing Office reserves the right to conduct discussions with Vendors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Vendors, the Issuing Office may do one or more of the following:

- a. Schedule individual interviews;
- b. Request revised proposals;
- c. Enter into pre-selection negotiations.

The Issuing Office will limit any discussions to responsible Vendors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award. The requirements listed in Part II shall also be used to evaluate the best and final offers.

I-20. Notification of Selection

The Issuing Office will notify the selected Vendor in writing of its selection for negotiation after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to Treasury.

I-21. Term of Contract

The term of the Contract will commence on the Effective Date and will extend for **five (5) years, with the option to renew for one (1) additional two-year period. The Contract must grant to Treasury sole discretion to determine the exercise of renewal options, if any, in single or multiple year increments.** The Issuing Office will fix the Effective Date after the Contract has been fully executed by the selected Vendor and by Treasury and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall include a provision, typical in Commonwealth contracts, permitting at-will termination by the Commonwealth, upon adequate notice. Treasury will work with the selected Vendor to consider provisions to mitigate the risk of such termination.

Negotiations for any or all of the Service may be undertaken with Vendors whose proposals show them to be qualified, responsible and capable of performing the work; whose proposals provide the Commonwealth with services that best meet the needs of the Commonwealth; and whose bids are favorable relative to other proposals.

If the Department determines that doing so is in the best interests of the Program, Treasury may accept or reject any or all proposals; it may also accept or reject portions of proposals deemed to be severable by the appropriate Vendor and Treasury.

I-22. New Releases

Vendors shall not issue news releases, internet postings, advertisements or any other public communications pertaining to this project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-23. Presentations

Any or all Vendors, at the sole option of Treasury, may be required to make oral presentations and/or accommodate visits to their sites to allow Treasury to review their capabilities and qualifications to perform as described in their written response to the RFP. Such presentations provide an opportunity for the Vendors to clarify their proposals, thus ensuring a thorough mutual understanding of the services to be provided to Treasury. Treasury will schedule presentations as applicable.

I-24. Indemnification

For all Services contemplated under the terms of this RFP, Treasury will require the successful Contractor, and its Subcontractors, to agree to the following contractual language: Contractor hereby indemnifies and agrees to defend, hold and save harmless the Commonwealth of Pennsylvania, the State Treasurer, Treasury and its employees, and the Tuition Account Programs Advisory Board from any and all claims, suits, actions, liabilities, and costs of any kind whatsoever resulting from contractor's negligence or intentional misconduct in the administration of any contract that results from this RFP.

I-25. Insurance Requirements

A. Professional Liability Insurance.

A Certificate of Insurance demonstrating Professional Liability Insurance coverage in a minimum amount of one million dollars (\$1,000,000) is required to be submitted upon signing any contract that may be executed as a result of this RFP. The Professional Liability policy should have defense coverage provided in addition to this limit; if this is not feasible or possible, the limit of ten million dollars (\$10,000,000) is to be evidenced. Any deductible or self-insured retention shall be borne by the Contractor. This coverage must be maintained for at least five years beyond the termination of the contract. Insurance carrier must have an AM Best's rating of "A-" or better unless otherwise approved by Treasury.

B. Errors and Omissions Insurance Policy

An Errors and Omissions Insurance Policy with a limit of liability in the amount of a minimum of \$1,000,000 to cover the vendor and their respective officers, employees, agents and affiliates. Certification of such insurance policy is required to be submitted upon signing any contract that may be executed as a result of this RFP.

C. General Liability Insurance.

A General Liability policy in the amount of ten million dollars (\$10,000,000) is to contain, or be endorsed to contain, the following provisions:

1. The Commonwealth of Pennsylvania, the State Treasurer, Treasury and its employees, and the Pennsylvania Tuition Account Programs Advisory Board are to be covered as Additional Insureds.
2. For any claims related to the services performed pursuant to any contract that may be executed as a result of this RFP, the insurance coverage shall be primary insurance as respects the Commonwealth of Pennsylvania, the State Treasurer, Treasury and its employees, and the Pennsylvania Tuition Account Programs Advisory Board. Any insurance or self-insurance maintained by the Commonwealth of Pennsylvania, the State Treasurer, Treasury and its employees, and the Pennsylvania Tuition Account Programs Advisory Board shall be secondary to the contractor's insurance.
3. The General Liability policy shall be endorsed to state that coverage shall not be canceled by the Insurer except after thirty (30) days prior written notice has been given to Treasury.
4. If General Liability, and/or Errors & Omissions (Professional Liability) coverage is written on a Claims Made form, the "Retro Date" must be shown, and must be before the date of any contract or the beginning of contract work.
5. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of any contract work. Insurance carrier must have an AM Best's rating of "A-" or better.

I-26. Transition Upon Termination

Upon termination of any Contract that may be executed as a result of this RFP, the selected Contractor will be required, at no additional cost to the Department, to assist in the transfer of responsibilities, including but not limited to records and investment assets, to the Department or a successor Contractor.

PART II
PROPOSAL REQUIREMENTS

II-1. Format for Required Information. All proposals must be submitted using the following format. There must be four (4) distinct sections and a separate, sealed cost proposal, as presented in Sections II-2 to II-6 below. Each of these Sections must be completely addressed and responded to in the RFP, otherwise the proposal will be deemed incomplete and not eligible for consideration. Any supplemental information thought to be relevant, but not applicable to the enumerated categories, should be provided as an Exhibit to the proposal.

II-2. Tab 1: Contractors Understanding of Needs.

- A. State in succinct terms your understanding of the Services required by this RFP.
- B. Do you expect to be able to offer an Advisor Plan by June 1, 2018? If not by June 1, 2018, then what is the soonest you would anticipate being able to offer the Plan?
- C. What are the three biggest obstacles to being able to offer an Advisor Plan by June 1, 2018?

II-3. Tab 2: Work Plan. Describe your technical plan to demonstrate that you are able to complete the Services required by this RFP. Organize your proposal according to Part IV-2, Services to be Provided, restating each question before providing your answer.

