

# REQUEST FOR PROPOSALS

FOR

## ACTUARIAL AUDITING SERVICES RELATED TO PEER REVIEW OF THE 2021-2025 EXPERIENCE STUDY AND 2025 VALUATIONS

FOR

THE

### Retirement Systems of Alabama

RFP 26000000001

Issue Date: February 17, 2026

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## SECTION I—GENERAL INFORMATION FOR THE PROPOSER

### A. PURPOSE:

#### REQUEST FOR PROPOSALS:

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified actuarial firms to provide actuarial auditing services to the Retirement Systems of Alabama (RSA), consisting of peer review of the FY2021-2025 Experience Study and a level two actuarial audit of the FY2025 annual actuarial valuation for Teachers' Retirement System of Alabama (TRS), Employees' Retirement System of Alabama (ERS), and Judicial Retirement Fund of Alabama (JRF).

### B. BACKGROUND:

The Teachers' Retirement System, Employees' Retirement System, and Judicial Retirement Fund, collectively referred to as the Retirement Systems of Alabama (RSA or Systems), share certain executive personnel, investment management, accounting, and information system services, the costs of which are allocated to the funds on an equitable basis.

The TRS, a cost-sharing multiple-employer public employee retirement plan, was established as of September 15, 1939, pursuant to the *Code of Alabama 1975, Title 16, Chapter 25* (Act 419 of the Legislature of 1939) for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control.

The ERS, an agent-multiple employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. Assets of the ERS are pooled for investment purposes. However, separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of its employees only. The responsibility for the general administration and operation of the ERS is vested in its Board of Control.

The JRF, a cost-sharing multiple-employer public employee retirement plan, was established as of September 18, 1973, pursuant to the *Code of Alabama 1975, Title 12, Chapter 18* (Act 1163 of the Legislature of 1973) for the purpose of providing retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. The *Code of Alabama 1975, Title 12, Chapter 18, Articles 3 & 4* (Act 1205 of the Legislature of 1975) enlarged the scope and coverage of the JRF to include District and Probate Judges, respectively. The responsibility for the general administration and operation of the JRF is vested in the Board of Control of the ERS.

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS, ERS, and JRF. Benefits for TRS and ERS members becoming eligible to receive retirement benefits after 10 years of creditable service. Teachers and state employees who retire after age 60 (52 for State Police) with 10 years or more of creditable

service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the TRS and ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS and ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS and ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

JRF members become eligible to receive retirement benefits after varying periods set by statute. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of creditable service, no justice or judge is eligible to receive judicial service retirement pay prior to attaining age 60. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: (1) 25 years of creditable service (regardless of age), (2) completed 12 years of creditable service and has attained age 65, (3) completed 15 years of creditable service and whose age plus service equals or exceeds 77, (4) completed 10 years of creditable service and has attained age 70 or (5) been elected prior to July 30, 1979, and has 18 years of service (regardless of age). A member eligible to retire who has not requested his or her retirement benefit to commence at the end of the term in which the member's 70th birthday occurs is entitled only to the refund of his or her contributions (except for members with at least 25 years of creditable service). The service retirement benefit for circuit, appellate, and probate judges is 75% of the member's salary at the time of separation from service. The service retirement benefit for a district judge is 75% of the position's salary immediately prior to retirement.

Act 132 of the Legislature of 2019 provided that local employers participating in the ERS pursuant to the Code of Alabama 1975, Section 36-27-6 could elect to provide their Tier 2 members with the same retirement benefits provided to their Tier 1 members. Any local participating employer who elects to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members may do so by adoption of a resolution within 24 months of the effective date of Act 2019-132. The effective date of Act 2019-132 was May 8, 2019, giving local participating employers until May 8, 2021, to make such election. Act 2019-132 also provided that the ERS Board of Control could deny a local participating employer's election based on a review by RSA Staff of the local participating employer's historical compliance with ERS requirements as well as the financial stability of the local participating employer. Any local participating employer whose election is denied may petition the ERS Board of Control for a reconsideration within the 24-month period from the effective date of Act 2019-132. Once a local participating employer elects to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members, its election is irrevocable and becomes effective at the beginning of the fiscal year following the date that the ERS receives a local participating

employer's resolution. Any local participating employer electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members who has not increased its Tier 1 members' contribution rates as provided in Act 676 of the Legislature of 2011 is required to develop a plan to gradually increase its members' contribution rates. The plan must be submitted to the ERS prior to a local participating employer submitting a resolution electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members. Beginning in the month that a local participating employer's election becomes effective, its Tier 2 members (except Tier 2 members who are certified law enforcement, correctional officers, and firefighters) will contribute 7.50% of earnable compensation to the ERS. Tier 2 certified law enforcement, correctional officers, and firefighters will contribute 8.50% of earnable compensation to the ERS. Act 2019-132 was amended by Act 348 of the Legislature of 2022. Act 2022-348 amended Act 2019-132 by removing the date limitation for any local participating employer to submit its resolution electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members. Act 2022-348 also amended Act 2019-132 by removing the date limitation for a local participating employer to petition the ERS Board of Control for a reconsideration if the ERS Board of Control denied its election to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members.

Alabama Judicial Measure Amendment 1 establishes employee and employer contribution rates and retirement requirements for judges, justices, district attorneys and circuit clerks who are first appointed or elected on or after November 8, 2016. The new plans will require employees to contribute 8.5% of their annual salary to their respective retirement fund. Added to the employee contribution will be a separate employer contribution equal to a percentage of the employee's annual salary; the employer contribution percentage will be based on actuarial valuations. An employee is able to draw retirement benefits no earlier than age 62, and only if the employee has ten or more years of service. District attorney's and circuit clerk's retirement benefit will be calculated as 3% of their average final compensation (highest 5 of last 10 years) for each year of service, not to exceed 80% of average final compensation. Judge's and justice's retirement benefit will be calculated as 4% of their average final salary for each year of service, not to exceed 75% of average final compensation.

Covered members of the TRS and ERS (except State Police and certified law enforcement, correctional officers, and firefighters) contributed 5% of earnable compensation to the TRS and ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the TRS and ERS (except State Police and certified law enforcement, correctional officers, and firefighters) were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the TRS and ERS (except State Police and certified law enforcement, correctional officers, and firefighters) are required by statute to contribute 7.50% of earnable compensation. JRF members and certified law enforcement, correctional officers, and firefighters of the TRS and ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, JRF members and certified law enforcement, correctional officers, and firefighters of the TRS and ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, JRF members and certified law enforcement, correctional officers, and firefighters of the TRS and ERS are required by statute to contribute 8.50% of earnable compensation. State Police members of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the TRS and ERS (except State Police and certified law enforcement, correctional officers, and firefighters) contribute 6.2% of earnable compensation to the TRS and ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS and ERS are required by statute to contribute 7.2% of earnable compensation. Tier 2 State Police

members of the ERS contribute 10% of earnable compensation. These contribution rates are the same for Tier 2 covered members of ERS local participating employers.

C. DESCRIPTION OF THE RSA'S MANAGEMENT:

The TRS and ERS have jointly employed the Secretary-Treasurer as the Chief Executive Officer (CEO) and several other administrative personnel. This has allowed greater efficiencies by consolidating operations of the systems by function. Other information about the Retirement Systems of Alabama can be found at [www.rsa-al.gov](http://www.rsa-al.gov).

