

**Tulare County Employees' Retirement Association**

**Request for Proposal**

**for an**

**Integrated Pension Administration Solution**

**June 15, 2009**



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## **PART A PROCUREMENT INFORMATION**

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### **A-1 Introduction**

#### **A-1.1 EXECUTIVE SUMMARY**

TCERA is soliciting proposals from firms having recent experience in the implementation of integrated pension and benefits administration solutions in the public sector. TCERA desires to contract with a vendor for the following services:

- Provision of a solution providing core line-of-business (LOB) functions, which include the applications that permit the agency to perform all of its operations, e.g.: perform wage and contribution reporting, generate benefit estimates, issue refunds, calculate the cost of purchased service, retirement processing, pension payroll processing, production of actuarial reports, and production of member annual statements
- Support for the execution of all processes required in accordance with enabling legislation, Board policies, etc. that are in effect on the day of contract execution
- Browser-based access to the solution for TCERA users; with the ability to enable such access to TCERA members, their employers, and any managers to facilitate ease of application system deployment and maintenance
- Ability to enable internet-based, self-service functionality to improve access to TCERA by members, retirees, and other appropriate stakeholders (i.e., employers)
- Conversion and porting of TCERA data to the new solution and bridging of data as necessary based on a phased implementation (or) any remaining existing legacy applications
- Provision of training for system users and administrators – not only in application navigation and the use of screens and windows, but also in the use of the new solution to perform all of their various job functions, processes, and sub-processes in the new environment
- Provision of full implementation of the new solution (including as-built documentation of system configurations and customizations)
- Providing ongoing software support for the new pension administration solution during the implementation, during the warranty period, and during the post roll out period as provided herein
- Providing project management services for the implementation effort as provided herein.

#### **A-1.2 TCERA POINT OF CONTACT**

From the issue date of this RFP until a successful vendor is selected and the selection is announced, vendors are not allowed to communicate, for any reason, with any trustee of the TCERA Board of Retirement or TCERA staff except through the Contracting Officer named herein. For violation of this provision, TCERA shall reserve the right to reject the proposal of the offending vendor.

The point of contact for questions and all other contractual matters relating to this RFP is:

Name: Leanne Malison



Title: Assistant Retirement Administrator  
Address: 136 N. Akers Street  
Visalia, CA 93291  
Telephone: (559) 733-6576  
FAX: (559) 733-6576  
E-Mail: lmalison@tcera.org

Vendor's proposals, due on August 28, 2009 no later than 4:30 PM Pacific, are to be delivered to the TCERA office, marked to the attention of:

Name: Leanne Malison  
Title: Assistant Retirement Administrator  
Address: 136 N. Akers Street  
Visalia, CA 93291  
Telephone: (559) 733-6576  
FAX: (559) 733-6576  
E-Mail: lmalison@tcera.org

**By submitting a proposal, the vendor acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements.**

### **A-1.3 VENDOR QUESTIONS ABOUT RFP AND PROCUREMENT**

Vendor questions relating to this RFP and/or procurement may be submitted to the Point of Contact named in Section A-1.2. Questions must be submitted as a Word document using the format specified in Table 1 below. The closing date for questions is July 8, 2009.

**Table 1. Format for Submission of Vendor Questions**

| No. | RFP SECTION | RFP PAGE | QUESTION |
|-----|-------------|----------|----------|
| Q1  |             |          |          |
| A1  |             |          |          |
| Q2  |             |          |          |
| A2  |             |          |          |

Email is the required method of communications. All written questions must include the name of the firm and the person submitting the questions. A compilation of all questions and answers, along with any RFP addenda, will be posted to the Publications/RFP section of the TCERA website: [www.tcera.org](http://www.tcera.org) no later than July 24, 2009

### **A-1.4 MANDATORY BIDDERS CONFERENCE**

A pre-proposal site tour and Bidders Conference will be held at the TCERA office on July 16, 2009. Any vendor intending to respond to this RFP must attend this conference either in person or via teleconference. TCERA will provide conference information to all participants one (1) week prior to the conference. Attendance is limited to 4 individuals from each vendor's organization.



