

REQUEST FOR PROPOSALS

**FROM PUBLIC ACCOUNTING FIRMS TO CONDUCT AN AUDIT
OF THE
DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE STATE OF NEW YORK AND
OTHER PARTICIPATING PUBLIC JURISDICTIONS (THE “PLAN”)**

State of New York
February 5, 2014

Designated Contact for this Procurement:
Edward J. Lilly, Executive Director

All contacts/inquiries shall be made by e-mail to the following address: elilly@nysdcp.com or by fax at: (518) 473-7255

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EXHIBITS

Exhibit A:	Standard Clauses for all New York State Contracts
Exhibit B:	Affirmative Action Guidelines
Exhibit C:	The Plan's Procurement Guidelines
Exhibit D:	Policy Guidelines for Implementing the New York State Procurement Lobbying Law, Sections 139-j and 139-k of the New York State Finance Law, Form ADM-28 (Application for Competitively Bid Contract)
Exhibit E:	Vendor Responsibility Questionnaire Form ADM-288
Exhibit F:	Consultant Disclosure Form A

I. Calendar of Events

Issuance of Request for Proposals	February 5, 2014
Closing Date for Written Questions	February 19, 2014
Deadline for Responses to Inquiries	February 28, 2014
Final Filing Date – Proposals Due	March 14, 2014
Proposals Evaluated	Through April 2014
Finalists Determined	On or about April 18, 2014
Interviews of Finalists by Board	Week of April 28, 2014
Selection of Firm	On or about May 16, 2014
Contract Award	On or About October 1, 2014

II. Introduction

The New York State Deferred Compensation Board (the “Board”) is seeking formal written proposals from public accounting firms, registered with the New York State Department of Education, Division of Professional Licensure, to conduct annual audits of the New York State Deferred Compensation Plan for fiscal years commencing on April 1, 2015, 2016, 2017, 2018, and 2019. It is anticipated that the public accounting firm will conduct at least three separate audits.

1) Financial Audit – For each Plan year, the public accounting firm will audit the financial statements of the Plan in accordance with generally accepted auditing standards (the “Financial Audit”). The purpose of this Financial Audit will be for the public accounting firm to express its opinion as to whether or not the financial statements accurately reflect the financial position of the Plan. The Financial Audit will also include any findings of misstatements due to error, fraud, or other reasons that would cause the financial statements to not be an accurate representation of the financial condition of the Plan.

2) Agreed Upon Procedures Audit of the Administrative Service Agency (ASA) – The public accounting firm will conduct a management audit of the ASA for each Audit Year, including the measurement through a statistically valid sampling of certain Plan requirements and specifications identified by the Board (the “Agreed Upon Procedures Audit”). The audit will include a review of the ASA’s system of internal controls and a sampling and measurement of various types of transactions from the ASA and the Plan’s trustee/custodian, which may include enrollment data, accuracy of contributions/deposits, accuracy of participant account balances, and other transactions and record keeping details. The public accounting firm will prepare a written report summarizing the results of the Agreed Upon Procedures Audit.

3) Performance Criteria Audit of the ASA – This audit is designed to measure performance of the ASA against the specific performance criteria set forth in the contract between the ASA and the Board or subsequently specified by the Board (the “Performance Criteria”). For many of the Performance Criteria, a sampling of transactions will be required to measure compliance. Others will require analysis of internal reports and data produced by the ASA. The end product will be a written report summarizing the results of such measurement, a description of the verification and evaluation, and delivery to the Board of a written certification attesting to the degree of compliance. The level of compliance will affect the variable performance fee payable to the ASA for each Audit Year based upon the ASA’s success in meeting the Performance Criteria.

The designated contact person for this contracting opportunity during the restricted period per the attached Procurement Lobbying Law (Exhibit D) will be Edward Lilly, Executive Director.

For consideration, responses to this RFP from interested parties must be received in the Board office no later than 5:00 p.m. EST on March 14, 2014. Proposers are solely responsible for delivery of their proposal by the due date.

III. Background

General Overview of the Plan

The Plan is a voluntary retirement savings plan that is offered to State employees and employees of approximately 1,400 local government jurisdictions that have adopted the Plan. Its mission is to help State and local public employees achieve their retirement savings goals by providing high quality, cost effective investment products, investment education and related services. The Plan is governed by Section 457 of the Internal Revenue Code of 1986, as amended (IRC), Section 5 of the New York State Finance Law and; Parts 9000 – 9006 of the New York State Code of Rules and Regulations (the “Rules and Regulations”).

As of December 31, 2013, the Plan had approximately 201,000 participants and held approximately \$16 billion of assets. Participant assets are generally accumulated through automatic payroll deductions and are invested at the direction of participants. The Plan offers 23 core investment options. Additionally, participants may invest in the T. Rowe Price Retirement Funds as well as a self-directed mutual fund window (the “Mutual Fund Window”) offered by Charles Schwab. Information pertaining to the Plan, including the Plan document, the Rules and Regulations, the Plan’s financial statements and the Plan’s investment policy may be obtained from the Plan’s web site: www.nysdcp.com. Prospective proposers are advised to review these documents.

Current Contracted Service Providers

The following organizations currently provide Administrative, Trust/Custody, Investment Management, Auditing, and Investment Consulting services to the Plan:

Administrative Service Agency:	Nationwide Retirement Solutions, Inc.
Trustee/Custodian:	The Bank of New York Mellon
Certified Public Accountant:	CliftonLarsonAllen
Independent Investment Consultant:	Callan Associates
Stable Value Structure Manager:	GSAM Stable Value, LLC
Mutual Fund Providers:	Columbia Management, Davis Selected Advisers, Eaton Vance Management, Federated Shareholder Services Company, Fidelity Brokerage Services, Hartford Investments, Janus Capital Management, Morgan Stanley Investments, Pax World Funds, Principal Funds Distributors, T. Rowe Price Associates, Vanguard, and Wells Fargo.
Stable Income Fund:	BlackRock, Earnest Partners, LLC, Goldman Sachs, ING Investment Management, Jennison Associates, LLC, MassMutual Financial Group, New York Life Investment Management.
Book Value Wrappers:	State Street, Prudential
Mutual Fund Window:	Charles Schwab

The Board has contracted with the following investment management firms to provide two international custom funds: (1) Dimensional Fund Advisers (2) Manning and Napier Advisers,

Inc., (3) MFS Investment Management, (4) Northern Trust, and (5) Wellington Management Company, Inc.