D. OTHER INFORMATION:

Additional terms and conditions applicable to, and hereby incorporated within, this RFP and all proposals submitted in response to this RFP are located at <https://www.rsa-al.gov/about-rsa/itb-rfp/> and titled:

- RSA Reservation of Rights and Requirements for ITBs and RFPs
- RSA Standard Terms and Conditions for Solicitation sand Contracts
- RSA Procedure for Resolution of Controversies

By submitting a proposal, all proposers are deemed to have agreed to all terms and conditions included within the above documents unless a proposer provides RSA with a document clearly stating its exceptions to any term or condition, along with a detailed justification therefor.

Other documents that are considered as part of this RFP may be located via the Internet as follows:

<http://www.rsa-al.gov/index.php> - RSA home page

1. Retirement Systems of Alabama Comprehensive Annual Financial Report
2. TRS Actuarial Report prepared as of September 30, 2024
3. ERS Actuarial Report prepared as of September 30, 2024
4. JRF Actuarial Report prepared as of September 30, 2024

E. PROPOSAL OPENING:

Please submit one printed non-redacted and one printed redacted copy of your proposal, and a digital copy on a USB drive in a sealed envelope with the following plainly marked on the front:

**ACTUARIAL AUDITING SERVICES RELATED TO PEER REVIEW OF THE 2021-2025  
EXPERIENCE STUDY AND 2025 VALUATIONS**

RFP 26000000001

OPENING March 18, 2026

Proposals will be sent to:

Via UPS or FedEx:

Diane E. Scott, CPA  
 Chief Financial Officer  
 Retirement Systems of Alabama  
 201 South Union Street  
 Montgomery, Alabama 36104-0001

Via US Mail:

Diane E. Scott  
 Chief Financial Officer  
 Retirement Systems of Alabama  
 PO Box 302150  
 Montgomery, Alabama 36130-2150

Proposals may be hand delivered to Room 792 of the Retirement Systems Building, 201 South Union Street, Montgomery, Alabama. Proposals will be accepted until 3:00 p.m. on March 18, 2026 and opened at that time. Proposals will not be accepted after this time. The RSA reserves the right (but has no obligation) to reject any and all responses to this RFP, to waive minor variances in proposals, and to modify the RFP or extend its timeline. Questions related to this RFP may be addressed to Taylor Benefield at [taylor.benefield@rsa-al.gov](mailto:taylor.benefield@rsa-al.gov). Questions must be received by 3:00 p.m., February 23, 2026.

All responses to this solicitation may be subject to public disclosure upon request. Proposers should be aware of the Open Records Act (Ala. Code §36-12-40), the Alabama Trade Secrets Act (Ala. Code §8-27-1 and §8-27-6), and the Public Record Status of Certain Procurement Information statute (Ala. Code §41-4-115).

Any confidential, trade secret, or proprietary commercial information contained in a proposal must be clearly marked as such. Identification of an entire proposal as confidential is not acceptable unless the proposer states in detail the specific grounds and applicable laws which support treatment of the entire proposal as protected from disclosure.

**RFP Timetable**

<b>RFP Issued</b>	<b>February 17, 2026</b>
<b>Deadline for receipt of questions</b>	<b>February 23, 2026 3:00 p.m. CST</b>
<b>Issue responses to questions</b>	<b>February 24, 2026 3:00 p.m. CST</b>
<b>Proposals Due</b>	<b>March 18, 2026 3:00 p.m. CST</b>
<b>Conduct Finalist Interviews</b>	<b>March 19 - March 24, 2026</b>
<b>Award Contract</b>	<b>March 25, 2026</b>

**F. DELIVERY SCHEDULE:**

The level two actuarial audit of the FY2025 valuations may begin after the contract has been signed by all required signatories and the 2025 valuations have been completed by the Consulting Actuary. A final report must be completed within four weeks (by May 18, 2026).

The peer review of the 2021-2025 Experience Study should be completed within four weeks (by August 3, 2026) after the Experience Studies are completed by the Consulting Actuary.

The successful proposer(s) will be required to present their FY2025 Valuation Audit and 2021-2025 Experience Study Audit results at the TRS and ERS/JRF Board meetings. The TRS Board meeting will be held on September 1, 2026 and the ERS Board meeting will be held on September 9, 2026.

G. PAYMENT SCHEDULE:

Payment for actuarial auditing services will be made upon the firm's completion and submission of each written audit report, along with a detailed invoice, and after the respective report(s) have been presented to its corresponding TRS or ERS Board. RSA requires payment terms to be payable 30 days from receipt of invoice.

H. SELECTION OF FIRM:

The RSA expects to employ the successful proposer(s) to perform the peer review of the FY2021-2025 Experience Study and level two actuarial audit of the FY2025 valuations. RSA may, in its discretion, award a single contract or multiple contracts under this RFP, as RSA deems to be in its best interest. All responding vendors will be notified of RSA's decision in writing within a reasonable length of time following the selection. Prior to the selection, one or more firms may be requested to make oral presentations to the evaluation committee. All proposals shall become the property of the RSA.

I. ECONOMY OF PREPARATION:

Proposals should be prepared simply and economically and provide a concise description of the Proposer's response to the requirements of this RFP. Emphasis should be on clarity. The RSA will not be responsible for any costs incurred by any Proposer in the preparation of a proposal or in relation to any presentations(s) to the evaluation committee.

J. NEWS RELEASES:

News releases pertaining to this RFP or the actuarial services to which it relates will be made only with prior written approval of RSA's CEO or his representative.

K. ADDENDA TO THE RFP:

RSA reserves the right to modify this RFP in accordance with the provisions contained herein. Any modifications made to the RFP prior to proposal due date will be provided in writing on the RSA website: <http://www.rsa-al.gov/index.php/about-rsa/itb-rfp/>.

L. CONTACT POINT:

Any questions that arise concerning this RFP may be directed to Taylor Benefield at [Talor.Benefield@rsa-al.gov](mailto:Taylor.Benefield@rsa-al.gov).

M. MINIMUM EXPERIENCE QUALIFICATIONS:

Proposals will be accepted from firms where both the firm and the assigned lead actuarial staff members meet the following minimum experience qualifications:

- The Primary (supervising) actuary must meet the American Academy of Actuaries Qualification Standards and be a Fellow of the Society of Actuaries (FSA) or an Associate of the Society of Actuaries (ASA).

- The Primary (supervising) actuary should also have significant experience preparing valuations, actuarial audits, peer reviews and other consulting services for public-sector defined benefit retirement plans.
- Performed annual valuations for the most recent three (3) consecutive years of two or more public sector pension plans, each with at least \$5 billion in assets and 50,000 or more active and retired members.
- Performed actuarial valuations for at least one of the above clients whereby the statistical data and reports have been included in at least two (2) Comprehensive Annual Financial Reports where the reports received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association

N. STATE OF ALABAMA CONTRACT REQUIREMENTS:

The State of Alabama requires all providers of professional services to submit a Disclosure Statement with each contract. Accordingly, the Disclosure Statement included in Section V of this Request for Proposals (RFP) must be completed and submitted with the proposal.

The State of Alabama requires that state agencies and political subdivisions entering into contracts as defined under section 31-13-9(l) have an affirmative duty to insure that the language set out in section 31-13-9(k) is included in each contract and that contractors entering into such contracts provide appropriate verification that they have enrolled in E-Verify and have complied with its requirements. Accordingly, the Immigration Compliance Certificate included in Section V of this Request for Proposals (RFP) must be completed and submitted with each vendor's proposal.