Vendors will be allowed to submit written questions only to the Point of Contact identified in Section A-1.2 **prior** to the pre-proposal conference. Oral questions will be allowed and spontaneous answers will be provided at the conference. However, vendors are cautioned that changes or revisions to the RFP will be accomplished only through the issuance of an addendum. No verbal response at the pre-proposal conference will, by itself, change the requirements of the RFP.

### **A-1.5 PRESENTATIONS AND PRODUCT DEMONSTRATIONS**

At the discretion of TCERA, vendors who receive high scores after the initial review of proposals may be required to provide presentations and/or product demonstrations at the TCERA office. If presentations and/or demonstrations are required, vendors will be offered alternative dates from which to select. Vendors will also be provided with scripted product demonstration scenarios on which to base their product demonstrations in order to assure an objective comparison among vendors' proposed solutions. TCERA may require vendors to use actual TCERA data in order to assure an objective comparison among vendors' proposed solutions. Also, time will be allotted for both an open forum in which TCERA and the vendor can discuss the vision of the project as well as to allow the vendor to demonstrate a limited amount of unique functionality or functionality that they believe discriminates their solution from other solution providers.

TCERA states a strong preference to see the Project Manager and other key assigned project staff conduct the demonstrations and facilitate discussions. TCERA's objective is to discern the vendor's proposed project staff's familiarity with the solution and their ability to explain, communicate, converse, and interact with TCERA staff. While respecting the role of sales and marketing staff in the sales process, TCERA is most interested in interacting with key project members.

In addition, visits to existing vendor customer sites that are running the proposed solution in production may be conducted by TCERA staff.

TCERA reserves the right not to conduct vendor presentations, product demonstrations, and/or customer site visits.

### **A-1.6 REQUESTS FOR CLARIFICATION**

Upon review of proposals submitted by vendors, TCERA may, at its discretion, submit to vendors written questions and requests for clarification relating to their technical and/or cost proposals. Vendors will be provided a reasonable period of time in which to submit written responses to TCERA's questions and requests for clarification. Such question-and answer exchanges may be repeated until TCERA is satisfied that all vendor information necessary to enable a complete evaluation of proposals has been obtained.

All such written exchanges between TCERA and the successful vendor will be incorporated by reference into the contract to be executed by the two parties.

### **A-1.7 BEST AND FINAL OFFERS**

At TCERA's discretion, Best and Final Offers (BAFO) may be solicited from vendors whose scores are ranked highest after the initial review of proposals and product demonstrations and site visits (if demonstrations and site visits are conducted).

BAFOs may address cost, scope changes, staffing changes, changes to approach – both those solicited by TCERA and those offered by vendor.



These vendors' best and final offers must be received at the address identified in Section A-1.2. If a Best and Final Offer is not submitted, the previous submittal will be construed as the Best and Final Offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission. After Best and Final Offers are received, final evaluations will be conducted for an award.

TCERA reserves the right not to solicit Best and Final Offers.

## **A-1.8 RFP ORGANIZATION**

This RFP is organized as described below.

### **PART A – Procurement Information**

This part of the RFP sets forth the procedures for conducting the procurement, the nature of the solution being sought, the project timetable, and a description of TCERA's existing environment.

### **PART B – Project Scope**

This part of the RFP defines in detail the scope of the effort. It addresses the business requirements to be satisfied, the project's technical requirements (including standards to be observed, hardware and software to be provided, and interfaces to be accommodated), and other required services and deliverables, including project management services, data-related services, staffing, training, testing, disaster recovery planning, and warranty, maintenance, and support requirements. Options to be proposed are also identified.

### **PART C – Proposal Format and Evaluations**

This part of the RFP provides detailed instructions for the preparation and format of vendor proposals, both technical and cost.

### **PART D – TCERA Terms and Conditions**

This part of the RFP sets forth the standard TCERA terms and conditions that the vendor must abide by in preparing its response to this RFP and/or in conducting the effort after award.