IV. Scope of Services

The Plan's Auditor will provide the following services:

A. Financial Audit

The principal purpose of the Financial Audit for each Audit Year is the expression of opinion that the statement of net assets of the Plan available for benefits and the statement of changes in net assets of the Plan available for benefits are in conformity with generally accepted accounting principles and are consistently applied. The public accounting firm selected to provide the audit services will work with the Plan's ASA and Trustee/Custodian in auditing the Plan's financial statements for the Audit Year. This will include a review of the statements for compliance with the principles of the Governmental Accounting Services Board applicable to the Plan. The Audit Services will also include a verification by the auditor that the liabilities of the Plan, as recorded by the ASA and Trustee/Custodian, accurately state the liability of the Plan for benefits and that the value of the account balances of participants as recorded by the ASA equal, as of the date of the financial statement, the value of Plan assets, less amounts reserved for Plan expenses.

Each proposal must state that the public accounting firm agrees to the distribution at least once a year (at the Plan's expense) of the Plan's financial statements and the auditor's opinion in respect of such statements to Plan participants and other third parties.

B. Agreed Upon Procedures Audit (Management Audit and Review of Internal Controls)

For each Audit Year, the public accounting firm will be required to undertake a management audit of the Plan's ASA pursuant to which the accounting firm measures and evaluates the system of internal controls established by the ASA to assure that:

- (i) payroll deductions are processed in accordance with the requirements of the Rules and Regulations and the Plan and that the contributions to the Plan are deposited with the trustee for the Plan and invested in accordance with the participant instructions within the time required by the Rules and Regulations and the Plan;
- (ii) the ASA follows participant instructions on a timely basis with respect to the investment of payroll contributions and the reallocation of existing participant account balances;
- (iii) the ASA correctly tests for compliance with the contribution limitations as well as other requirements under Section 457 of the IRC; and
- (iv) the ASA complies with such other requirements or specifications as may be designated by the Board.

The Agreed Upon Procedures Audit must utilize a statistically reliable sampling technique, and the proposal must specifically identify the proposed sampling method and size, the expected degree of reliability and the range of error for each of items (i), (ii) and (iii) above. The results of the Agreed Upon Procedures Audit must be set forth in a report delivered to

the Board for each Audit Year in accordance with the timing and delivery requirements set by the Board for the applicable Audit Year.

C. Performance Criteria Audit

The contract between the Board and the current ASA, which is set to expire on March 31, 2016, provides that fifteen percent of the annual fee payable to the ASA for each Audit Year is subject to the ASA meeting the Performance Criteria set forth in the contract for the applicable performance period or periods specified in the contract. Failure to meet a Performance Criterion for a specified performance period may result in a reduction in the annual fee payable to the ASA by an amount set forth in the contract, subject to a final determination by the Board. A summary of the Performance Criteria to be audited is attached to this Request for Proposals (See Section XI).

The ASA contract requires the ASA to report to the Board on a monthly, quarterly, and annual basis with respect to its performance against the Performance Criteria and to calculate the amount of any fee reduction associated with the failure of the ASA to meet the Performance Criteria.

The Performance Criteria are all objective measures of performance. The ASA is required under the terms of the contract to maintain sufficient data, reports and controls so that it is possible for an independent third party to measure the ASA's performance against each of the Performance Criteria.

For each Audit Year, the public accounting firm will be required to assess the performance of the ASA against each of the Performance Criteria specified in the contract. The public accounting firm will need to:

- (i) determine that the ASA is correctly measuring and reporting its performance in respect of each of the Performance Criteria;
- (ii) verify through appropriate sampling of the underlying data and other techniques the accuracy of the results reported by the ASA in respect of each of the Performance Criteria;
- (iii) verify and confirm that the protocols, reports, programs and data collection techniques employed by the ASA validly measure the applicable Performance Criteria;
- (iv) confirm the accuracy of the results reported by the ASA;
- (v) prepare a written report of its findings for the Board by no later than ninety days following the end of the applicable Audit Year; and
- (vi) compute for the Board in such written report the amount of the fee reduction that may be assessed against the ASA for the Audit Year.

As a number of the Performance Criteria relate to computer, voice and automated response technology, the accounting firm will need to be able to demonstrate that it has professional personnel with sufficient technical expertise to assess and measure performance in these areas.

D. Advice on Accounting Rules

The public accounting firm will be required to be available to provide periodic advice to the Board, its staff and legal advisers on the application of accounting rules and standards to the Plan and the trust established in connection therewith and the assets and liabilities of the Plan and the trust, and to advise the Board of any actual or anticipated changes to these rules and standards that may affect the Plan or the trust or the reporting and disclosure of financial information related to the Plan or the trust.

V. FORM AND SUBSTANCE OF PROPOSAL:

RFP

All proposals must be in writing, describe the scope of the auditing and other services the firm proposes to perform, and clearly indicate all direct and indirect fees for the preparation of the audit and the ranges of fees for each of the services described in Section IV above. All proposals must contain the information requested in this RFP and the required forms listed below. Proposals must fully disclose any sponsorship or similar arrangement as well as any business relationship the proposing firm has with current service providers to the Plan. Proposals must indicate whether, over the past five years, the proposer's organization or any officer or principal of such organization has been involved in any litigation or legal proceedings, including, without limitation, any such litigation or proceedings involving the State or any agency or political subdivision thereof. If so, provide a brief explanation and indicate the current status of the litigation. A minimum of three (3) references must be included in the RFP response.

Each proposal prepared in response to this RFP should describe:

- (i) the sampling and other techniques that the public accounting firm will utilize to provide the services described above;
- (ii) the individuals who will be responsible for providing these services;
- (iii) the frequency with which the public accounting firm will provide the services during the Audit Year and the steps that the public accounting firm will take during the Audit Year to carry out these services;
- (iv) any limitations on its ability to provide the services or certification described by this section;
- (v) the separate fees and anticipated costs associated with each of the services to be provided under this section; and
- (vi) any other information that the accounting firm deems relevant to the Board in its assessing the proposal.

In accordance with subdivision 2 of section 5 of the New York State Finance Law, the Board is committed to ensuring the inclusion of MWBE Asset Managers and MWBE Financial and Professional Service Firms in requests for proposals or searches conducted by or on behalf of the Board with respect to the selection of service providers to the New York State Deferred Compensation Plan. Proposals should indicate if your organization is a designated MWBE.

Required Forms:

The following forms must be submitted with the RFP response:

1. Application for Competitively Bid Contract (ADM-28)

Each prospective proposer/contractor is required to complete ADM-28, Application for Competitively Bid Contract (Exhibit D) that includes certification by the prospective proposer/contractor that all information provided with respect to State Finance Law Sections 139-j and 139-k is complete, true and accurate. This form also includes a statement indicating the proposer's willingness to enter into a contractual agreement, which will include those terms and conditions set forth in "Appendix A, Standard Clauses for all New York State Contracts" (Exhibit A).

2. Vendor Responsibility Questionnaire (ADM-288)

New York State Procurement Law requires that state agencies award contracts only to responsible vendors. The Board must conduct a review of a prospective contractor to provide reasonable assurance that the vendor is responsible. To assist the Board, each proposer is required to complete the Vendor Responsibility Questionnaire, Form ADM-288 (Exhibit E). Such questionnaire will require a certification by the finalist certifying to the accuracy of the information provided thereon.