II-4. Tab 3: Prior Experience.

A. Characteristics of Firm

- 1. State the name, address, telephone, e-mail address and fax number of the principal contact from the firm for this response.
- 2. Identify the entity that will execute the contract, as well as all affiliates, subsidiaries, subcontractors and other entities that will provide services to meet the requirements of this engagement.
- 3. If the party that will execute the contract is not a parent entity, indicate your willingness to provide a parent guarantee or propose a suitable alternative (e.g., letter of credit, insurance coverage, surety bond) to ensure performance of the services to be provided.
- 4. Provide a summary of the firm, including year formed, history, ownership structure, names of owners or partners, subsidiary or affiliate relationships, and the reporting and control structure. Do senior executives have ownership interests in the firm?
- 5. Please provide the following information:
 - a. Audited financial statements for the past three (3) fiscal years (include as an Exhibit to your response).
 - b. Any regulatory filings for the last full year and for any current quarterly periods (include as an Exhibit to your response).

6. Is the firm a registered investment advisor with the SEC? If yes, provide a copy of the latest Form ADV Parts I and II (include as an Exhibit to your response). If not registered, explain the nature of the firm's exemption from registration.
7. Describe any litigation, regulatory action, or other legal proceedings in which your organization or any officer or principal has been involved since January 1, 2012, including the current status or the resolution thereof.
 - a. Any past or pending regulatory restrictions, consent orders, stipulations or agreements arising from any regulatory or judicial proceeding that would apply to the delivery of any of the Services.
 - b. Any pending regulatory proceedings, litigation or investigations involving alleged or actual unfair, illegal or unethical business practice, or any such regulatory proceedings or litigation commenced or in process at any time after January 1, 2012.
 - c. Any penalties, fines or contractual damages imposed since January 1, 2012, or any settlement amounts paid since January 1, 2012 in any class action litigation or regulatory matter.
 - d. Any pending, settled or adjudicated litigation, or any settled claim, or any currently threatened litigation, with or concerning any qualified tuition program or participant therein.
 - e. Any enforcement actions by the IRS, the SEC, FINRA, or a state regulatory or investigative agency including the U.S. Attorney General in connection with mutual fund, investment management or college savings businesses (including market timing, late trading, collusion with third parties, preferential fund family treatment, or a failure to supervise sales professionals) or any audits or regulatory or investigative inquiries by the IRS, the SEC, FINRA, or a state regulatory or investigative agency at any time after January 1, 2012?
 - f. Any investigation, administrative proceedings or litigation alleging the violation of fiduciary responsibility at any time after January 1, 2012.
 - g. Any breach at any time after January 1, 2012 in the privacy of confidential information about customers or, in the case of qualified tuition programs, account owners or beneficiaries.
 - h. Any claims, disputes, litigations or other legal proceedings where the firm is involved with the State of Pennsylvania or any of its agencies, or has been involved, any time after January 1, 2012.
8. Please complete the Compliance Questionnaire found in Appendix B (include as an Exhibit to your response).

B. Other Accounts

1. Please indicate in the following table whether the firm currently manages or otherwise provides services similar to those sought by this RFP to a 529, ABLE or similar plan. If so, list the information as of September 30, 2017, including type of program (529 prepaid, 529 savings, ABLE or other), number of accounts and assets, services provided (specify if acting as a subcontractor), and the expiration date(s) of your current contract(s). Please add additional rows as needed.

Plan	Services Provided	Contract Expiration	Total Managed	
			Assets	Accounts

2. List complete the following table with three current clients as references. To the extent possible, these references should be for qualified tuition plans or for clients for which the firm provides similar services. For “Contact Information”, please provide an email and a phone number; and for the “Specific Services Provided”, please indicate whether it is investment management, marketing, administration, recordkeeping, customer service, etc.

Client Name Contact and Title	Contact Information	Asset Value	Specific Services Provided

II - 5. Tab 4: Personnel

- A. Please provide an organizational chart showing the project team members and the roles each will play in this engagement. Please indicate clearly who will serve as project manager.
- B. Please provide a resume for each individual included in your response to the immediately preceding question.
- C. If subcontractors are to be used, please provide identical personnel information for each subcontractor.

II-6. Cost Submittal

The Cost Submittal shall be provided in a separate electronic document. In completing the Cost Submittal, Vendors shall use the RFP 17-001 Cost Response included in Attachment B of this RFP.

The Cost Submittal shall be placed in a separate sealed envelope clearly labeled Cost Submittal and separated from the information included in Tabs 1 through 5 above.

The Vendor shall agree that all terms, warranties, and prices, as a whole, are comparable to or better than the equivalent terms, warranties, and prices, as a whole, offered by the Vendor to any present customer meeting substantially the same requirements or qualifications as Treasury. If the Vendor shall, during the term of this contract, enter into arrangements with any other customer providing greater benefits or more favorable terms, as a whole, the Vendor shall provide the same to Treasury.

The Cost Proposal must not include exceptions or additional terms and conditions.

Vendors should direct in writing to the Issuing Office pursuant to Part I, Section I-5, of this RFP any questions about whether a cost or other component is included or applies. All Vendors will then have the benefit of the Issuing Office’s written answer so that all proposals are submitted on the same basis.

PART III
CRITERIA FOR SELECTION

III-1. Proposal Evaluation

The Treasurer, or his designee, will appoint an RFP Evaluation Committee (hereinafter the “Committee”) to review the proposals. The Committee will begin review of proposals as soon as practical after receipt. The Committee will be responsible for reviewing and evaluating all proposals for an understanding of the Services required, qualifications of the Vendor, qualifications of personnel, soundness of approach and fees. The Committee will recommend for selection the proposal which it determines is the most advantageous to Treasury after considering all the evaluation factors.