The State of Alabama requires all contracts to contain certain language in a specific format. This language is included in the Contract shell in Section V.

O. CONFIDENTIALITY:

All material and information received by any proposer, including the successful proposer shall be kept confidential by the proposer(s) unless disclosure is specifically authorized in writing by RSA. Confidential information may not be used by any proposer or successful proposer except in the fulfillment of a contract resulting from the RFP and must be kept confidential and handled in conformity with all applicable federal and state laws.

If access to the plans' census data is required to complete the work described in this contract, the data must be returned or destroyed within 30 days of the receipt of the related report. RSA must be provided with a certification that this requirement has been fulfilled.

Successful Proposer must sign a Non-Disclosure Agreement (NDA) with RSA. See Attached NDA in Section V.

## **SECTION II—NATURE OF SERVICES REQUIRED**

### **A. PURPOSE:**

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified actuarial firms to provide actuarial auditing services to the Retirement Systems of Alabama (RSA), consisting of peer review of the FY2021-2025 Experience Study and level two actuarial audits of the FY2025 annual actuarial valuation for Teachers' Retirement System of Alabama (TRS), Employees' Retirement System of Alabama (ERS), and Judicial Retirement Fund of Alabama (JRF).

### **B. REQUIRED SERVICES:**

The following services are to be provided:

1. Perform a level two actuarial audit of the TRS, ERS, and JRF actuarial valuations produced by the Consulting Actuary as of September 30, 2025. RSA expects to be able to provide the FY2025 actuarial valuations to the successful proposer by April 24, 2026. The successful proposer will conduct and complete its audit services, including providing all required written analysis and/or reports, within four weeks (by May 18<sup>th</sup> 2026) of receipt of the actuarial valuation.
2. Perform a peer review of the principal economic, demographic and actuarial assumptions used in the experience study reports for the five-year period ending September 30, 2025 for TRS, ERS, and JRF. RSA expects to be able to provide the Five-Year Experience Study for TRS, ERS, and JRF no later than June 30, 2026. The successful proposer will conduct and complete its audit services, including providing all required written analysis and/or reports, within four weeks (by August 3, 2026) of receipt of the Experience Studies.
3. Provide up to 10 hours of additional consulting time to RSA to review these audit reports with RSA officials. This additional time shall be included in the fixed fee for each of the audits. Any hours needed beyond 10 shall be charged at the hourly billing rate proposed in the Cost Proposal.
4. Provide a formal report for each of the audits which must summarize the scope, results and conclusions of the Reviewing Actuary. The reports shall be presented in person during the regularly scheduled board meetings for each system, with the TRS report presented to the TRS Board and the ERS and JRF reports presented to the ERS board. (travel expenses should be included in the fixed fee for each report). The TRS Board meeting will be held on September 1, 2026 and the ERS Board meeting will be held on September 9, 2026. The Actuary shall print and submit 35 copies and one electronic copy of the final reports to RSA.

## **SECTION III--INFORMATION REQUIRED FROM PROPOSERS**

For any Proposal to be considered, the Proposer must submit the following information:

1. Background information of your firm including services it performs, ownership structure, the state in which your firm was formed or incorporated (and whether you are currently in good standing in the state in which you were formed or incorporated), whether your firm is qualified to transact business in the State of Alabama (and, if so, whether the firm is in good standing in Alabama), the size of your firm and the location of the staff that will perform the services. Discuss in detail the services your firm performs relative to the services required of this RFP.
2. Provide an organization chart that depicts the structure of the actuarial consulting group and that identifies this group's key members and the members who will be involved in providing direct services to RSA.
3. Discuss in general the firm's competitive advantage over other firms in the actuarial consulting industry and in the actuarial audit service area. Why should RSA hire your firm?
4. Has your firm or any actuary you employ, within the last ten years, been censured or fined by any judicial, governmental, or regulatory body? If so, please indicate the dates and describe the situation.
5. Is the firm affiliated with any other firm(s) offering non-actuarial services that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
6. Do you, your parent company, or any affiliated company have any business relationships with CavMac Consulting? If so, describe that relationship.
7. List and describe any professional relationship your firm or any of your actuarial consulting group staff have with any member of the RSA Boards (TRS, ERS, JRF), RSA staff, or participating employers in TRS, ERS, or JRF.
8. How many actuaries does your firm employ?
9. For the key executives and professionals in the actuarial consulting group, including the Primary (supervising) Actuary and all Secondary Actuaries that would be assigned to RSA, provide a table that identifies the following information:
  - a. Name
  - b. Title
  - c. Responsibilities within the firm. If a person has multiple responsibilities, indicate the percentage of time spent on each function
  - d. Years of relevant experience
  - e. Years with the firm
  - f. Degrees and professional designations
  - g. Institution awarding each degree and designation

h. Publications authored

10. How long has the current group of key executives and professionals in your actuarial consulting group been together?
11. For the Primary Actuary and all Secondary Actuaries, state the length of time these individuals have all worked together as a team.
12. For the Primary Actuary and all Secondary Actuaries, list their actuarial audit assignments for the past three years. Include for each assignment the date of the final audit report, whether the Actuary served as the primary or secondary Actuary, and the client's name and size (number of pension plan members and retirees).
13. For the Primary Actuary and all Secondary Actuaries that will directly provide services to RSA, state the role each would play in providing the required RSA services.
14. State for the Primary Actuary and each Secondary Actuary the total number of clients currently assigned to these individuals; describe whether the assignment is for general actuarial services or actuarial audit services.
15. Describe the specific methodology to be used for the required scope of services identified in Section II of this RFP.
16. Provide a timeline for completion of the work identified in Section II of this RFP. Include proposed dates for each key stage or event of the project, indicate dates by which your firm must have specific input data from RSA or its consulting actuary, and indicate points in the project when your firm would plan to meet with RSA staff at our office or via conference call.
17. Describe the capabilities of your valuation system(s) and your computer system support.
18. Describe your quality control processes for actuarial audit reports and recommendations. How are these services monitored and reviewed?
19. Provide as Appendix A one recent actuarial audit report as provided to an existing client for a cost sharing plan and one for an agent-multiple employer plan.
20. For the last five years provide the following data relating to client relationships where actuarial auditing services similar to the services required by this RFP have been or are being provided:
  - a. Total number of actuarial audit clients
  - b. Total number of public pension plan actuarial audit clients
  - c. Total number of public pension plan actuarial audit clients with a cost sharing plan
  - d. Total number of public pension plan actuarial audit clients with an agent-multiple employer plan
21. For all current public pension plan clients, state the client's name, the first year of your initial Contract with the plan, year end of the last valuation your firm completed and their asset and membership size as of the date of the last valuation

completed. Designate by asterisk which of these clients are agent multiple-employer plans and provide number of participating employers.