The Board or designated Board staff will make a finding of responsibility or non-responsibility before making an award, considering any information that comes to its attention concerning the vendor's responsibility.

The Board or designated Board staff will contact the proposer should potentially negative information come to its attention in the proposal. If the Board finds a vendor non-responsible, a written notice will be provided detailing the reason(s) for the preliminary determination and an opportunity to be heard before the determination is finalized.

A vendor awarded a contract is required to update their responsibility determination if a material event occurs requiring an amendment. Contractors must update vendor responsibility questionnaires as new information becomes available.

The Board reserves the right to terminate a contract for non-responsibility, including failure to disclose information.

3. ST-220-TD and ST-220-CA

State Tax Law Section 5-a requires that certain contractors with the Board must certify to the Department of Tax and Finance (DTF) that they are registered to collect New York State and local sales and compensating use taxes.

This law imposes upon certain contractors the obligation to certify whether or not the contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and contractors must certify to DTF that each affiliate and subcontractor exceeding such sales threshold is registered with DTF to collect New York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving agencies, from approving a contract awarded to an offerer meeting the registration requirements, but who is not so registered in accordance with the law.

Proposers must complete and submit directly to the New York State Taxation and Finance, Contractor Certification Form ST-220-TD. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with DTF. If the information changes for the contractor, its affiliate(s), or its subcontractor(s), a new form (ST-220-TD) must be filed with DTF.

The proposer must complete and submit to the Board the form ST-220-CA certifying that the contractor filed the ST-220-TD with DTF. Failure to make either of these filings may render a proposer non-responsive and non-responsible. Proposers shall take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

More information regarding this requirement and copies of the required forms are available online at the Board's web site: <http://www.goer.ny.gov/nysdcp> (under the Procurement Opportunities and Information for Vendors link).

Cost Proposal

Using the addendum to this RFP, based on the scope of services indicated in Section IV above, the proposer must complete a cost proposal. The cost proposal requires hourly rates, projected hours and cost data, for each of the five audit years beginning April 1, 2015. Each cost proposal must indicate the contract year and costs for that year, as indicated in the addendum.

VI. Procedures for Submission of Proposal

A. Policy and Prohibitions Regarding Permissible Contact – Restrictions on Contact

Pursuant to State Finance Law Sections 139-j and 139-k, this Request for Proposal includes and imposes certain restrictions on communications between a Governmental Entity and a prospective proposer/contractor during the procurement process.

From the date this RFP is released/advertised in the Contract Reporter through final award/approval, all contacts concerning this RFP/Procurement Contract must be directed to the designated staff, as of the date hereof, identified on page 1 of this Request for Proposal unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law Section 139-j (3)(a). This is referred to as the "restricted period".

The Board is also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the prospective proposer/contractor pursuant to these two statutes. Certain findings of non-responsibility can result in rejection of a contract award and in the event of two findings within a 4-year period; the prospective proposer/contractor is debarred from obtaining governmental Procurement Contracts. Prospective proposers/contractors are directed to Exhibits C and D to read the full policy and guidelines.

B. Proposers' Questions Concerning this RFP

Proposers may submit typed questions via electronic mail to: elilly@nysdcp.com, by fax at 518-473-7255, or by mail to the following address:

Edward Lilly, Executive Director
New York State Deferred Compensation Plan
P.O. Box 2103
Empire State Plaza Station
Albany, NY 12220-2103

Questions regarding the RFP will be accepted until 5pm EST February 19, 2014. No telephone inquiries will be accepted. Answers to all questions will be posted to the Board's Web site: www.goer.ny.gov/nysdcp no later than February 28, 2014. The firm that posed the question(s) will not be identified.

C. Proposal Due Date

Proposals are due no later than 5pm EST on March 14, 2014. Any proposals or solicited amendments to proposals received after the due date and time will not be considered in the review process and will be returned unopened to the proposer. Proposers are responsible for submitting their proposals on time. The Board takes no responsibility for any third party error in the delivery of proposals (e.g. US Post Office, Federal Express, UPS, courier, etc.).

D. Proposal Mailing Instructions

The delivery/ mailing address for proposals is:

Via Overnight Mail

Sharon Lukacs, Associate Director
NYS Deferred Compensation Plan
Empire State Plaza Concourse – North
Room 124
Albany, NY 12223

Via Regular Mail

Sharon Lukacs, Associate Director
NYS Deferred Compensation Plan
Empire State Plaza Station
P.O. Box 2103
Albany, NY 12220-2103

Proposers must submit six copies of the completed proposal, each with an original signature and one completed Application for Contract form (ADM-28), Vendor Responsibility Questionnaire (ADM-288)(Exhibits D and E, respectively), and ST-220-TD and ST-220-CA.

VII. General Evaluation Criteria

Proposers responding to this request will be evaluated using the “Best Value” method. “Best Value” is defined in the New York State Finance Law as “the Offerer which optimizes quality, cost and efficiency among responsive and responsible proposers.” The Board will designate an Evaluation Committee to review proposals based on the agreed upon criteria.

Specific criteria include the following:

- 1) The qualifications of the public accounting firm as evidenced by its experience, reputation, and clients over a substantial period of time;
- 2) The ability of the public accounting firm to meet its contractual obligations and to provide the services set forth herein;
- 3) The firm’s experience with plans that meet the requirements for qualification under the IRC, including governmental eligible deferred compensation plans under Section 457 of the IRC;
- 4) The public accounting firm’s familiarity with public pension systems and obligations of fiduciaries under the Employee Retirement Income Security Act of 1974, as amended, and similar federal and state statutes;
- 5) The cost efficiency of the proposal;
- 6) The overall quality and scope of the services to be provided by the public accounting firm; and
- 7) Whether the services described in the proposal are of the highest quality and soundness in all respects.

The Board, based upon the recommendation of the evaluation committee and through interviews of the finalist firms, will make the final selection. These firms will be notified of the date, location, and time of their interview. The interview is designed to allow the proposer to demonstrate their ability to provide the required services and further explain the contents of their proposal.

References may be checked for the top rated firms in the final stage of evaluation. The Board reserves the right to re-evaluate any decision as a result of reference checks.

VIII. Additional Contract Terms and Conditions

Contract Award

A contract defining the deliverables and the responsibilities of the contractor will be developed for signature by both parties and for approval and processing in accordance with State policy and practice.

Exhibit A

The terms of Exhibit A, Appendix A - Standard Clauses for New York State Contracts, attached hereto, are hereby incorporated in this RFP and any resulting contract. The contractor is required to adhere to the clauses of Appendix A.

Equal Employment Opportunity

The proposer agrees to abide by Affirmative Action and Equal Employment Opportunity as stated in Appendix A. By submission of its RFP response, the successful proposer warrants that it is an Equal Opportunity Employer and that it does not discriminate in its employment and business practices on any of the basis provided in the New York State Human Rights law or any other applicable State or federal law(s).