### **PART E – Appendices**

The appendix material is available on CD-ROM (may be obtained from the TCERA contact identified within the RFP in Section A-1.2) and includes the following information:

- E-1 TCERA Bylaws and Regulations
- E-2 2008 Comprehensive Annual Financial Report (CAFR)
- E-3 Member Handbook(s)
- E-4 County Employees Retirement Law (CERL)
- E-5 Samples of all Forms used in Current System
- E-6 Samples of all Letters used in Current System
- E-7 Samples of all Reports used in Current System
- E-8 Live Samples of all Excel Spreadsheets used in Current System
- E-9 TCERA Chart of Accounts
- E-10 Documentation of Current TCERA Processes (User Manuals)
- E-11 TCERA Contract
- E-12 Current Application Inventory
- E-13 Recent Auditor and Actuarial Reports



E-14 TCERA Data Security Policy

E-15 Network Diagram

## **A-1.9 CLARIFICATION OF TERMINOLOGY**

All references in this RFP to features, functions, or deliverables that “should”, “must”, “will”, “has ability to”, etc. be provided by the vendor are to be construed as mandatory. Similarly, all references in this RFP to information that “should”, “must”, “will”, “has ability to”, etc. be provided in the vendor’s proposal are to be construed as mandatory.

Bidders may be referred to alternatively as “bidders”, “vendors”, “successful vendors”, “successful bidders”, “vendors”, etc. All such references (except for those explicitly defined otherwise) are to the primary contractor who submits the proposal in response to this RFP and, if successful, who will be responsible for the successful completion of all required deliverables.

In reviewing vendors’ technical proposals, TCERA will assume that all features and functionality described therein will be delivered for the quoted not-to-exceed cost presented in the vendors’ cost proposals. Statements such as “... [functionality “n”] *can be provided* ...” or “... [functionality n] *may be provided* ...” or other similar sentence constructions will be interpreted to mean that functionality “n” will be provided at no additional cost. If vendors wish to discuss functionality that is feasible but not included in their cost bid, they must explicitly state as much in every applicable case.

References to days are to calendar days unless otherwise explicitly stated.

Reference is made throughout the RFP to project phases. Except as otherwise explicitly defined, the term “phase” refers to the major functional rollouts (e.g., membership, benefits) of the new pension solution implementation. Reference is also made to preliminary project implementation phases – e.g., completion of detailed work plan, implementation of project infrastructure. The two terms should not be confused.

Throughout this RFP, TCERA refers to awarding of the contract as if that award were a given. In fact, TCERA reserves the right to reject all proposals and to make no award whatsoever.



## **A-2 NATURE OF PROCUREMENT**

TCERA is soliciting proposals from firms having recent experience in the implementation of integrated pension administration solutions in the public sector. To meet TCERA's minimum qualifications, the bidder must be able to cite three (3) or more such previous public retirement system projects, at least two (2) of which must be complete, i.e., in the final warranty period. (Please refer to Section C-1 for instructions on preparing the technical proposal.) This section sets forth high-level information about the procurement.

### **A-2.1 ABOUT TCERA**

TCERA is a retirement system, organized under the 1937 Act, County Employees Retirement Law, which provides retirement, disability, and death benefits to the employees, retirees, and former employees of the County of Tulare, the Tulare County Superior Courts, and the Strathmore Public Utility District.

TCERA's principal responsibilities include: Management of the trust fund; delivery of retirement, disability, and death benefits to eligible members; administration of cost-of-living programs; and general assistance in retirement and related benefits.

TCERA also provides retirement compensation, death and disability benefits to County retirees and their beneficiaries; as well as provides services for County employees to assist them in planning for their retirement. TCERA is responsible to preserve and maintain the assets of the system through prudent investment of employee and employer contributions, while maintaining a sound funded status for the system.

TCERA is committed to providing excellent service for its plan participants. The Mission is achieved through a competent, professional, impartial and open decision making process. Investments are managed to decrease risk while increasing returns. TCERA exists for the sole purpose of providing benefits to our members with the goals of maximizing member service, enhancing member communication to increase awareness of available benefits, and minimizing employer contributions.

The goals of TCERA are:

- To enhance communications with members and employers
- To develop an environment which improves the Retirement Board's ability to fulfill its fiduciary responsibilities
- To improve the level and delivery of services provided to plan participants
- To achieve and sustain top quartile investment performance as measured by the Public Fund Universe
- To attract, develop and retain competent and professional staff.