22. Provide the name, title, address, and telephone number for the following six client references for whom your firm has provided either full service actuarial consulting or actuarial audit services similar to this RFP, as specified in each question:
  - a. The client for whom your firm most recently completed an actuarial audit.
  - b. The client that most recently terminated your firm's full-service actuarial consulting contract.
  - c. The client with the longest full-service actuarial consulting relationship with your firm.
  - d. A multi-employer public pension plan client for whom your firm has provided full-service actuarial consulting for at least three years.
  - e. A full-service actuarial consulting client that has been assigned for at least two years to the Primary Actuary proposed for the RSA account.
  - f. The client for whom the Primary Actuary most recently completed an actuarial audit.
23. List all pension plan clients that have terminated their actuarial service contracts with your firm in the last five years. Include the client firm's name, size (number of pension plan members and retirants), date of contract termination, and reason(s) for contract termination.
24. Within the last five years, has your firm been notified by any actuarial consulting services client that your firm is in default of its contract, or that conditions exist endangering continuation of that contract? If so, state the client firm's name, year the notice was received, reasons for the notice, and resolution or current status of the relationship.
25. Provide the names of all public pension plan clients for whom you have performed actuarial audits within the last five years.
26. Discuss how the firm controls costs, quality, timeliness and confidentiality of its services, specifically the services required by this RFP.
27. The proposed fee should include administrative, third-party, travel, and all other costs. Please provide a statement that you understand this and that these have been included in the cost of the proposal.
28. Disclose any disciplinary action or litigation taken against the firm or any member of the firm's staff regarding the provision of professional services. Disclose any felony convictions within the last five years of any members of the firm's professional staff. Disclose any bankruptcy filings of assignments for the benefit of creditors by or against the firm within the last five years.
29. Provide positive statement that the firm and assigned actuaries for this project have met each of the minimum qualifications set forth in Section I. M.
30. Provide resumes for the key personnel who will be assigned to this engagement.

31. Provide discussion that provides evidence of the Proposer's knowledge of the state, regional, and national public pension plan market.
32. In Section V of this RFP is a Contract Shell which includes contract terms required in all State of Alabama contracts. Review this contract shell and provide an affirmative statement that proposer will agree to the requirements for all State of Alabama contracts. In the event there are any provisions to which proposer does not agree, please provide proposed language. The acceptance by RSA of a proposal does not under any circumstances constitute an agreement by RSA to any terms provided by such proposer under this item.
33. In Section V of this RFP is a Non-Disclosure Agreement. Review this NDA and provide an affirmative statement that proposer will agree to sign the NDA upon contract award. In the event there are any provisions to which proposer does not agree, please provide proposed language.
34. Please provide any agreements or requirements proposer desires that RSA enter into. By accepting proposer's proposal, RSA is not agreeing to and accepting any terms provided by proposer under this item. In addition, the provision of any agreements or requirements under this item does not satisfy the requirement that proposers explicitly state any and all exceptions to RSA's proposal specifications or contract terms.
35. The cost proposal and technical proposal must be submitted in separate and clearly labeled envelopes. Please affirm your understanding of this requirement.
36. Completion of the Proposal Form in Section IV. This cost will be used to determine the cost portion of the proposal's score.
37. The following additional forms must be completed and returned with proposal:
  - A. State of Alabama Disclosure Statement (Pursuant to the *Code of Alabama 1975, Title 41, Chapter 16, Article 3B*)
  - B. Immigration Compliance Certificate
  - C. Bidder Profile Form
  - D. Bidder References Form
  - E. IRS Form W-9
  - F. Certification of Bidder or Proposer
  - G. Non-Disclosure Agreement
  - H. E-Verify Memorandum of Understanding
  - I. Sample RSA State Contract but is provided in the subsequent pages of the RFP).
  - J. RSA Third Party Vendor Security Checklist
38. Include the names, e-mail addresses and telephone numbers of personnel of your organization authorized to execute the proposed contracts with the RSA.
39. Confirm your firm's ability to obtain and maintain, with respect to the activities in which your firm engages pursuant to any agreement that may result from this RFP, professional liability (errors and omissions) insurance, general liability insurance and cyber security insurance in amounts reasonable and customary for the nature and scope of such engagement.

40. The Proposer must affirm that it has read and understands the RFP and the terms and conditions included in the RFP. The Proposer must state any and all exceptions it takes with the requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only the exceptions identified in this section of the proposal will be considered by RSA; any other exceptions embedded elsewhere in the proposal will not be recognized by RSA.
41. Include any other information believed to be pertinent but not specifically requested elsewhere in this RFP.

## SECTION IV—CRITERIA FOR EVALUATION

### A. TECHNICAL EVALUATION PROCESS:

The following process will be used to evaluate vendor proposals:

- a. A review committee will evaluate each proposal submitted in response to these Proposal specifications.
- b. Responses received within the time frame and in the form specified by the guidelines will first be evaluated to confirm that all proposal sections, as detailed, have been provided in the Proposal response.
- c. Each proposal will be reviewed and points awarded to all items indicated on the Proposal Evaluation Form. Any proposal component may be awarded points not to exceed the maximum specified on the Proposal Evaluation Form. The total technical score available is 70 points.
- d. Each proposal component will be summed to obtain a total score.
- e. RSA may, at its sole discretion, conduct an interview with the finalists. RSA reserves the right to award up to 10 additional points to a proposal's total score based upon clarifications received during any conducted finalist interview(s).

### B. RSA's RIGHTS:

Proposers should note that RSA reserves the right to modify this evaluation structure if it is deemed necessary or request additional information from vendors. It is the intention of RSA to select the most qualified and cost-effective proposal based on the evaluation of the Proposer's responses to this RFP. However, RSA reserves the right to ask vendors for additional information and/or an oral presentation to clarify their proposals. RSA also reserves the right to cancel or terminate the RFP or reject any or all proposals received in response to this RFP.

### C. COST AND PRICE ANALYSIS:

The cost evaluation will be based on examination by the Evaluation Committee of each Proposer's stated cost components and will constitute up to 30 points in the overall proposal's total points score. The preparation of the peer review and audit reports should be a fixed price. Billing is to be submitted with the detail by staff member of hours worked on each task. The total paid to the selected vendor for the required peer review and audit reports will not exceed the proposed cost unless both parties agree in writing and any such increase is in compliance with state laws and regulations.

Cost scoring will be determined as follows:

- a. Cost proposals must be provided in a separate envelope clearly labeled, "Cost Proposal".
- b. The Proposer submitting the lowest cost Proposal will receive 30 points.
- c. All other Proposers will be evaluated by use of the following formula:

$$\frac{\text{Lowest Cost of All Proposals}}{\text{Cost of Proposal Under Evaluation}} \times 30 \text{ points} = \frac{\text{Proposer's Score for Cost}}{\text{of Audits}}$$

NOTE: The RSA will not be liable for any expense for use of any job classification by the proposer that is not identified in the proposer's response.

D. PROPOSAL EVALUATION FORM:

General Proposal Categories	Possible Points	Reviewer's Score
Description of Services to be Performed	10	
Experience with Similar Proposals	25	
Experience of Personnel Assigned	20	
IT Risk	5	
Methodology and Ability to Meet Timeline	10	
<b>Total Technical Score</b>	<b>70</b>	
Cost Proposal Score	30	
<b>Total Points for Technical Plus Cost</b>	<b>100</b>	
Finalist Interviews (optional)	10	

Proposers must respond to all required components of the RFP.