Non-Discrimination/Americans with Disabilities Act (ADA)

The Plan does not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or sexual orientation in the admission to, access to, or employment in its program or activities. A reasonable accommodation will be provided on request. Any product(s) developed as a result of this RFP must be in a format that can be converted for use by individuals with disabilities to meet the reasonable accommodation standards established by the ADA.

Rights Reserved

In order to serve the best interests of the Plan and its participants, the Board reserves the right to:

- 1) Postpone or cancel this RFP upon notification to all proposers.
- 2) Amend the specifications of this RFP after its release with appropriate notice to all proposers.
- 3) Request proposers to present supplemental information clarifying their proposal, either in writing or in formal presentation.
- 4) Waive or modify minor irregularities in proposals received after prior notification to the proposer.
- 5) Reject any and all proposals received in response to this RFP.
- 6) Negotiate with the next highest rated proposer if negotiating a contract with the selected proposer(s) cannot be accomplished within an acceptable time frame. No proposer will have any rights against the Board or the Plan arising from such negotiations.
- 7) Make any payment contingent upon submission of specific deliverables.
- 8) Negotiate all terms of the contract with the selected proposer, including fees, and make the selection contingent on successful negotiation of the contract.

Assurances

The proposer warrants that it has carefully reviewed the needs of the Board as described in the RFP, its attachments and other communications related to the RFP, and that it has familiarized itself with the specifications and requirements of the RFP and warrants that it can provide such services as represented in proposer's proposal. The proposer agrees that it will perform all of its obligations in the resultant contract in accordance with all applicable federal, State, and local laws, regulations and policies now in effect. The proposer affirms that the terms of the RFP and the attachments do not violate any contracts or agreements to which it is a party, and that its other contractual obligations will not adversely influence its capabilities to perform under the contract.

Cancellation

Cancellation for Convenience: The Board retains the right to cancel the contract without reason provided that the Contractor is given at least twenty days written notice of its intent to cancel. This provision should not be understood as waiving the Board's right to terminate the contract for cause or stop work immediately for unsatisfactory work, but is supplementary to that provision.

Contract Termination Provision

The Board reserves the right to terminate any contract resulting from this RFP in the event it is found that the certification filed by the Contractor in accordance with New York State Finance Law Sections 139-j and 139-k was intentionally false or intentionally incomplete.

If a contractor fails to make the certifications required by Section 5-a of the New York State Tax Law, the contract cannot take effect. If during the term of the contract, the Tax Department or the covered agency discovers that a certification was false, then such false certification may subject the contractor to civil or criminal sanctions, and a finding of non-responsibility for future procurements. Under certain circumstances, the statute provides that the contract shall be subject to termination if the covered agency determines that termination of the contract is in the best interest of New York State.

Electronic Files or Data

If electronic files are to be exchanged as a part of this proposal or as a product of the contract, they must conform to the requirements of the Plan and the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa and State Technology Law Section 208).

Indemnification

No proposer will be entitled to include a provision providing indemnification rights to the proposer. Any written contract with the awarded firm will contain a provision acknowledging that no indemnification will be provided to the firm. Any contract, will, however, be required to provide for the proposer's indemnification of the Board, the Plan, Plan participants, employers participating in the Plan, the Trustee and the staff of the Board in connection with the services provided.

Contract Period and Renewal

The contract term is five years beginning October 1, 2014. However, the Board reserves the right to cancel a resulting contract with notice. Additionally, if mutually agreed upon between the Board and the contractor, the Board may exercise an option to extend the contract for up to (2) two, one-year periods, under the same terms and conditions of the original Agreement, should the Board determine such extension is in the best interests of the Plan and Plan participants.

Publicity

Publicity includes, but is not limited to, news conferences, news releases, advertising, brochures, reports, and/or presentations at conferences or meetings. The inclusion of Plan materials, the

name of the Plan, or other such reference to the Plan or the Board in any document or forum is considered publicity. News releases or any other public announcements regarding work to be performed under this contract may not be released without prior approval from the Board.

Freedom of Information Law and Proposer's Proposals

The purpose of New York State's Freedom of Information Law (FOIL), which is contained in Public Officers Law (POL) Sections 84-90, is to promote the public's right to know the process of governmental decision making and to grant maximum public access to government records. Thus, a member of the public may submit a FOIL request for contracts awarded by the Board or for the proposals submitted to the Board in response to a Request for Proposals. After formal contract approval by the New York State Comptroller's Office, the proposal of the successful proposer and the proposals of the non-successful proposers are subject to disclosure under FOIL.

Pursuant to Section 87(2)(d) of FOIL, the Board may deny access to those portions of proposals or portions of a successful proposer's contract which are "trade secrets or submitted to the Board by a commercial enterprise or derived from information obtained from a commercial enterprise **and** which, if disclosed, would cause substantial injury to the competitive position of the subject enterprise". Please note that information, which may be claimed as proprietary, copyrighted, or rights reserved is not necessarily protected from disclosure under FOIL.

If there is information in your proposal that meets the definition set forth in Section 87(2)(d) of FOIL, you must so inform us in a letter accompanying your proposal. This letter must contain the following information:

- 1) Identification by page, line or other appropriate designation of that specific portion of the proposal which contains the information; **and**
- 2) A detailed justification of why disclosure of such information to the public under FOIL would cause substantial injury to your competitive position. Please note that State courts have ruled that a mere conclusory statement that certain information is a trade secret and that disclosure would cause injury to your competitive position is **insufficient** to protect it from disclosure under FOIL.

Failure to identify the information you believe should be protected by Section 87(2)(d) of FOIL may result in such information being disclosed if a FOIL request is received. Further information on this law is available at: <http://www.dos.ny.gov/coog/foil2.html>.

Tax Certification

State Tax Law Section 5-a requires that certain contractors with the Board must certify whether or not the contractor, its affiliates, its subcontractors and affiliates or the subcontractors are required to register to collect State sales and compensating use tax. If a contractor is required to register, the contractor must also certify that it is so registered with the State Department of Taxation and Finance ("DTF").

The selected proposer(s) will be required to complete and sign, under penalty of perjury, the Contractor Certification Form ST-220-TD and ST-220-CA, and submit a copy, if available, of the firm's Certificate of Authority from the DTF (or if not available, the firm must represent that it is

has registered and that it has confirmed such status with the DTF). Blank forms are available on the Board's Web site: www.goer.ny.gov/nysdcp.

Vendor Responsibility

The Board is required to conduct a review of a prospective contractor to provide reasonable assurances that the vendor is responsible. To assist the Board, each proposer is required to complete a Vendor Responsibility Questionnaire, Form ADM-288 (see attached Exhibit E). Such questionnaire will require a certification by the finalist certifying to the accuracy of the information provided thereon.