Specific details about the TCERA Plan Benefits are contained in the document, "A Guide To Your Plan Benefits" and this item can be obtained online at the TCERA website: [www.tcera.org](http://www.tcera.org) under the Publications section.

Currently, the following information systems are essential to TCERA business processing:

- Watson Wyatt (Legacy Membership System)
- CORT System (Legacy Pension Payroll System)
- QuickBooks (Accounting)
- Infolinx (Basic Scanning / Imaging/ File Management)



- Enterprise/Rapid Pay (Employer Payroll)
- Workbench (Custodial Bank Access)

See Section A-4 for an overview of the TCERA organization and a detailed presentation of the entire current environment.

Due to limitations in the current environment, there are many problematic service areas that exist in TCERA today. The solution selected by TCERA must address these deficiencies with improved capabilities in the following areas:

- Multiple Plans / Tiers
- Actuarial reporting for active, deferred and retired members
- Independent Audit reporting and data sampling
- Multiple employers and special districts
- Membership types
- Multiple benefit formulas per member
- Multiple payroll feeds
- Multiple service purchases per member
- Disability Case management
- Integration functionality
- Comprehensive reporting tools
- Automated correspondence to members.

## **A-2.2 PROJECT OBJECTIVES AND SCOPE**

TCERA is about to embark on a major project initiative with the aim of implementing a new pension administration solution (i.e. to replace their existing Watson Wyatt system and CORT system). The objective of this RFP is to solicit proposals from public retirement system implementation vendors for a new, integrated pension administration solution. Specifically, vendors are to propose a solution consisting of the implementation of a fully integrated retirement system and customizations to that system to meet the mandatory requirements of TCERA. The contract to be awarded, as a result of this solicitation, will be for the following solution components: line-of-business (LOB) application software, documentation, testing, implementation, integration, training, warranty, and support. Hardware and commodity software products that are required to support the new solution will be specified by, but not necessarily provided by, the vendor (However please refer to Option 1 (B-11.1) and Option 2 (B-11.2)). TCERA will retain the ability to procure these items via a separate procurement effort or directly with the County IT Department.

TCERA will award this contract to the vendor who can best meet the needs as defined in this RFP. The new pension administration solution will support TCERA activities for performing its duties as the County's employee-oriented retirement system. The high-level functionality required by the new solution includes the following:

- Core line-of-business (LOB) functions, which include the applications that permit the agency to perform all of its operations, e.g.: perform wage and contribution reporting, generate benefit estimates, issue refunds, calculate the cost of purchased service, retirement processing, production of actuarial files/reports and production of member annual statements



- Support for the execution of all processes required in accordance with enabling legislation, Board policies, etc. that are in effect on the day of contract execution
- Modifying TCERA's current business processes as necessary to increase processing efficiency and take best advantage of the LOB solution
- Browser-based access to the solution for users; with the ability to enable such access for members and managers to facilitate ease of application system deployment and maintenance
- Ability to enable internet-based, self-service functionality to improve access to TCERA by members, retirees, and other appropriate stakeholders
- Conversion and porting of TCERA data to the new solution and bridging of data as necessary based on a phased implementation (or) any remaining existing legacy applications.
- Enablement of all required interfaces with other entities, including but not limited to TCERA's Actuary, Custodian Bank, Third-Party vendors for member death searches, and member employers.
- Ad hoc reporting capabilities
- Thorough test and quality assurance of the entire solution
- A warranty that starts with the rollout of the first functional capability and concludes 6 months after the rollout of the final capability
- All TCERA authorized options.

The prime contractor is also responsible for:

- Providing TCERA-specific manuals and documentation for system users, administrators, and developers; in addition to all baseline functionality, all such documentation must reflect the customized, as-built status of the solution; standard documentation reflecting only the vendor's un-customized base solution will not be accepted
- Providing training for system users, administrators, and developers (but not members or retirees) – not only in application navigation and the use of screens and windows, but also in the use of the new solution to perform all of their various job functions, processes, and sub-processes in the new environment
- Providing configuration and configuration management for the pension administration software
- Providing any necessary software customizations to meet business and functionality requirements
- Providing full implementation of the new solution (including as-built documentation of system configurations and customizations)
- Providing ongoing software support for the new pension administration solution during the implementation and during the warranty period as provided herein
- Providing project management services for the implementation effort as provided herein.