Treasury may conduct negotiations with responsible Vendors. Award will only be made to a Vendor determined to be responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Provisions, which are included in Appendix D. If Treasury determines that doing so is in the best interests of the PA 529, it may accept or reject any or all proposals; it may also accept or reject portions of proposals deemed to be severable by the appropriate Vendor.

III-2. Mandatory Responsiveness Requirements

To be eligible for selection, a proposal must be:

- A. Timely received from the Vendor; and
- B. Properly signed by the Vendor.

III-3. Nonconforming Proposals

The Issuing Office reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in a Vendor's proposal.

III-4. Vendor Responsibility

To be responsible, a Vendor must submit a responsive proposal and possess the capability to fully perform the Contract requirements and the integrity and reliability to assure good faith performance of the contract.

In order for a Vendor to be considered responsible for this RFP:

The Vendor’s financial information must demonstrate that the Vendor possesses the financial capability to assure good faith performance of the contract. A Vendor which fails to demonstrate sufficient financial capability to assure good faith performance of the contract may be considered by the Issuing Office, in its sole discretion, for best and final offers or contract negotiation contingent upon such Vendor providing contract performance security for the first contract year cost proposed by the Vendor in a form acceptable to the Issuing Office. Based on the financial condition of the Vendor, the Issuing Office may require a performance bond conditioned upon the faithful performance of the contract by the Vendor. If a performance bond is required by the issuing office, the Vendor shall purchase a performance bond from a surety licensed to do business in the Commonwealth.

The performance bond shall be in the same amount as the total not to exceed cost and shall entitle Treasury to call upon the surety to complete the contract in one of three ways:

- 1) The surety completes the contract by hiring a completion contractor;
- 2) The surety and Treasury choose a new contractor to complete the project and the surety pays the costs; or
- 3) Treasury alone chooses a new contractor and the surety pays the costs, the surety assumes the same risk as the original Vendor. The performance bond shall be attached as an exhibit to, and shall be incorporated by reference in, the contract. The cost of the required performance security will be the sole responsibility of the Vendor and cannot increase the Vendor's cost proposal or the contract cost to Treasury.

PART IV

WORK STATEMENT/REQUIREMENTS

IV-1. Overview

The following provides a history and brief description of the PA 529 Program as it currently exists.

Since September 1993, Treasury, through the Tuition Account Programs Bureau (hereinafter “TAP Bureau” or “Bureau”) has offered Pennsylvanians a way to save for post-secondary education. The Program, originally authorized by Act 11 of 1992, was created as a “prepaid tuition plan.” Through Act 58 of 2000, effective August 21, 2000, significant enhancements were made to TAP 529, including changing the original structure from a prepaid tuition program to a guaranteed savings program with returns indexed to tuition inflation. This Program is now referred to as Pennsylvania's Guaranteed Savings Plan (“GSP”).

In addition to making significant enhancements to the original Program, Act 58 of 2000 required the Department to establish the Investment Plan (“IP”). Pursuant to an extensive RFP and selection process, the Department chose Delaware Investments to be the Program Manager for the IP as well as to provide administrative services for the GSP. Investment management services for the IP were originally provided by Delaware Investments and Calvert Funds. The IP was first offered on July 17, 2002. Thereafter pursuant to a subsequent RFP and selection process in 2005 and 2006, Ascensus replaced Delaware Investments, and together with Vanguard, it assumed management responsibilities for certain aspect of the IP and the GSP, as described in Section I-1 and I-4 of this RFP.

The GSP and the fifteen investment options of the IP are presented as Pennsylvania's single Section 529 program, referred to the “PA 529”. Both IP and GSP are advertised together. The PA 529 materials explain both the GSP and IP options and a single call center, currently operated by the TAP Bureau, serves both Plans. The TAP Bureau, with the assistance of private-sector media and marketing consultants, market the direct-sold program throughout Pennsylvania.

Both the IP and the GSP are offered on a direct-sold basis to anyone 18 years or older, but for the GSP, either the account owner of the designated beneficiary (the future student) must be a Pennsylvania resident. Prospective participants can call the PA 529 toll free number (800-440-4000) or access the website (PA529.com) to obtain information and enrollment material and open accounts without using financial advisors.

The features and benefits of the GSP and the IP are identical in nearly all respects. The tax advantages are the same. Other advantages of both the GSP and IP that are available to Pennsylvania residents are: better treatment for state financial aid purposes; protection under state law from creditors of the account owner or beneficiary; and the potential to receive tuition discounts at approximately 170 private colleges nationwide through the SAGE Scholars program, a private-sector initiative.

The Program's participation in SAGE Scholars requires some additional administration. TAP 529 accounts earn SAGE Tuition Rewards based on the savings in the PA 529 account. Tuition Rewards of \$250 are earned upon opening a PA 529 account. Thereafter, the Tuition Rewards are earned quarterly at 1.25 percent of the Tuition Inflation Value of a GSP account or semi-annually at 2.5 percent

of the market value of an IP account. Treasury or Ascensus reports the Tuition Rewards to both SAGE Scholars and account owners. Additionally, the Department provides the names, addresses, and other identifying information about the beneficiaries to SAGE Scholars for release to the participating private schools so that they may send beneficiaries information about their schools.

Once a PA 529 account of either type is opened, anyone can contribute to it. Contributions can be made at any time in any amount at, or above, the minimum. For the GSP, the minimum initial and subsequent contribution amount is \$15. For the IP the minimum initial contribution is \$25. The maximum account value is current \$511,758 and is reviewed annually.

The two most significant differences between the GSP and the IP are the way in which the accounts grow and the fees. Growth in the GSP, when used for qualified higher education expenses, is based on tuition inflation (adjusted for premiums); growth in the IP is based on performance of financial markets. The fees associated with the GSP are an enrollment fee of \$50 (usually discounted to \$25 and subject to other promotional discounts) and an annual asset-based fee of 44 basis points with an annual maximum fee of \$500 (lowered to 35 basis points with a maximum annual fee of \$250 for those accounts that have established electronic delivery of account documents). The fees associated with the IP are an annual fee of \$18 (waived for those accounts that have established electronic delivery of account documents). Additionally, IP accounts incur the expenses of each portfolio within an IP investment option, which is based on a weighted average of the expenses of the mutual funds comprising the IP investment options. These fees may vary somewhat from day to day but range on average from 0.33% to 0.46% depending on the investment option.