The Board reserves the right to terminate a contract for non-responsibility, including failure to disclose information.

Relationship between the Board and Contractor

The relationship of the selected firm to the Board shall be that of an independent contractor. In accordance with such status as an independent contractor, the Contractor covenants and agrees to act consistent with such status: to neither hold itself out as, nor claim to be, an officer or employee of the Plan or the State by reason hereof; and not to, by reason hereof, make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the Plan, including but not limited to workers' compensation coverage, unemployment benefits, social security coverage, or retirement membership credit.

Information Security

Effective August 30, 2006, any selected contractor is required to comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Section 208). This act requires that State entities and persons or businesses conducting business in New York who own or license computerized data which includes private information including an individual's unencrypted personal information plus one or more of the following: social security number, driver's license number or non-driver ID, account number, credit or debit number plus security code, access code or password which permits access to an individual's financial account, must disclose to a New York resident when their private information was, or is reasonably believed to have been, acquired by a person without valid authorization. Notification of breach of that private information to all individuals affected or potentially affected must occur in the most expedient time possible without unreasonable delay, after measures are taken to determine the scope of the breach and to restore integrity; provided, however, that notification may be delayed if law enforcement determines that expedient notification would impede a criminal investigation. When notification is necessary, the State entity or person or business conducting business in New York must also notify the following New York State agencies: the Attorney General, the Office of Cyber Security and Critical Infrastructure Coordination (CSCIC) and the Consumer Protection Board (CPB). Information relative to the law and the notification process is available at: www.dhses.ny.gov/ocs. A contractor shall be liable for the cost associated with such breach if caused by Contractor's negligent or willful acts or omissions, or the negligent or willful acts or omissions of the Contractor's agents, officers, employees or subcontractors.

State Consulting Service Reporting

Chapter 10 of the Laws of 2006 amended certain sections of State Finance Law and Civil Service Law to require disclosure of information regarding contracts for consulting services in New York State.

The winning proposer for procurements involving consultant services must complete a “State Consultant Services Form A, Contractor’s Planned Employment from Contract Start Date through End of Contract Term” in order to be eligible for a contract.

Winning proposers must also agree to complete a “State Consultant Services Form B, Contractor’s Annual Employment Report” for each state fiscal year included in the resulting contract. This report must be submitted annually to the Board, the Office of the State Comptroller, and the Department of Civil Service.

Consultant Services Form A is attached as Exhibit F.

Force Majeure

A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosion, actions of the elements, floods, or other similar causes beyond the control of the Contractor or the Board in the performance of the Contract which non-performance, by exercise of reasonable diligence, cannot be prevented. Contractor shall provide the Board with written notice of any force majeure occurrence as soon as the delay is known.

Neither the Contractor nor the Board shall be liable to the other for any delay in or failure of performance under the Contract due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by the Contractor and the Board to be necessary to complete performance by the Contractor if reasonable diligence is exercised after the cause of delay or failure has been removed.

IX. Compliance Requirements

Compliance with New York State Policy

I (we), the undersigned, affirm that we are willing to comply with all the conditions set forth in the RFP, specifically, those set forth in Exhibit A, “Standard Clauses for all New York State Contracts” and all the statutes and regulations pertaining thereto.

Non-Discrimination in Employment in Northern Ireland: MacBride Fair Employment Principles

In accordance with Chapter 807 of the Laws of 1992, the proposer, by submission of this proposal, certifies that it or any individual or legal entity in which the proposer holds a 10% or greater ownership interest, or any individual or legal entity that holds a 10% or greater ownership interest in the proposer, either (answer Yes or No to one or both of the following, as applicable):

A. Operates a business in Northern Ireland? Yes No

If yes, shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Fair Employment Principles relating to non-discrimination in employment and freedom of workplace opportunity regarding such operations in Northern Ireland, and shall permit independent monitoring of their compliance with such principles.

Yes **No**

Non-Collusive Proposal

By submission of this proposal, the proposer and each person signing on behalf of the proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of his or her knowledge and belief:

- A. The fee schedule in this proposal have been arrived at independently without collusion, consultation, communication, or agreement, for the purposes of restricting competition, as to any matter relating to such fees with any other proposer or with any competitor.
- B. Unless otherwise required by law, the fee schedule quoted in this proposal has not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to the day following the Closing Date for Submission of Proposals, directly or indirectly, to any other proposer or to any competitor.
- C. No attempt has been made or will be made by the proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restricting competition.

I (we), the undersigned, attest that I am (we are) authorized to bind the proposer to the provisions of this Request for Proposals.

Name/Title of Individual or Firm’s Officer Authorized to Sign Contract:_____

Signature: _____ **Date:** _____

X. Cost Proposal

<u>Service Type</u>	<u>Fiscal Year Beginning April 1, 2015</u>	<u>Fiscal Year Beginning April 1, 2016</u>	<u>Fiscal Year Beginning April 1, 2017</u>	<u>Fiscal Year Beginning April 1, 2018</u>	<u>Fiscal Year Beginning April 1, 2019</u>
Financial Audit					
Agreed Upon Procedures Audit					
Performance Criteria Audit					
Advice On Accounting Rules (Hourly Rate Required)					

The RFP outlines the services required of each type of audit. Indicate the total cost for each of the three audits outlined in Section IV, Scope of Services. Hourly rates for advice should reflect a blended rate for all proposed audit staff.

XI. Performance Criteria

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
1	<p>Account Executives shall hold, in the aggregate, an average of ten (10) significant outreach meetings per month with Eligible Jurisdictions that are not Participating Employers. A meeting shall be deemed “significant” if it involves a presentation by the Account Executives to Officers or other representative of the Eligible Jurisdiction in a position to influence the decision to become a Participating Employer, or to a group of employees of the Eligible Jurisdiction (including an initial meeting to present the protocol describing the benefits of the Plan to new employers) at a meeting that was scheduled in advance.</p>	Contract Year/\$50,000	<p>Select twenty-five (25) meetings and check the employer name against the list of participating employers to verify that meetings were with Eligible Jurisdictions that were not Participating Employers.</p> <p>Obtain and review monthly summary reports to determine if the number of reported outreach meetings met the specified performance criteria of an average of ten (10) per month.</p> <p>Review meeting descriptions contained in the twelve (12) monthly reports to determine if the meetings appear to meet the definition of “significant.”</p> <p>Select twenty-five (25) meetings that appear to meet the definition of significant and review supporting detail to verify that meetings met the definition of significant. Where detail is not sufficient obtain additional documentation.</p>
2	<p>Account Executives, in the aggregate, shall meet directly (either individually or in-group meetings) with an average of 5,000 participants per month.</p>	Contract Year/\$50,000	<p>Review Monthly Summary Reports that identify the number of participants seen by month and determine if these in aggregate average at least 5,000 per month.</p> <p>For each Account Executive select a month and obtain individual weekly activity reports for that executive/month. Verify the numbers reported in the Monthly Summary Report for that executive/month to the weekly activity reports.</p>
3	<p>In the event that the employment of an Account Executive terminates for any reason, Nationwide shall hire and fully train a replacement Account Executive (who meets the requirements of the 2nd, 3rd and 4th paragraphs of the Certification and Training Requirements [as set forth in the Agreement]) to begin his or her duties in the field within 120 days following the date of such termination. The licensing requirements set forth in the 1st paragraph of the Certification and Training Requirements must be met within 120 days following the date of employment of such Account Executive.</p>	Contract Year in which falls the last day of the 120-day replacement period/ \$75,000	<p>Obtain personnel action documents specifying the date(s) the Account Executive(s) was terminated. Obtain documentation of when replacement was fully trained and began duties. Determine if the vacancy caused by termination was filled within 120 days.</p>