E. PROPOSAL FORM

<b>Name of Proposing Firm:</b>
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Task	Total Estimated Hours	Total Proposed Cost
Audits of 2025 TRS, ERS and JRF Valuations		
Audit of 2021 – 2025 TRS, ERS and JRF Experience Studies		
Additional 10 Hours of Consulting	10	

**Hourly Rates and Projected Work Distribution for Assigned Staff related to actuarial audits**

Staff Level	Hourly Rate	Projected Distribution
Partner/Principal/Primary Actuary	\$	
Senior/Secondary Actuary	\$	
Staff Actuary	\$	
Administrative Staff	\$	
<b>Total</b>	N/A	100%

<b>Weighted Average Cost of Consulting Hours</b>

Ancillary expenses (travel, meals, lodging, etc.) are to be included in the proposed hourly rates.

**Hourly Rate for consulting hours greater than 10:** The proposed cost of the actuarial audits includes an additional 10 hours of consulting. Proposer should propose an hourly rate to be charged for consulting that exceeds the 10 hours included in the fixed price of the audits.

**Proposed Hourly Rate:** \$ \_\_\_\_\_

## SECTION V—Attachments

**The following documents must be completed and submitted with your proposal.** These documents may be found on the RSA website (<https://www.rsa-al.gov/about-rsa/itb-rfp/>). RSA may, at its discretion, reject any proposal not containing all of the requested additional documents.

- A. State of Alabama Disclosure Statement (Pursuant to the *Code of Alabama 1975, Title 41, Chapter 16, Article 3B*)
- B. Immigration Compliance Certificate
- C. Proposer Profile Form
- D. Proposer References Form
- E. IRS Form W-9
- F. Certification of Bidder or Proposer Form
- G. Confidentiality and Non-Disclosure Agreement – This document does not have to be signed with the return of the proposal; however, proposers must document any exceptions to the standard terms or will be deemed to have accepted all terms contained in this NDA.
- H. E-Verify Memorandum of Understanding – A copy of the proposer’s fully-executed E-Verify MOU with the US Department of Homeland Security should be included with your proposal. (EIN # and Name on IRS Form w-9 should be same on E-Verify)
- I. Sample RSA State Contract – This document does not have to be signed; however, proposers must document any exceptions to the standard terms or will be deemed to have accepted all standard terms contained in this sample contract. (This document is not on the RSA website but is provided in the subsequent pages of the RFP).
- J. RSA Third Party Vendor Security Checklist – This document is not on the RSA website but is provided in the subsequent pages of the RFP.

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

THIS AGREEMENT TO PROVIDE PROFESSIONAL SERVICES, which results from RSA RFP \_\_\_\_\_, entitled Request for Proposals for \_\_\_\_\_, is made and entered into effective \_\_\_\_\_, 2024, by and among The Teachers' Retirement System of Alabama, the Employees' Retirement System of Alabama, and the Judicial Retirement Fund ("RSA"), and \_\_\_\_\_, hereinafter referred to as "Contractor".

RECITALS

A. RSA issued an RFP for \_\_\_\_\_ services, and Contractor was awarded this contract based upon the terms of Contractor's Proposal dated \_\_\_\_\_, 2024 ("Contractor's Proposal").

B. The parties wish to enter into this Agreement to formalize the terms under which Contractor will provide the services.

**Now, Therefore**, in consideration of the foregoing and the mutual covenants of the parties contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Scope of Services.** Upon request of RSA, Contractor shall perform the following services for RSA ("Services"): \_\_\_\_\_.

2. **Consideration.** As consideration for the Services rendered pursuant to this Agreement, RSA agrees to compensate Contractor in accordance with the rates and fees set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

Contractor shall send detailed invoice(s) for all work in arrears as work is completed but no more frequently than monthly. RSA shall have thirty days from receipt of an invoice from Contractor to render payment. Should RSA dispute any invoiced amount, RSA must deliver within thirty days of receipt of invoice written notice to Contractor detailing the specific facts and circumstances of the dispute and shall timely pay all undisputed amounts. The parties agree to work together in good faith to resolve any disputed amounts.

3. **Term.** This Agreement shall be for the period beginning \_\_\_\_\_, and ending \_\_\_\_\_.

4. **Approvals.** Contractor acknowledges and understands that this Agreement is not effective until it has received all required state government approvals, and Contractor shall not begin performing work hereunder until notified to do so by RSA. Contractor is entitled to no compensation for work performed prior to the effective date of this Agreement.

5. **Independent Contractors.** Contractor acknowledges that Contractor is an independent contractor, and neither Contractor nor Contractor's employees are to be considered employees of RSA or entitled to benefits under the State of Alabama merit system.

**6. No State Debt, Etc.** Contractor acknowledges that the terms and commitments contained herein shall not be constituted a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provisions of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of the Agreement, be enacted, then that conflicting provision in the Agreement shall be deemed null and void and the remaining provisions shall continue to be valid and enforceable. Contractor may not assign this Agreement or any interest herein or any money due hereunder without the expressed written consent of RSA.

**7. Indemnification.** To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless RSA, and their agents and employees (hereinafter collectively referred to as the "Indemnitees") from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of, related to, or resulting from performance of the Services.

**8. Insurance.** Contractor agrees that Contractor shall maintain or obtain (as applicable), with respect to the activities in which Contractor engages pursuant to this Agreement, commercial general liability insurance, workers compensation insurance, employers' liability insurance, automobile liability insurance, cyber security insurance, and professional liability (errors and omissions) insurance, in amounts reasonable and customary for the nature and scope of business engaged by Contractor. All insurance shall be provided by insurers licensed in Alabama, or in the state where Contractor resides, to provide the types of insurance required, and insurers must have an A.M. Best Rating of "A-" or better and a financial rating of Class VII or larger. Before beginning work, Contractor shall have on file with RSA a valid Certificate of Insurance showing the types and limits of insurance carried. The foregoing coverages shall be maintained without interruption for the entire term of this Agreement. If requested by RSA, Contractor agrees to name RSA as additional insured on any applicable policies and shall state that this coverage shall be primary insurance for the additional insureds. RSA reserves the right to require additional insurance coverage other than that listed herein as RSA deems appropriate from time to time with a 30-day notice to Contractor.

Contractor must provide at least 30 days' notice (10 days' notice in the event of cancellation due to non-payment of premium) prior notice of any cancellation, non-renewal or material change to any insurance policy covered by this Agreement. If any such notice is given, RSA shall have the right to require that a substitute policy(ies) be obtained prior to cancellation and replacement Certificate(s) of Insurance shall be provided to RSA.

**9. Confidentiality and Ownership.** Contractor acknowledges that, in the course of performing its responsibilities under this Agreement, Contractor may be exposed to or acquire information that is proprietary or confidential to RSA or RSA's members. Contractor agrees to hold such information in confidence and not to copy, reproduce, sell, assign, license, market, transfer or otherwise disclose such information to third parties or to use such information for any purpose whatsoever, without the express written permission of RSA, other than for the performance of obligations hereunder or as required by applicable state or federal law. For purposes of this Agreement, all records, financial information, specifications and data disclosed to Contractor during the term of this Agreement, whether submitted orally, in writing, or by any other media, shall be deemed to be confidential in nature unless otherwise specifically stated in writing by RSA.

Contractor acknowledges that all data relating to RSA is owned by RSA and constitutes valuable property of RSA. RSA shall retain ownership of, and all other rights and interests with respect to, its data (including, without limitation, the content thereof, and any and all copies, modification, alterations, and enhancements thereto, and any derivative works, resulting therefrom), and nothing herein shall be construed as granting Contractor any ownership, license, or any other rights of any nature with respect thereto. Contractor may not use RSA's data (including de-identified data) for any purpose other than providing the Services contemplated hereunder. Upon termination of the Agreement, Contractor agrees to return or destroy all copies of RSA's data in its possession or control except to the extent such data must be retained pursuant to applicable law.