IV-2. Services to be Provided

The successful Vendor is expected to provide the following Services. For each Service, your RFP response must take into consideration the descriptions for each service, and then respond to each question set forth below.

A. Program Administration

- Enter into an agreement with Ascensus to establish the division of administrative services relating to compliance and recordkeeping.
- In accordance with an agreement with Ascensus, manage the Advisor Plan in compliance with Section 529, the Municipal Securities Regulatory Board (“MSRB”), the Securities and Exchange Commission (“SEC”) and all other applicable state and federal statutes, rules and regulations.
- In accordance with an agreement with Ascensus, monitor for changes in legal and regulatory environment that may materially affect the Advisor Plan and advise Treasury on those changes.
- Have a formal privacy policy in place that adheres to the most stringent privacy policy standards in the industry including state and federal level standards that protect the confidentiality of account information.
- Submit data or other information required to maintain Advisor Plan information collected by CSPN, the MSRB, Strategic Insight and other applicable entities on a timely basis.
- Provide reports at such times and covering such information as will be specified in the Contract.
- Attend quarterly Treasury meetings and other meetings as requested by Treasury.
- Create and produce all applicable Advisor Plan documents, including enrollment and account maintenance forms and offering documents, in compliance with all state and federal regulations, and in compliance with the CSPN Disclosure Principles as currently written and as may be

modified in the future, and general 529 or mutual fund best practices.

- Act as custodian of Advisor Plan assets and provide custodial and fund accounting services for the Advisor Plan.

Questions

1. Describe your firm's procedures for compliance with:
 - a. Section 529, applicable SEC regulations and MSRB Rules
 - b. Pennsylvania laws and regulations
 - c. CSPN Disclosure Principles
 - d. Industry best practices
2. List reports that you believe are necessary to keep Treasury apprised of the progress of the Advisor Plan.
3. Please confirm that you will cause – at no cost to Treasury – a certified public accounting firm of national reputation to conduct an annual audit of the financial statements of the Advisor Plan in accordance with generally accepted accounting standards and practices.

B. Recordkeeping

- Provide information to Ascensus in accordance with rules, regulations and procedures as established with Treasury.
- Report directly or through Ascensus on contributions, distributions and other activity as may be required by the Internal Revenue Service (“IRS”), SEC, MSRB or any other federal, state or local agency of competent jurisdiction.
- Provide quarterly account statements to account owners or provide the information needed by Ascensus to provide these statements.
- Provide information to Ascensus or otherwise generate and mail all applicable tax reports, including IRS Form 1099Qs.
- Comply with the minimum Performance Standards to be agreed upon in the contract to be entered into with Treasury as a result of this RFP.

Questions:

1. Confirm your ability to work with Ascensus or otherwise describe the recordkeeping system and system security that would be used for the Advisor Plan.
2. Do you offer account enrollment through the workplace? Is there a size threshold for payroll deduction? Would you require an employer to pay any costs associated with offering the Advisor Plan through payroll deduction?

C. Investment Management

- Manage investments as a fiduciary for Treasury, account owners and beneficiaries and in accordance with the investment policies and operating guidelines established by Treasury.
- Develop and recommend investment portfolios, underlying funds and fee structures to appeal to a wide range of investors with various risk tolerance levels and contribution levels.

- Monitor the performance of each investment option and underlying fund in accordance with monitoring standards established by Treasury and make recommendations to Treasury on the findings of the monitoring.
- Enable meetings between Treasury and portfolio/underlying fund managers (or their direct staff) as may be appropriate to review, at a minimum, market conditions, investment strategy and investment performance.

Questions

1. Please identify the team/personnel involved in the creation and management of your proposed investment options, including the asset-allocation team responsible for your age-based and static portfolios. Is this a dedicated 529 college savings team or is it part of a larger defined contribution department?
2. Describe the investment options you propose to offer, including the asset allocations if using a multi-asset investment. For any age-based investment options you are proposing, describe in detail the proposed age-bands and the mix of underlying investments to be used in each age-band.
3. For each investment option listed in the immediately preceding question, please provide the name of the underlying funds in each option (add as many rows as needed), its ticker, share class and AUMs as of September 30, 2017. If the underlying investment is not a registered mutual or exchange traded fund, please identify the strategy, manager and September 30, 2017 AUMs.

Strategy / Manager	Option(s) Included in:	Ticker (or other vehicle type)	Share Class	Assets Under Management (strategy only)

4. Are you proposing an open architecture structure? Why or why not? If your proposed underlying investments are from non-affiliated investment managers, explain the choices you have made and why. Include information about revenue sharing arrangements, if any, currently in place or that you intend to establish.
5. If you are not proposing a multi-manager platform, is there a maximum number or percentage of unaffiliated investment managers you would accept? Would you consider substituting non-proprietary funds in the future if proprietary funds consistently underperform their benchmarks?
6. Please explain your process for evaluating managers, placing managers on watch or on notice, and terminating and replacing managers.

D. Advisor Plan Marketing and Distribution

- Develop and execute a multi-year marketing strategy to promote the Advisor Plan in

Pennsylvania and nationwide.

- Develop and update promotional materials, subject to Treasury's approval, and assure compliance with all applicable laws relating to such materials.
- Establish a process to evaluate the success of marketing efforts.
- Establish goals for distribution agents to promote the Advisor Plan nationwide.