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
4	Accounts shall be reconciled and updated by fund for all income, gains, losses, withdrawals, distributions and loans each Business Day.	Daily/\$1,000	<p>For ten (10) Business Days obtain: (1) NY Daily Receipts Reports; (2) Daily Trading Matrices; and (3) Cash flow summaries. For each of the ten (10) Business Days select three to four different funds and obtain the: (1) Daily Summary Transaction File; (2) Participant Accumulation File Summary from the Participant Accounting System; (3) Daily Reconciliation Summary; and (4) Daily Fund Reconciliation Sheets.</p> <p>Agree total collections on the New York Daily Receipts report with collections on the Daily Cash Flow Summary. Agree Contributions, Loan Repayments, Payouts, Loans, and Charges on the Cash Flow Summary with amounts shown on the Daily Trading Matrix. For each of the Business Days/funds selected agree transactions shown on the Daily Trading Matrix with transactions shown in the Daily Summary Transaction File. Agree share balances shown in the Daily Transaction File and the Participant Accumulation File Summary from the Participant Accounting System with Balances shown on the Daily Reconciliation Summary. Agree balances and differences shown on the Daily Reconciliation Summary with individual reconciliation sheets for the days/funds reviewed and verify all differences were reconciled.</p>
5	<p>Nationwide shall direct the Trustee and the Financial Organizations with respect to allocations of Plan assets between and among Investment Options in a manner calculated to assure same-day transfers between and among Investment Options.</p> <p>The performance criteria regarding allocations of Plan assets between and among Investment Options in a manner calculated to assure same-day transfers between and among Investment Options may be evaluated in conjunction with the similar agreed upon procedures report.</p>	Daily/\$1,000	<p>For 200 new participants, obtain enrollment forms and compare investment allocation elections to the participant's quarterly statement for the time period corresponding to the participant's first contribution to ensure that the contribution was allocated to the correct investment vehicle as directed by the participant.</p> <p>Obtain and review records and other documentation of 200 randomly selected transactions to verify that transfers were in fact made on the same day they were requested by the Participants.</p>
6	Nationwide shall be required to test its business recovery plan and business recovery center once a year, pursuant to the criteria in the Agreement. Nationwide shall maintain the back-up storage	Contract Year/\$25,000 Daily/\$1,000	Obtain and review Business Recovery Plan with individual sections pertaining to NRS Parkwood Recovery Plan, NRS AS/400 Recovery Plan, Voice Recovery Plan, and Web

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
	capabilities specified in the Agreement.		<p>Recovery Plan. Obtain and review Nationwide’s State of NY Recovery Plan.</p> <p>Obtain exercise summaries that document the date and completion of the following:</p> <ul style="list-style-type: none"> • Client server test. • AS400 disaster recovery site test, VRU and Web exercise, various other system and database recovery tests, and call center disaster recovery site test. • Voice response unit recovery exercise in conjunction with a facility power down. • Web site test of ability to go from production to disaster recovery server. <p>Obtain documentation for twenty-five (25) Business Days to determine if daily transaction backups had been performed.</p> <p>Obtain NDC Offsite On reports for ten (10) weeks and determine if full system to tape backups were performed weekly.</p>
7	<p>Nationwide shall process all benefit payment applications it receives in such a manner to provide that:</p> <ul style="list-style-type: none"> i All complete initial benefit payment applications and complete benefit payment change applications received in Good Order shall be entered into the Automated System within two (2) Business Days of receipt. ii. For each incomplete benefit payment application, notify such participant that the application was incomplete and inform the participant, in writing, of all deficiencies in the application within three (3) Business Days after receipt. iii. For each benefit payment application that requests installment payments or a commencement date that is more than thirty (30) days following such request, Nationwide shall mail a written confirmation to the Participant that their completed benefit application was received and has been processed within five (5) Business Days. 	Daily/\$100 per application or a \$5,000 per participant maximum	<p>For thirty (30) complete benefit payment applications or benefit payment change applications, compare the date the completed application was received with the date the benefit payment application was entered into the Automated System. Verify that the benefit payment application was entered into the Automated System within two (2) Business Days of receipt.</p> <p>For thirty (30) incomplete benefit payment applications, compare the date each incomplete application was received with the date the participant was notified that the application was incomplete. Verify that notification was sent to the Participant within three (3) Business Days and identified all missing information needed to make the application complete.</p> <p>For thirty (30) benefit payment applications that requested installment payments or a commencement date that is more than thirty (30) days following such request, compare the date each application was received with the date the participant was</p>

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
	(The mailing logs maintained by Nationwide originating department are sufficient to confirm that the materials were mailed.)		mailed a written confirmation that their completed benefit payment application was received. Verify that the confirmation was sent within five (5) Business Days of receipt.
8	<p>Nationwide shall operate the Telephonic Counseling Service in such a manner to provide that:</p> <ul style="list-style-type: none"> i. eighty percent of all incoming calls to the Telephonic Counseling Service in any month will be answered in twenty seconds or less; ii. all incoming calls will be answered by an average of twenty five seconds or less; iii. the Abandoned Call rate (calls beyond twenty seconds that are abandoned by total calls [offered]) does not exceed three percent; and iv. the Telephonic Counseling Service shall at all times during the month be available to Participants during hours specified in Section 4(d)(iii) of the Agreement, unless the Board specifies in writing different hours of availability 	Monthly/ \$25,000	<p>Obtain the daily Interval 2 Combined Split Reports for each month in the contract year and determine:</p> <ul style="list-style-type: none"> • if eighty percent of all incoming calls to the Telephonic Counseling Service in any month had been answered in twenty seconds or less; • if all incoming calls in any month had been answered by an average of twenty five seconds or less; and • if the Abandoned Call rate in any month exceeded three percent. <p>For each month in the contract year, obtain the Daily Agent Login/Logout (Skill) – NY Customer Service Reports and determine if agents were logged in during the hours the call center was supposed to be operational. Review the daily Interval 2 Combined Skill Reports and determine if calls were received/answered during the hours the call center was supposed to be in operation.</p> <p>Obtain emails documenting that any instances of early call center shutdowns were authorized.</p>
9	<p>Nationwide shall operate the Voice Recognition System (VRS) in such a manner to provide that:</p> <ul style="list-style-type: none"> i. ninety-nine percent of all incoming calls will be answered within 4.25 seconds or less; and ii. the VRS shall at all times during a month be available to Participants during the hours specified in 4(f)(ii) of the Agreement, with “reasonable periods of unavailability” and the exception of scheduled maintenance as set forth in the Management Plan; provided that such scheduled maintenance shall not exceed more than two hours of downtime per week and occurs during periods of low utilization of the VRS. 	Monthly/ \$25,000	<p>Obtain Nationwide Report of daily average VRS answer times for the contract year and determine if ninety-nine percent of all incoming calls were answered within 4.25 seconds or less.</p> <p>Obtain the VRS Availability Report for four months and determine if the VRS was at all times available to participants during specified hours with the exception of scheduled maintenance.</p>