**10. State Immigration Law Compliance.** By signing this Agreement, the contracting parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.

**11. Free Trade Clause.** In compliance with Ala. Code §41-16-5, Contractor hereby certifies that it is not currently engaged in, and will not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which this state can enjoy open trade.

**12. Economic Boycott Prohibition.** In compliance with Ala. Code §41-16-161, Contractor hereby certifies that Contractor, without violating controlling law or regulation does not and will not, during the term of this Agreement, engage in economic boycotts.

**13. Dispute Resolution.** In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail and the dispute involves the payment of money, a party's sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama.

For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

Contractor acknowledges and agrees that RSA is prohibited from indemnifying Contractor for any reason. RSA does not release or waive, expressly or impliedly, RSA's right to assert sovereign immunity or any other affirmative defense right it may have under state law. RSA shall control the defense and settlement of any legal proceeding on behalf of RSA, including the selection of attorneys.

**14. Proration.** Any provision of this Agreement notwithstanding, in the event of failure of RSA to make payment hereunder as a result of partial unavailability, at the time such payment is due, of such sufficient revenues of the State of Alabama or RSA to make such payment (proration of appropriated funds for the State of Alabama having been declared by the governor pursuant to Ala. Code §41-4-90), Contractor shall have the option, in addition to the other remedies of the contract, of renegotiating the Agreement (extending or changing payment terms or amounts) or terminating the Agreement.

**15. Non-Appropriation of Funds.** Pursuant to Ala. Code §41-4-144(c), in the event funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the Agreement may be cancelled, and Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the services being delivered under the Agreement.

**16. Certification Pursuant to Act No. 2006-557.** Ala. Code §41-4-142 provides that every bid submitted, and contract executed, shall contain a certification that the supplier and all its affiliates that make sales for delivery into Alabama or leases for use in Alabama are registered, collecting, and remitting Alabama state and local sales, use, and/or lease tax on all taxable sales and leases into Alabama. Contractor hereby certifies it is in full compliance with §41-4-142 and acknowledges RSA may declare this Agreement void if the certification is false.

**17. Open Records Law Compliance.** Contractor acknowledges and agrees that RSA may be subject to Alabama open records laws or similar state and/or federal laws relating to disclosure of public records and may be required, upon request, to disclose certain records and information covered by and not exempted from such laws. Contractor acknowledges and agrees that RSA may comply with these laws without violating any provision of Contractor's proposal or this final agreement.

**18. Applicable Law.** This Agreement shall be governed and construed in accordance with Alabama law, without giving any effect to the conflict of laws provision thereof.

**19. Termination.**

**Termination for Convenience.** This Agreement may be terminated for any reason by either party with the submission of a thirty day written notice of intent thereof.

**Termination for Default.** RSA may terminate immediately all or any part of this Agreement by giving notice of default by Contractor if the Contractor (1) refuses or fails to deliver the goods or services within the time specified, (2) fails to comply with any of the provisions of the Agreement or so fails to make progress as to endanger or hinder performance, (3) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency, or relief of debtors. In the event of termination for default, RSA's liability will be limited to the payment for goods and/or services delivered and accepted as of the date of termination.

**20. Artificial Intelligence.** Contractor agrees that it will not, under any circumstance, provide RSA information or RSA member data to an Artificial Intelligence (AI) tool without the prior express written consent of RSA following specific disclosure by Contractor of information to be disclosed to AI. Contractor agrees that it will provide prior written notification to RSA regarding any potential AI utilization that may occur in relation to any portion of the services provided hereunder. Contractor further agrees that for any services and/or work product for which AI is utilized, Contractor will indicate in writing to RSA that such services and/or work product involve AI utilization and will further indicate in writing to RSA whether Contractor independently verified the accuracy, validity, and reliability of any and all AI assistance and/or output. Contractor understands and agrees that, in addition to any other indemnification obligation contained in this agreement, Contractor assumes full responsibility and liability regarding Contractor's use of AI in the performance of services and agrees to indemnify and hold harmless RSA related to any errors resulting from the use of AI and/or Contractor's disclosure of confidential or health information to AI.

**21. Waiver.** The failure of RSA to require performance of any provision of this Agreement shall not affect RSA's right to require performance at any time thereafter, nor shall a waiver of any breach or default constitute a waiver of any subsequent breach of default nor constitute a waiver of the provision itself.

**22. Entire Agreement.** It is understood by the parties that this instrument, including its exhibit(s), contains the entire agreement of the parties with respect to the matters contained herein (provided, however, that Contractor's Proposal, and the attachments thereto (including without limitation Contractor's best and final offer and Business Associate Agreement, if applicable) shall be incorporated herein for all practical purposes and further provided that to the extent there exists a direct conflict between this Agreement and any of the foregoing, this Agreement shall supersede as to the conflicting provision(s)).

**In Witness Whereof,** the parties have executed this Agreement effective as of the date first provided above.

\_\_\_\_\_  
Contractor's EIN

Contractor: The Teachers' Retirement System of Alabama, The Employees' Retirement System of Alabama, and the Judicial Retirement Fund, collectively The Retirement Systems of Alabama

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: David G. Bronner  
Its: Secretary-Treasurer  
Date: \_\_\_\_\_

Reviewed and Approved as to Form:

Approved:

\_\_\_\_\_  
RSA Legal Counsel

\_\_\_\_\_  
Kay Ivey  
Governor, State of Alabama

**Exhibit A**  
**Consideration**

RSA shall pay to Contractor the following fees for any such services rendered at RSA's request in accordance with the terms more specifically set forth in the Agreement:

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
<b>A. Policy</b>			
1	Is there a corporate information security policy in place? If yes, provide as an attachment.		
2	Does the policy state what is and is not permissible as it pertains to sensitive company and customer information?		
3	Does the policy identify what is classified as sensitive company and customer information?		
4	Does the policy identify management and employee responsibilities including contractors?		
5	Does the policy identify use of employee owned devices such as laptops, smart phones, and any other form of device capable of storing data?		
6	Does the policy address change management requirements?		
7	Is there a policy on the portable media?(e.g., thumb drives, CDRW, etc.)		
8	Are personnel and contract personnel required to have national background check performed as part of your security policy? Please provide a copy of Proposers personnel policy if this is separate addressing hiring and termination procedures.		
<b>B. Procedures</b>			
1	Are procedures in place to implement the information security policy?		
2	Are the procedures and standards evaluated to determine their level of impact to the business process?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
3	Does the project management methodology uphold the security practices? If yes, explain how.		
4	Are there policy and procedures in place to vet and audit subcontractors prior to contract acceptance where applicable?		
<b>C. Document Handling</b>			
1	Is there a reasonable and usable information classification policy?		
2	Does the information classification policy address all enterprise information?		
3	Is an information classification methodology in place to assist employees in identifying levels of information within the business unit?		
4	Is there an information handling matrix that explains how specific information resources are to be handled?		
<b>II. Corporate Practices</b>			
<b>A. Organizational Suitability</b>			
1	The Information Security Program has an executive level committee assigned for reporting and guidance purposes?		
2	Are employees able to perform their duties efficiently and effectively while following security procedures?		
3	Does the information security program have its' own line item in the budget?		
4	Does the security group have the authority to submit needed security policy changes throughout the enterprise?		
5	Is an annual report on the level of information security compliance issued to management?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
6	Is there more than one person responsible for the implementation of the Information Security Program?		
	<b>B. Personnel Issues</b>		
1	Are employees able to work less than a 50 hour work week on a monthly average and complete their assignments?		
2	Are employees and project managers aware of their responsibilities for protecting information resources via written policy?		
3	Are technical employees formally trained to perform their tasks?		
4	Are contract personnel subject to confidentiality agreements?		
5	Are contract personnel subject to the same policies employees are?		
6	Is access to sensitive/confidential information by contract personnel monitored?		
7	Are national background checks performed on all proposing party employees?		
8	Is a similar screening process carried out for contractors and temporary staff?		
9	Does employment application ask if the prospective employee has ever been convicted of a crime? If so, does proposing firm employee individuals with felony convictions?		
10	Are prior employment verifications performed for initial employment?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
11	Are there any current or pending litigations against staff, former staff, or contract staff regarding corporate espionage, identity theft, or any other areas regarding the security of privacy of confidential information?		
<b>C. Training and Education</b>			
1	Do employees receive security related training specific to their responsibilities? If yes, please attach a sample.		
2	Are employees receiving both positive and negative feedback related to security on their performance evaluations?		
3	Is security-related training provided periodically to reflect changes and new methods?		
4	Are system administrators given additional security training specific to their jobs?		
5	Have employees undergone a HIPAA training class for those handling personal health information (PHI)?		
<b>D. Oversight and Auditing</b>			
1	Is Proposer at minimum AICPA SOC 1 Type 2 compliant for financial reporting. If so, please provide the SOC report(s).		
2	Is Proposer's datacenter AICPA SOC 2 Type 2 compliant? If not please comment what compliance level your datacenter facility meets.		
3	Are the security policies and procedures routinely tested?		
4	Are exceptions to security policies and procedures justified and documented?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
5	Are audit logs or other reporting mechanisms in place on all platforms?		
6	Are errors and failures tracked?		
7	When an employee is found to be in non-compliance with security policies, has appropriate disciplinary action been taken?		
8	Are audits performed on an annual basis?		
9	Are unscheduled/surprise audits performed?		
10	Has someone been identified as responsible for reconciling audits?		
11	Does either an internal or external auditor independently audit Proposer's operational controls on a periodic basis?		
12	Is an independent review carried out in order to assess the effective implementation of security policies?		
13	Can the Proposer provide evidence of having gone through a recent audit of their organization's operational policies, procedures, and operating effectiveness, such as a SOC Type 2 report?		
14	Have outside audits been performed on internal operations? Please provide copies.		
15	Has Proposer experienced a security breach of corporate or customer data within the last 10 years?		
16	Is there any concluded or pending litigation against the Proposer or an employee related to a contract engagement or security breach?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
17	Does the Proposer subcontract services that will be required to fullfil services as required in RSA's RFP.		
18	Does Proposer have a change management committee? Does it meet on regularly scheduled intervals?		
<b>E. Application Development and Management</b>			
1	Has an application development methodology been implemented?		
2	Are appropriate/key application users involved with developing and improving application methodology and implementation process?		
3	Is pre-production testing performed in an isolated environment?		
4	Has a promotion to production procedures been implemented?		
5	Is there a legacy application management program?		
6	Are secure coding standards implemented and are they followed?		
7	Are applications testing for security vulnerabilities prior to being released to production?		
8	Is there a dedicated security team for testing applications for vulnerabilities?		
9	Are there procedures in place for protecting source code developed by the Proposer (physically and electronically)?		
10	Is system access and security based on the concept of least possible privilege and need-to-know?		
11	Does Proposer perform source code reviews for each release?		
12	Are backdoors prevented from being placed into application source code?		
<b>III Physical Security</b>			
<b>A. Physical and Facilities</b>			