Questions:

1. Describe your overall strategies and objectives for marketing and promoting the Advisor Plan.
2. Does the firm have a retail presence in Pennsylvania? If so, please provide the specific locations, and indicate whether there are any plans to expand in the Commonwealth.
3. Please provide the number and location of wholesalers in the firm who cover 529 plans, if any. How many broker-dealers or other distribution agents do they normally reach in Pennsylvania and nationwide?
4. Will the firm require a new selling agreement with broker-dealers and other distribution agents before distributing the Advisor Plan or do your current selling agreement cover 529 products? If it's the latter, how many selling agreements does the firm currently have?
5. Describe what, if any, loyalty program or credit card rebate program you would offer to participants in the Advisor Plan. Explain how offering such a loyalty program would benefit the Advisor Plan. How would this program compare to SAGE?

LIST OF APPENDICES & ATTACHMENTS

Section	Title	Description
Appendix A	Proposal Cover Sheet	Vendor response required
Appendix B	Compliance Questionnaire	Vendor response required
Appendix C	Contractor Integrity Provisions	--
Appendix D	Contractor Responsibility Provisions	--
Appendix E	Nondiscrimination/Sexual Harassment Clause	--
Appendix F	Standard Contract Terms and Conditions	--

Section	Title	Description
Attachment A	PA Authorizing Legislation	Act of Apr. 3, 1992, P.L. 28, No. 11
Attachment B	RFP 17-001 Cost Response	Vendor response required

Appendix A
PROPOSAL COVER SHEET
PENNSYLVANIA DEPARTMENT OF TREASURY
RFP 17-001

Enclosed in Three separately sealed submittals is the proposal of the Vendor identified below for the above-referenced RFP:

Vendor Information:	
Vendor Name	
Vendor Mailing Address	
Vendor Website	
Vendor Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-mail Address	
Vendor Federal ID Number	

Submittals Enclosed and Separately Sealed:	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Cost Proposal

<i>Signature</i>	
Signature of an official Authorized to bind the Vendor to the provisions contained in the Vendor's proposal:	
Printed Name:	
Title:	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE VENDOR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE VENDOR'S PROPOSAL

Appendix B

COMPLIANCE QUESTIONNAIRE

1. Firm Personnel and Management

- a. Where do the primary trading, research and portfolio management activities take place?
- b. Where are the accounts maintained?
- c. Provide a list of all the firm's Affiliates¹, subsidiaries or parent organizations.
- d. Name and describe ownership interests for all firm Affiliates. If firm Affiliates are entities with more than a 10% ownership, provide a description of such entities.
- e. Describe any significant leadership and personnel staffing changes (*e.g.*, president, principals, corporate officer, partners, legal and compliance personnel, and investment/financial analysts) that have occurred in the past two (2) years, or are likely to occur in the near future. State whether any of the personnel changes have affected, or are expected to affect, the nature, scope, or quality of the services you provide to the portfolio(s) and, if so, describe how such changes or events would do that.
- f. Describe any plans to change or expand the firm (entering/exiting business lines, office locations, etc.) over the next five years.
- g. State whether any Affiliates have declared bankruptcy or have been taken over by a federal regulatory agency. Describe the events that led to the above situation(s), the current status of the Affiliate, including all measures taken by the Affiliate to comply with any and all regulations or restrictions that have been imposed on them because of the above events. How has this event affected your operation?
- h. Has the firm or any firm Affiliate (including portfolio companies or properties owned during the firm's period of ownership) or parent organization ever failed to make payments under any secured or unsecured indebtedness?

¹ Affiliates are defined as: (a) any natural person or entity having an ownership or beneficial interest in, or who serves as a director, officer or is a managerial employee or otherwise controls, whether directly or indirectly, the firm; or (b) any entity in which a person or entity identified in Section (a) above has an ownership or beneficial interest, including but not limited to a partnership interest, and/or equitable ownership (other than shares owned in a publicly held entity).

- i. State whether any of the companies with which your board members, principals, company officers or executive professional staff are connected, either as (1) board members, (2) former or current company officers, or (3) former or current executive employees have within the last five (5) years filed for bankruptcy or have been taken over or investigated by a federal or state regulatory agency. Describe the positions that the above-mentioned individuals hold or held with the previous company and their responsibilities. Describe the reason for the investigation, whether it is continuing, and whether the individuals have been required to appear before any investigatory or regulatory body regarding any of the above-cited events. Provide any available documents to substantiate statements made herein.
- j. State whether any of your board members, principals, company officers or executive professional staff have declared personal bankruptcy in the last five (5) years.
- k. State whether and to what extent the firm's board members, principals, employees and owners are permitted to personally invest in vehicles or strategies managed by the firm and under what terms. Describe all safeguards in place for clients.
- l. Detail any conflicts of interest (potential, current and historic) within the firm, and explain how they are/have been managed and disclosed.

2. *Operations*

- a. Date of last SEC audit?
- b. Describe any significant operational events that have occurred in the past year or that are likely to occur in the future.
- c. Does the firm undergo a SSAE 16 Service Organization Control (SOC1) Report (formerly SAS 70) or similar FRAG 21 evaluation? If not, does the firm undergo an independent evaluation of the internal control structure or elements of the internal control structure? Is a report issued?
- d. Identify the percentage of total assets for which you provide investment services:
 - (i) registered investment companies _____%
 - (ii) employee benefit plans _____%
 - (iii) private funds _____%
 - (iv) government or public pension plans or funds _____%
 - (v) other types of accounts _____%
- e. Provide a narrative of each step of the investment decision making process and execution. Include information on the trade approval process, sell discipline, authority limits, back office operations, and monitoring and review of portfolio standards. Discuss how you ensure that all the daily activity is captured in your systems' accounting records and how you ensure the information is accurate.
- f. Has the firm or any of its Affiliates had a relationship within the last two (2) years with the Commonwealth of Pennsylvania? If yes, please describe the subdivision and the nature of the relationship?