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
10	<p>Nationwide shall operate the Plan Web Site in such a manner to provide that:</p> <ul style="list-style-type: none"> i. once a command is received, the Plan Web Site will initiate a response to queries (other than Account Transactions) in the shortest amount of time reasonably possible; ii. the Plan Web Site shall at all times during a month be available to Participants during the hours specified in Section 4(g)(iii) of the Agreement, with “reasonable periods of unavailability” and the exception of scheduled maintenance as set forth in the Management Plan; provided that such scheduled maintenance shall not exceed more than ten hours of downtime per month and occurs during periods of low utilization of the Plan Web Site, unless the Board agrees in writing to lesser availability for the purpose of system enhancements; iii. the Plan Web Site shall contain the most current version of the Plan Resources and the Plan Information; and iv. a link with the Directed Broker to the Plan Web Site shall be maintained at all times the Plan Web Site is available, <i>provided, however</i>, Nationwide shall not be responsible for any interruptions caused by the Directed Broker. 	Monthly/ \$25,000	<p>For one month in each quarter, obtain the Plan Web Site Availability/ Performance Reports and determine that once a command is received, the Plan Web Site will initiate a response to queries in the shortest amount of time reasonably possible.</p> <p>Monitoring is done on the Plan Web Site’s ability to allow participants to perform each of four functions: (1) Account Balance, (2) Exchange, (3) Fund Detail, and (4) Role Select. Several of these functions are dependent on others being available, i.e., if Role select is not available, then none of the other functions will be available, if Account balance is not available then Fund Detail and Exchanges will not be available. For one (1) month in each quarter, obtain Plan Web Site availability/performance reports and determine that all Plan Web Site functions were available to participants at all times during the month with the exception of scheduled maintenance.</p> <p>For twenty-five (25) days, obtain NDC INTRNT/DWBLD Job Run Times and determine that the information used by the Plan Web Site was updated.</p> <p>Obtain Directed Broker (Schwab) Web site availability reports and confirm that the link between the Directed Broker’s Web site and the Plan Web Site was available during all periods of that the Plan Web Site and Directed Broker Web site was available.</p> <p>For four (4) months during the contract year, obtain Nationwide’s monitoring information and determine if a link with the Directed Broker Web site was maintained with no more than thirty minutes downtime within a twenty- four hour period with the exception of scheduled maintenance.</p>
11	All account statements shall contain all information required by the Agreement and, in accordance with the Board or Executive Director, be formatted in a manner reasonably intended to meet such requirements. A mailing containing the account statement and the Newsletter shall be mailed in one packet no later than fifteen (15)	Plan Quarter/ \$50,000 and an additional \$10,000 for each extra day of delay	For twenty-five (25) participants spread among the four (4) quarters of the contract year, obtain quarterly individual account statements and determine if they met the information content and format requirements contained in the agreement.

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
	Business Days following the end of a Plan Quarter.		<p>For two (2) quarters, obtain the Quarter End Finish Quality Checklist and determine if the audit content check of the mailing verified that proper inserts were included.</p> <p>For two (2) quarters, obtain information from the automated system on the number of statements that should be mailed and agree with the number of statement mailings per the individual job tickets.</p> <p>For two quarters, obtain sworn affidavit of mailing date to verify that statement mailings were accomplished within fifteen (15) Business Days.</p>
12	Any failure to meet any response deadlines as required by the Agreement, including, without limitation, mailing of enrollment kits and Plan Forms, mailing of written confirmation of each Account Transaction, and responding to written inquires from Participants; <i>provided, however</i> , that no penalty will be assessed for individual violations of such response deadlines unless the Board determines, in good faith, that such failure is the result of a systemic failure to meet or repeated pattern to meet the response deadlines.	Daily/\$100 per participant for each day of delay or a \$10,000 per day maximum	<p>For twenty (20) Business Days during the contract year, obtain spreadsheet showing mailed enrollment kits. For each of the days included in the mailings, obtain emails, phone log entries, or telephone transcripts documenting when the requests were made and determine if all requests were included on the spreadsheet. Obtain copy of postmarked envelope NRS sends to itself with each mailing to determine if enrollment kits were mailed within ten (10) Business Days of the request.</p> <p>For twenty (20) Business Days during the contract year, obtain log showing date requested plan forms were mailed. Agree print count as shown on copies of letters mailed with count shown on control log. Compare postmark date of envelope Nationwide mails itself with date of request and determine if the forms were mailed to participants within three (3) Business Days. When an envelope cannot be provided, research names and forms requested and use the earliest date on a returned form as the mail date.</p> <p>For twenty (20) Business Days during the contract year, obtain the New York Daily Confirmation Log and determine if written confirmation of transactions were mailed to participants within three (3) Business Days.</p> <p>Obtain documentation on not more than twenty (20) pieces of written correspondence received by the Troy, NY and Dublin,</p>

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
			OH Nationwide offices. Determine if these were responded to within 5 Business Days unless significant research was involved in the response.
13	Nationwide shall deliver Substantially Final Versions and final versions of any document, including, without limitation, Monthly and Annual Reports, Plan Forms, Administrative Manual, Management Plan within the time periods required by the Agreement.	\$1,000 for each such document and an additional \$1,000 for each day of delay	<p>Obtain emails documenting that Substantially Final Versions of Monthly Reports were sent to the NYSDCP electronically no later than ten (10) Business Days after the end of the month. Obtain UPS shipping receipts documenting that final versions of the Monthly Reports were sent to the NYSDCP no later than thirty (30) days after the end of the month.</p> <p>Obtain email documenting when the Substantially Final Version of the Annual Report was sent to the NYSDCP electronically and determine if it was sent no later than fifteen (15) Business Days following the end of the contract year.</p> <p>Obtain UPS shipping receipt and determine if a final version of the Contract Year Annual Report was delivered to the board and the staff no later than the forty-fifth day following the end of the contract year.</p> <p>Obtain emails and determine if Nationwide delivered a Substantially Final Version of plan forms to be used in the upcoming year pursuant to Section 4(j) of the Agreement.</p> <p>Obtain email documenting dates that final versions of plan forms were sent to NYSDCP.</p> <p>Obtain email and determine if the Substantially Final Version of Administrative Manual was sent to the NYSDCP pursuant to Section 4(h)(viii) of the Agreement.</p> <p>Obtain email and determine if the Substantially Final Version of the Management Plan was sent to NYSDCP pursuant to Section 4(k)(i) of the Agreement.</p>