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
1	Is access to the building(s) controlled?		
2	Is access to computing facilities controlled more so than to the building?		
3	Is there an additional level of control for after-hours access?		
4	Is there an audit log to identify the individual and the time of access that is monitored by a group other than Information Technology?		
5	Are systems and other hardware adequately protected from theft?		
6	Are procedures in place for proper disposal of confidential information?		
7	Are proper fire suppression systems located in the facility?		
8	Are facilities more than 5 miles from a government facility or airport?		
9	Are the servers and facilities that house software documentation and programming logic located in a secure facility?		
10	Is all confidential and restricted information marked as such and stored in a secure area (room, cabinet) with access restricted to authorized personnel only?		
11	Does Proposer allow employees to work remote or in a virtual environment? Please provide documentation around controls for safeguarding computer systems and confidential data.		
	<b>B. After-Hours Review</b>		
1	Are areas containing sensitive information properly secured?		
2	Are workstation secured after-hours?		
3	Are keys and access cards properly secured?		
4	Is confidential information properly secured?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
5	Are contract cleaning crews activities monitored?		
	<b>C. Incident Handling</b>		
1	Has an Incident Response Team (IRT) been established?		
2	Have employees been trained as to when the IRT should be notified?		
3	Has the IRT been trained in evidence gathering and handling?		
4	Are incident reports issued to appropriate management?		
5	After an incident, are policies and procedures reviewed to determine if modification need to be implemented?		
6	Does the Proposer have a process in place to notify IT security of breaches and/or problems so that proper notification and correction can be done?		
	<b>D. Contingency Planning</b>		
1	Has a Business Impact Analysis been conducted on all systems, applications, and platforms?		
2	Is there a documented data center Disaster Recovery Plan (DRP) in place?		
3	Are backup media password protected or encrypted?		
4	Has the data center DRP been tested within the past 12 months?		
5	Are system, application, and data backups sent to a secure off-site facility on a regular basis?		
6	Are Service Level Agreements that identify processing requirements in place with all users and service providers?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
7	Have departments, business units, groups, and other such entities implemented business continuity plans that supplement the data center DRP?		
8	Have Emergency Response Procedures (ERP) been implemented?		
9	Have ERPs been tested for effectiveness?		
	<b>IV. Business Impact Analysis, Disaster Recovery Plan</b>		
	<b>A. General Review</b>		
1	Backup planning includes identification of all critical data, programs, documentation, and support items required performing essential task during recovery?		
2	The BIA is reviewed and updated regularly with special attention to new technology, business changes, and migration of applications to alternative platforms?		
3	Critical period timeframes have been identified for all applications and systems?		
4	Senior management has reviewed and approved the prioritized list of critical applications?		
	<b>B. Disaster Recovery Plan (DRP)</b>		
1	A corporate disaster recovery plan coordinator has been named and a mission statement identifying scope and responsibilities has been published?		
2	A "worst-case" scenario DRP to recover normal operations within the prescribed timeframes has been implemented and tested?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
3	Listing of current emergency telephone numbers for police, fire department, medical aid, and company officials are strategically located throughout the facility and at off-site locations?		
4	The backup site is remote from hazards that endanger the main data center?		
5	Contracts for outsourced activities have been amended to include service providers' responsibilities for DRP?		
6	Lead times for communication lines and equipment, specialized devices, power hookups, construction, firewalls, computer configurations, and LAN implementation have been factored into the DRP?		
7	At least one copy of the DRP is stored at the backup site and is updated regularly?		
8	Automatic restart and recovery procedures are in place to restore data files in the event of a processing failure?		
9	Contingency arrangements are in place for hardware, software, communications, software, staff and supplies.		
10	Customer software solutions that are being developed and/or in production are backed up as part of the Proposer's backup and recovery procedures?		
	<b>C. Testing</b>		
1	Backup and recovery procedures are tested at least annually?		
2	Training sessions are conducted for all relevant personnel on backup, recovery, and contingency operating procedures?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
3	Appropriate user representative have a particular role in creating and reviewing control reliability and backup provisions for relevant applications?		
4	Appropriate user representatives participate in the DRP tests?		
	<b>Other Issues</b>		
1	Provisions are in place to maintain the security of processing functions in the event of an emergency?		
2	Insurance coverage for loss of hardware and business impact is in place?		
	<b>V. Technical Safeguards</b>		
	<b>A. Passwords</b>		
1	Are host systems and servers as well as application servers secured with unique passwords?		
2	Are default accounts de-activated?		
3	Are temporary user accounts restricted and disabled within 4 hours?		
4	Are the password management systems forcing users to change passwords every 90 days or less?		
5	Are users of all company-provided network resources required to change the initial default password?		
6	Are the passwords complex? Contain upper case, lower case, special character or number, and at least 8 characters long.		
7	Do network and system administrators have adequate experience to implement security standards?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
8	Are reports and logs pertaining to network users reviewed and reconciled on a regular basis?		
9	Are permissions being set securely?		
10	Are administrators assigned a unique ID for access to critical systems?		
11	Are administrators using appropriate tools to perform their jobs?		
12	Does the application support multi-factor authentication?		
13	Are online systems always secured using SSL encryption?		
	<b>B. Infrastructure</b>		
1	Is the network infrastructure audited on an annual basis?		
2	Are network vulnerability assessments conducted on an annual basis?		
3	Are changes/improvements made in a timely fashion following network vulnerability assessments?		
4	If you house or develop solutions around credit card transactions are you CISP compliant?		
	<b>C. Firewalls</b>		
1	Are protocols allowed to initiate connections from "outside" the firewall?		
2	Has a risk analysis been conducted to determine if the protocols allowed maintain an acceptable level of risk?		
3	Has the firewall been tested to determine if outside penetration is possible?		
4	Are other products in place to augment the firewall level security?		
5	Are the firewalls maintained and monitored 24x7?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
6	Have services offered across the firewall been documented?		
7	Has a Demilitarized Zone (DMZ) or Perimeter Network been implemented?		
8	Has the firewall administrator been formally trained?		
9	Is there more than one person administering the firewall?		
10	Is the firewall for the ASP separate from the corporate firewall?		
	<b>D. Data Communications</b>		
1	Is there a remote access procedure in place?		
2	Is there a current network diagram?		
3	Are Access Control List (ACLs) maintained on a regular basis?		
4	Is the network environment partitioned?		
5	Are the corporate routers separated from the ASP routers?		
6	Are the corporate switches separated from the ASP switches?		
7	Does the communication equipment log administrative access to the systems?		
8	Is SNMP data collected from the data communication devices?		
9	Is syslog data collected from the data communication devices?		
10	Are there standard templates for configuring routers?		
11	Are there standard templates for configuring switches?		
	<b>E. Databases</b>		
1	Are default database passwords changed?		
2	Are database administrators trained or certified?		
3	Are database backups performed daily?		
	<b>F. Computing Platforms</b>		
1	Are critical servers protected with appropriate access controls?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

### Factors:

	I. Security Policy	YES/NO/NA	Comments
2	Are development staff administrators on their computers used for writing source code?		
3	Is there a company image used for corporate PCs and laptops?		
4	Does the company have an asset management system to track software installed?		
5	Is there an anti-virus application installed on all PC's, laptops, and servers?		
6	Does the anti-virus application automatically update computing assets 3 times or more per day?		
7	Is there a URL filtering solution in place?		
8	Do computing assets have a corporate anti-malware application installed?		
9	Are Internet facing servers protected with host based intrusion prevention?		
10	Are employees restricted to what can be installed on their computer systems? How is this managed for remote employees if applicable?		
11	Do any of the Proposer's computer systems including storage reside on a cloud computing environment? Is it owned and operated by the Proposer? If no, please explain.		
	<b>G. Intrusion Prevention</b>		
1	Is host based intrusion prevention software installed on all Internet facing servers?		
2	Are network based intrusion prevention systems in-line and defending?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
3	Is host based intrusion prevention software installed on all laptops?		
4	Is there a dedicated security staff monitoring 24x7 alerts from the host based intrusion prevention?		
5	Is there a dedicated security staff monitoring 24x7 alerts from the network based intrusion prevention?		
	<b>VI. Telecommunications Security</b>		
	<b>A. Policy</b>		
1	Is there a published policy on the use of organizational telecommunications resources?		
2	Have all employees have been made aware of the telecommunications policy?		
3	Employees authorized for Internet access are made aware of the organization's proprietary information and what they can discuss in open forums?		
4	Employees using cellular or wireless phones are briefed on the lack of privacy of conversations when using unsecured versions of technology?		
5	The organization has a published policy on prosecution of employees and outsiders if found guilty of serious premeditated criminal acts against the organization?		
6	Are corporate devices such as iPhones or Android based phones centrally managed by the Proposer to control rogue software installations and protect corporate data?		
	<b>B. Standards</b>		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
1	A threshold is established to monitor and suspend repeated unsuccessful dial-in or remote access attempts?		
2	Access to databases reachable via dial-in or VPN have access control in place to prevent unauthorized access?		
3	Financial applications available via dial-in or VPN have audit trails established to track access and transaction usage?		
4	Are audit trails reviewed and corrective action taken on a regular basis?		
5	When possible are acl security programs used to control dial-in or remote access to a specific application?		
6	Company proprietary data, stored on portable computers are secured from unauthorized access?		
7	Are corporate emails allowed to be sent from unique domains not one used by Proposer such as Gmail or Microsoft Email?		
8	Users of all company-provided communication systems are required to change the default or initial password?		
	<b>C. Practices</b>		
1	Security, application, and network personnel actively work to ensure control inconvenience is as minimal as possible?		
2	Personnel independent of the operations staff and security administration review tamper-resistant logs and audit trails?		
3	Special procedures and audited userIDs have been established for application, system, network troubleshooting activities?		

## RSA Third Party Vendor - Security Questionnaire

<b>Proposer Name:</b>	<b>Date:</b>
<b>Prepared By:</b>	<b>Title:</b>

**Factors:**

	I. Security Policy	YES/NO/NA	Comments
4	Messages and transactions coming in via phone lines are serially numbered, time stamped, and logged for audit investigation and backup purposes?		
5	Employees are made aware of their responsibility to keep remote access codes secure from unauthorized access and usage?		
6	Removal of portable computers from the corporate locations must be done through normal property removal procedures?		
7	Employees are briefed on their responsibility to protect the property of the company when working away from the corporate environment?		
	<b>VII. Company Information</b>		
	<b>A. Public Information</b>		
1	Is the company publicly traded?		
2	Is the company bonded?		
3	Are all employees in the continental US? If not please list.		
	<b>B. Private Information</b>		
1	Are there any planned acquisitions in the next 12 months?		
2	Are there current plans to sell the company in the next 12 months?		