- g. Provide a detailed description of the procedures you have for evaluating and identifying potential conflicts of interest between the firm, any of your board members, principals, employees and or any of your Affiliates.
- h. State whether any of your clients have terminated an agreement with you to provide investment management or advisory services during the past twelve (12) months or have notified you that they intend to do so. If so, provide the asset size of the account and explain the reason for the termination of the agreement.
- i. Provide a current copy of your Code of Ethics adopted pursuant to 204A-1 under the Investment Advisers Act. State if there have been any material violations of your Code of Ethics within the last twelve (12) months and describe any such violations that occurred and the sanctions imposed. If any changes to the Code of Ethics have been made in the last twelve (12) months, identify and describe those changes. State whether your Code of Ethics presently meets the requirements of Rule 204A-1 under the Investment Advisers Act.

3. Compliance

- a. Does the firm have a compliance function? Provide copies of the policies and procedures.
- b. Does the firm have a Chief Compliance Officer (“CCO”)? If so, please briefly describe the background of the CCO, and explain whether the CCO has any responsibilities other than those relating to the compliance manager. Please also describe the reporting relationship of the CCO within the executive management of the firm.
- c. Does the firm maintain and periodically review written compliance policies and procedures, including a code of ethics? If not, please explain.
- d. Does the firm have a written policy on the handling and safeguarding of any material, non-public information in its possession, including a process to educate employees? If not, how is material non-public information protected, and how are these processes communicated to employees?
- e. Does the firm maintain written Anti-Money Laundering (“AML”) procedures? Is there a designated AML compliance officer? If not, how are AML checks conducted?
- f. Do you have firm-wide risk management guidelines? How are they updated or reviewed? Provide a copy of the firm’s policy on risk management.
- g. How is compliance with risk management guidelines monitored? Discuss the key metrics, reports and systems used in risk management. Are there dedicated employees assigned to the risk monitoring function?
- h. What types of reports are generated from your information systems that facilitate the monitoring of the portfolio’s assets? How frequently are the reports produced and distributed, and who reviews them?

- i. Identify all third parties who perform any portion of the firm's risk management function.
- j. How do you monitor credit risk, interest rate risk, concentration and sector risk, liquidity risk, and other risks? What policies do you have regarding these items? What types of financial analysis software systems do you use or are planning to implement?
- k. Does the firm have an internal audit function or program? If so, please describe the function or program. If not, set forth the reason for not having such a function. Provide the names and biographies of those responsible for the program. Also, provide the names and biographies of those responsible for the program in relation to the portfolio.
- l. Are the firm's internal controls subjected to examination by an independent audit firm? Which firm conducts the audit or review?
- m. Describe any issues or problems that the compliance division or any auditors have identified in the firm in the last two calendar years. What was done to rectify the issues or problems?
- n. Describe any changes in your compliance procedures or systems suggested by the regulators, what you have done in response to those suggestions, and any other changes made by you to address deficiencies identified during the examination or inquiry.
- o. Provide a brief description of your securities valuation or pricing procedures and policies. Provide a copy of your valuation and pricing procedures.
- p. Does the firm screen all investments against the U.S. Treasury Department's Office of Foreign Assets Control's (OFAC) "Specifically Designated Nationals List?"

Appendix C

CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with Treasury observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the procurement process.

In furtherance of this policy, Contractor agrees to the following:

1. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting with the Commonwealth.
2. Contractor, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.*; the *State Adverse Interest Act, 71 P.S. §776.1 et seq.*; and, *4 Pa. Code §7.151 et seq.*, or to breach any other state or federal law or regulation.
3. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Treasury official or employee or to any other person at the direction or request of any Treasury official or employee.
4. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Treasury official or employee or to any other person, the acceptance of which would violate any statute, regulation.
5. Contractor, its affiliates, agents and employees shall not, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any Commonwealth official or employee.
6. Contractor, its affiliates, agents, employees, or anyone in privity with him or her shall not accept or agree to accept from any person, any gratuity in connection with the performance of work under the contract, except as provided in the contract.
7. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to Treasury in writing and Treasury consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
8. Contractor, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Contractor under this contract without the prior written approval of the Commonwealth, except as required by the *Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104*, or other applicable law or as otherwise provided in this contract. Any information, documents, reports, data, or records

secured by Contractor from Treasury or a third party in connection with the performance of this contract shall be kept confidential unless disclosure of such information is:

- a. Approved in writing by Treasury prior to its disclosure; or
 - b. Directed by a court or other tribunal of competent jurisdiction unless the contract requires prior Commonwealth approval; or
 - c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
 - d. Necessary for purposes of Contractor's internal assessment and review; or
 - e. Deemed necessary by Contractor in any action to enforce the provisions of this contract or to defend or prosecute claims by or against parties other than the Commonwealth; or
 - f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain; or
 - g. Otherwise required by law.
9. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has been officially notified of, charged with, or convicted of any felony. Contractor also certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has been officially notified of, charged with, or convicted of any misdemeanor related to his/her employment, professional status, or status with this or any other company.

Contractor shall immediately notify Treasury's Office of Chief Counsel in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any and all felonies. Contractor shall immediately notify Treasury's Office of Chief Counsel in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any and all felonies or a misdemeanor related to his/her employment, professional status, or status with this or any other company.

10. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has been the subject of any regulatory or civil violations including:
- a. Violation of federal or state antitrust statutes.
 - b. Violation of any federal or state law regulating campaign contributions.
 - c. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.
 - d. Violation of the *Act of June 2, 1915 (P.L.736, No. 338)*, known as the *Workers' Compensation Act, 77 P.S. 1 et seq.*
 - e. Violation of any federal or state law prohibiting discrimination in employment.
 - f. Debarment by any agency or department of the federal government or by any other state.

- g. Any other crime involving moral turpitude or business honesty or integrity.

Contractor acknowledges that Treasury may, in its sole discretion, terminate the contract for cause upon such notification or when the Commonwealth otherwise learns that Contractor has been officially notified, charged, or convicted.

11. If this contract was awarded to Contractor on a non-bid basis, Contractor must, (as required by *Section 1641 of the Pennsylvania Election Code*) file a report of political contributions with the Secretary of the Commonwealth on or before February 15 of the next calendar year. The report must include an itemized list of all political contributions known to Contractor by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:
 - a. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the preceding year; or
 - b. Any employee or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.