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
14	Nationwide shall make its services accessible to people with disabilities, by providing access to the hearing impaired through the VRS and to the visually impaired through the Web Site. Services for the hearing impaired through the VRS can be accessed through a TTY system that is separate from the VRS, provided the system provides the same functionality as the VRS and has the same hours of availability as the Telephonic Counseling Service. The Plan Web Site shall conform to the World Wide Web Consortium Web Content Accessibility Guidelines, section 508 of the Federal Rehabilitation Act, and the New York Statewide Technology Policy P04-002.	Plan Quarter/ \$5,000	<p>Obtain and review TTY (formerly TDD) call log for contract year and identify any periods of unavailability.</p> <p>Obtain and review for twelve months the Service Group Summary Report for Verizon and verify billings for the 800 number dedicated to the TTY.</p> <p>Verify through observation that handicap access for the visually impaired is provided through the Plan Web Site.</p> <p>Verify that the Plan Web Site conforms to the World Wide Web Consortium Web Content Accessibility Guidelines, section 508 of the Federal Rehabilitation Act, and the New York Statewide Technology Policy P04-002.</p>
15	Nationwide shall cause all amounts of deferred compensation received from the State or a Participating Employer to be invested in accordance with the Participant's investment directions in one or more of the Plan's Investment Options within two Business Days from the date of receipt of such deferred compensation by the Trustee and the receipt of instructions by Nationwide from the State or a Participating employer regarding such deferred compensation (the " <i>Required Cash and Instructions</i> ").	Daily/\$10,000	For 200 contributions made during each contract year, obtain the applicable employer contribution summary reports and daily trustee deposit reports. Verify that time period between Nationwide's receipt of information from Participating Employer and the trustee's contribution receipt date was two (2) Business Days or less. Verify that time period between the contribution receipt date and the date the funds were posted to the participant's account was within two (2) Business Days and in accordance with participant investment elections.
16	Nationwide shall remain in substantial and material compliance with Section 457 of the Internal Revenue Code and shall monitor such compliance on a quarterly basis.	Plan Quarter/ \$50,000	For five (5) employers, obtain the Quarterly Annual Deferral Limit Reports and determine if the run date was within fifteen (15) Business Days after the end of each quarter; and over deferral notices were sent within fifteen (15) Business Days after the end of each quarter.
17	Nationwide shall establish procedures to ensure that when a participant enters the Interactive Education Software provided by Morningstar and a complete connection with that Web site is established by a participant, the participant's current account information is transmitted by Nationwide to Morningstar.	Daily/\$1,000	Obtain documentation that when a participant entered Morningstar's Web site and established a complete connection, current participant account information was transmitted to Morningstar's Web site.
18	Nationwide shall maintain a connection with all aspects of the Interactive Education Software provided by Morningstar, or any	Daily/\$1,000	Observe access to the Interactive Education Software provided by Morningstar through the link on the Plan Web Site.

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
	subsequent educational software approved by the Board, offered to Participants through the Plan Web Site with no more than thirty minutes downtime within a twenty-four hour period, with the exception for scheduled maintenance periods as provided in the Management Plan.		Obtain Nationwide's documentation that establishes that a connection with Morningstar's Web site. Determine that the Morningstar's Web site was available to participants with no more than 30 minutes downtime in a 24 hour period.
19	[INTENTIONALLY OMITTED]		
20	[INTENTIONALLY OMITTED]		
21	Nationwide shall process all unforeseeable emergency withdrawal requests it receives in such a manner pursuant to Section 4(i)(i) to the Agreement, and providing that: <ul style="list-style-type: none"> i all completed applications be reviewed and a decision rendered within three (3) Business Days of the date of receipt of the request and that a notice of decision be mailed within three (3) Business Days of that date; and ii. Participants who submit an incomplete or deficient application be informed in writing of all deficiencies within three (3) Business Days of the submission. 	Daily/\$100 or \$5,000 per participant maximum	For thirty (30) complete requests, compare the date the completed application was received with the date the notice of decision of the unforeseeable emergency request was mailed to the Participant. Verify that the notification was sent no later than six (6) Business Days after the receipt of the request. For thirty (30) incomplete requests, compare the date each incomplete application was received with the date the Participant was notified that the request was incomplete. Verify that notification was sent to the Participant within three (3) Business Days of the submission and it identified all missing information needed to make the request complete.
22	Nationwide shall process all loan applications it receives in such a manner pursuant to Section 4(i)(ii) and providing that the following are all done in accordance with its written procedures: <ul style="list-style-type: none"> i. Nationwide's recording and processing of all loan applications; ii. Nationwide's directions to the Trustee as to disbursing loans, collecting loan repayments; and imposing default fees; iii. Nationwide develops and maintains procedures for collecting and processing repayments. 	Daily/\$100 or a \$5,000 per participant maximum	For thirty (30) complete loan requests, compare the date the completed application was received with the date the application was entered in the system (AS-400). Verify that the update occurred within three (3) business days. Additionally, verify that the request for payment was made to the Trustee within two (2) business days of entry into the system.
23	[INTENTIONALLY OMITTED]		
24	For all approved disbursements, Nationwide shall submit to Trustee complete instructions as to the amount and timing of initial and future payments in the next weekly instructions communication with Trustee.	Daily/\$100 or \$5,000 per participant maximum	Obtain and examine a random sample of thirty (30) benefit claims. Examine a copy of the subsequent weekly instructions memorandum sent to Trustee. Determine whether the notifications to the Trustee were timely and accurately reflected Participant's (and if applicable, Alternate Payee's) request for timing of initial and future payments.

	<i>Nationwide Performance Criteria</i>	<i>Period/ Penalty</i>	<i>Procedures Used to Determine Satisfaction of Performance Criteria</i>
25	<p>Nationwide shall complete enrollment processing within two (2) Business Days after receipt of a new enrollment request in good order. In the event that the enrollment request is not in good order, Nationwide shall notify the enrollee within three (3) Business Days after receipt of the request.</p>	<p>Daily/\$100 or \$5,000 per participant maximum</p>	<p>Examine a random sample of 200 enrollment applications to determine whether Nationwide completed processing within two (2) Business Days or if applicable, notified applicant that the request was not in Good Order within three (3) Business Days.</p>