To obtain a copy of the reporting form, Contractor shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

12. Contractor shall comply with requirements of the *Lobbying Disclosure Act, 65 Pa.C.S. § 13A01 et seq.*, and the regulations promulgated pursuant to that law. Contractor employee activities prior to or outside of formal Commonwealth procurement communication protocol are considered lobbying and subjects the Contractor employees to the registration and reporting requirements of the law. Actions by outside lobbyists on Contractor's behalf, no matter the procurement stage, are not exempt and must be reported.
13. When Contractor has reason to believe that any breach of ethical standards as set forth in law, or in these provisions has occurred or may occur, including but not limited to contact by a Treasury officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify Treasury's Chief Counsel in writing.
14. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these contractor integrity provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract.
15. Contractor shall cooperate with Treasury in its investigation of any alleged breach of ethical standards and any alleged Contractor non-compliance with these provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to,

Contractor's business or financial records, documents or files of any type or form that refers to or concern this contract.

16. For violation of any of these Contractor Integrity Provisions, Treasury may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.
17. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Paragraph 17.
 - a. "Confidential information" means information that a) is not already in the public domain; b) is not available to the public upon request; c) is not or does not become generally known to Contractor from a third party without an obligation to maintain its confidentiality; d) has not become generally known to the public through an act or omission of Contractor; or e) has not been independently developed by Contractor without the use of confidential information of the Commonwealth.
 - b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by pre-qualification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this contract.
 - c. "Contractor" means the individual or entity that has entered into this contract with the Commonwealth, including those directors, officers, partners, managers, and owners having more than a five percent interest in Contractor.
 - d. "Financial interest" means:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
 - e. "Gratuity" means tendering, giving or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the [Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.153\(b\)](#), shall apply.
 - f. "Immediate family" means a spouse and any un-emancipated child.
 - g. "Non-bid basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or Vendor.
 - h. "Political contribution" means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any

election in the Commonwealth of Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

Appendix D

CONTRACTOR RESPONSIBILITY PROVISIONS

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, Vendor, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Commonwealth for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building

Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

Appendix E

NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
3. The Contractor and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. The Contractor and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
5. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
6. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

Appendix F

STANDARD CONTRACT TERMS AND CONDITIONS

1. Show Service Purchase Contract number on all invoices and correspondence relating to this contract. Address inquiries concerning the payment of invoices to the Comptroller.
2. The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service, and has accordingly registered with the Internal Revenue Service to make tax-free purchases under Registration No. 23740001-K. No exemption certificates are required and none will be issued.
3. The Commonwealth is exempt from Pennsylvania Sales Tax. The Sales and Use Tax Regulations provide that exemption certificates are not required for sales made to government entities. Exemption Certificates will not be issued.
4. Contractor agrees to comply with all applicable laws and regulations of the Commonwealth in carrying out this contract.
5. Contractor, its agents and employees, shall act in an independent capacity and shall not act or be deemed to act as officers, employees or agents of the Commonwealth.
6. Send itemized invoices as directed on contract promptly upon service rendered. Don't include in one invoice items on more than one contract number. (Consider as one contract a consecutive series of service purchase contract forms bearing a single total and number.)
7. Questions concerning this contract should be directed to the Agency Procurement Officer. Any correspondence concerning invoices or the payment of bills should be directed to the "Bill To" address.
8. Regardless of provisions to the contrary found elsewhere in the provisions of this contract, the laws of the Commonwealth of Pennsylvania shall be used in the interpretation of this contract and shall prevail over the laws of any other state in the construction of this contract.
9. Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in this contract.
10. Performance of this contract is not assignable without prior written consent of the Commonwealth.
11. The Commonwealth may terminate this contract for its convenience if Commonwealth determines termination to be in its best interest. Contractor shall be paid for work completed.
12. The Commonwealth's obligations are contingent upon appropriation of funds for the contract purpose.
13. In carrying out this contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.
14. This contract and/or attachments constitutes the entire agreement between the parties.

15 In the event of conflict between any of these terms and conditions and any attachment hereto, these terms and conditions shall prevail.

16. Contractor agrees to report and deliver any abandoned or unclaimed property held by Contractor or its agents, subcontractors or assignees, as defined by and in accordance with the Disposition of Abandoned and Unclaimed Property Act (DAUPA), 72 P.S. §1301.1 *et seq.* A negative report must be filed if Contractor determines, after a records review, that there is no reportable unclaimed property. Instructions and assistance in filing the report are available from the Bureau of Unclaimed Property holder hotline at 1-800-379-3999 or via e-mail at unclaimedpropertyreporting@patreasury.gov. Additional information regarding the Pennsylvania Abandoned and Unclaimed Property Program is located at www.patreasury.gov.

ASSIGNMENT OF ANTITRUST CLAIMS

Vendor and the Commonwealth recognize that in actual economic practice, overcharges by vendor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of this contract, and intending to be legally bound, vendor assigns to the Commonwealth all right, title and interest in and to any claims vendor now has or may hereafter acquire under state or federal antitrust laws relating to the goods or services which are the subject of this contract.

CONTRACTOR RESPONSIBILITY PROVISIONS

1. Contractor certifies that it, its affiliates and subsidiaries are not currently under suspension or debarment by the Commonwealth, any other state, or the federal government.
2. If Contractor enters into any subcontracts under this contract with subcontractors who are currently suspended or debarred by the Commonwealth or federal government or who become suspended or debarred by the Commonwealth or federal government during the term of this contract or any extensions or renewals thereof, the Commonwealth shall have the right to require the Contractor to terminate such subcontracts.
3. The Contractor agrees that it shall be responsible for reimbursing the Commonwealth for all necessary and reasonable costs and expenses incurred relating to an investigation of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth which results in the suspension or debarment of the Contractor.

OFFSET PROVISION FOR COMMONWEALTH CONTRACTS

The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other debt of the Contractor or its subsidiaries that is owed to the Commonwealth and not being contested on appeal against any payments due the Contractor under this or any other contract with the Commonwealth.

CONTRACTOR INTEGRITY PROVISIONS

1. Definitions

a. Confidential information means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.

b. Consent means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.

c. Contractor means the individual or entity that has entered into this agreement with the Commonwealth, including directors, officers, partners, managers, key employees, and owners of more than 5 percent interest.

d. Financial Interest means:

(1) ownership of more than a 5 percent interest in any business; or

(2) holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

e. Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainments, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

2. The Contractor shall maintain the highest standards of integrity in the performance of this agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.

3. The Contractor shall not disclose to others any confidential information gained by virtue of this agreement.

4. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration of the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.

5. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction of request of any officer or employee of the Commonwealth.

6. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him shall accept or agree to accept from, or give or agree to give to, any gratuity from any person in connection with the performance of work under this agreement except as provided therein.

7. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
8. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
9. The Contractor, by execution of this agreement and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he has not violated any of these provisions.
10. The Contractor shall cooperate fully with an annual audit conducted by Treasury and any additional audits as Treasury determines necessary. The Contractor will provide Treasury with copies of any audits conducted by an independent entity or other state utilizing the Wagers system.
11. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another contractor to complete performance hereunder. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise

NONDISCRIMINATION CLAUSE

During the term of this contract, Contractor agrees as follows:

1. Contractor shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, physical ability, age or sex.

Contractor shall take affirmative action to ensure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, physical ability, age or sex. Such affirmative action shall include, but is not limited to: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

Contractor shall post in conspicuous places, available to employees, agents, applicants for employment and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

2. Contractor shall in advertisements or requests for employment placed by it or on its behalf state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, physical ability, age or sex.

3. Contractor shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Contractor.

4. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that Contractor has delegated some of its employment practices to any union, training program or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that Contractor was not on notice of the third-party discrimination or made a good-faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.
5. Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons, so that Contractor will be unable to meet its obligations under this nondiscrimination clause, Contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.
6. Contractor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of Contractor's noncompliance with the nondiscrimination clause of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and Contractor may be declared temporarily ineligible for further Commonwealth contracts, and other sanctions may be imposed and remedies invoked.
7. Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by, the contracting agency and the Office of Administration, Bureau of Affirmative Action for purposes of investigation to ascertain compliance with the provisions of this clause. If Contractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Affirmative Action.
8. Contractor shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
9. Contractor shall include the provisions of this nondiscrimination clause in every subcontract so that such provisions will be binding upon each subcontractor.
10. Contractor's obligations under this clause are limited to Contractor's facilities within Pennsylvania or, where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

THE AMERICANS WITH DISABILITIES ACT

During the term of this contract, the Contractor agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of The Americans with Disabilities Act, 28 C.F.R. §35.101 *et seq.*, the Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this contract or from activities provided for under this contract. As a condition of accepting and executing this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. §35.130, and all other regulations promulgated under Title II of The Americans with Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
2. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits and

actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of paragraph 1 above.

NOTICE OF ELECTIONS CODE REPORTING REQUIREMENTS

The Pennsylvania Election Code provides that any business entity which has been awarded a contract on a non-bid basis by the Commonwealth shall file a report of political contributions with the Secretary of the Commonwealth on or before February 15 of each year. The Contractor may obtain a copy of the reporting form (DSEB-504) and other information regarding this requirement from the Department of State, Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, Pennsylvania 17120 or by phone at 717-787-5280.

BUDGET IMPASSE

If the Commonwealth has not enacted an annual General Fund budget, which has been passed by the General Assembly and signed by the Governor, on or before the start of the new fiscal year on July 1, the Commonwealth shall be considered to be in a budgetary impasse. Under such circumstances, Contractor shall continue to render services to Treasury through the budgetary impasse and will invoice Treasury for such services. Once the Commonwealth General Fund budget has been passed by the General Assembly and signed by the Governor, Treasury will pay all outstanding invoices as soon as practically possible, but no later than 45 days. If there are no funds appropriate in the enacted General Fund budget to continue this Agreement, then the termination of this Agreement shall be effective, provided, however, Treasury shall pay for all services rendered during the impasse.

Attachment A

Tuition Account Programs and College Savings Bond Act

<http://www.legis.state.pa.us/CFDOCS/LEGIS/LI/uconsCheck.cfm?txtType=HTM&yr=1992&sessInd=0&smthLwInd=0&act=0011>

Attachment B

RFP 17-001 Cost Response

1. Please complete the following chart to show applicable fees and Share Classes for the Advisor Plan, indicating clearly if you are offering a Share Class for fee-based advisors. Indicate whether fees differ according to the investment option. Include the fees listed, and add additional fees, if any. Please note that any fees or expenses not included in your proposal will not be considered during Contract negotiations.

Fees	Advisor			
	Class A	Class C	Other	Other
Program Management Fee				
State Administrative Fee				
Initial Sales Charge				
Deferred Sales Charge				
On-Going Service Fees				
Annual Account Fee				
Other				

2. Please indicate whether any other fees will decrease as assets increase, including the Program Management Fee and Initial Sales Charges associated with A Shares.
3. If the Class C Shares you propose to offer are convertible to A Shares, please indicate the number of years after which the Shares will convert.
4. Please provide a table showing the selling commission and on-going fees that will be paid to the financial advisors from Initial Sales Charges and Service Fees.
5. Please provide the following information for all underlying investments you propose to include. Please complete for as many funds as applicable. Please include any unregistered funds (e.g., separately managed accounts) you propose to include as well, entering “NA” in the Ticker and Share Class cells.

Strategy Name	Ticker (or other vehicle type)	Total Fund Expense Ratio (%)	Program Manager Revenue Share (%)	Included in Investment Option(s)	Additional Funds Expenses, if any

6. Indicate whether you would agree to offer the PA Advisor Plan exclusively.