The RFP also specifies the common format of vendor responses and the time frame to enable TCERA to compare the vendors' solutions and to make its choice. In addition, the RFP briefly explains the selection process.



### **A-2.3 SINGLE SOURCE OF SUPPORT**

Joint ventures shall not be acceptable for the performance of this contract. A single prime contractor will be responsible for the successful delivery of all contracted deliverables and services, including subcontractors' efforts. Multiple (alternate) proposals from a single vendor will not be accepted. Companies being proposed as subcontractors by multiple vendors will also not be allowed.

TCERA is seeking a single source for all activities relating to the new pension administration solution implementation. The vendor (prime contractor) shall be granted the right to subcontract a portion of the work but shall retain sole responsibility for the successful delivery of all contracted deliverables. The vendor (prime contractor) must be designated in the proposal, and any use of subcontractors must be clearly explained. All references in this RFP to the contractor, vendor, offeror, bidder, or successful vendor, offeror, bidder, etc. shall be construed to encompass both the vendor (prime contractor) and all subcontractors and infer the single source of support as the vendor (prime contractor).

If the use of subcontractors is planned, the proposal must specifically identify the tasks that each subcontractor is to perform. All subcontractor staff in key positions must meet the same qualifications for experience specified for the prime contractor. Resumes must be included for these key subcontractor staff. The proposal must also include sample copies of any agreements to be executed between the prime contractor and any subcontractors in the event of contract award. Prior to contract execution, TCERA reserves the right to reject any subcontractor or the specific agreement between contractor and subcontractor.

All vendors must list in their proposals the complete names and addresses of all subcontractors and the type and percentage of work they will be providing. Proposals must include a signed, written statement from any proposed subcontractors verifying their commitment to perform the services indicated to be completed by them. Failure to identify subcontractors may be grounds to find the prime contractor in breach of contract.

Substitution of any proposed subcontractor is allowed only after prior written permission is received from the TCERA Project Manager.

### **A-2.4 FACILITIES TO BE PROVIDED BY TCERA**

Due to TCERA's limited facilities, TCERA will provide office space sufficient for one (1) dedicated vendor staff member. Additional space may be made available on an as-needed basis, but will not be dedicated to any one (1) individual for any specified period of time. Internet access will be provided. Vendors should make accommodations for telephone service. Access to the TCERA current processing environment and copying facilities will also be provided. Vendors should state in their proposals their requirements for meeting space, conference rooms, and training facilities. In addition to the TCERA Project Manager, TCERA will provide ready access to subject matter experts as necessary.

Vendors must provide their own computer workstations. TCERA will provide appropriate connectivity to its network. Vendors must agree to abide by all TCERA security and other policies and procedures. Please refer to Appendix E-13 for a copy of the TCERA data security policy. Furthermore, should it be determined that any fault in the network (virus, worm, etc.) which can be traced to an action taken (or to an action not taken) by the vendor, the vendor will be fully responsible for all expenses incurred to correct the fault.



## A-2.5 NATURE OF DESIRED SOLUTION

The primary objective of this project is to implement a stable, state-of-the-industry, fully integrated solution capable of supporting TCERA's mission well into the future. It will enable TCERA staff to perform all of their duties associated with calculation of member retirement estimates, employee contribution and benefits, maintaining wage and contribution information, maintaining service credit information, processing requests for information, contribution refunds, contribution paybacks, purchase of service credit, withholding of health insurance premiums, and actual retirement (i.e., including but not limited to researching/reviewing the member's service credits and wage and contribution history, calculating benefits, setting forth retirement options, adding the member to the benefits payment capability), using the workstations (PCs) on each desk tied together through a TCERA-wide network via a browser-based system. Note: The new pension system is to be a **browser-based solution**.

Additional objectives to be served by this procurement include:

- Improved service levels to members
- Improved, management of member, retiree and employer information
- Improved accuracy of all information collected, maintained, and provided by TCERA
- Improved timeliness and accuracy of responses to members' inquiries
- Improved system audit and control capabilities
- Improved management reporting features
- Increased and improved Web-based, self-service functions to members, retirees, and employers
- A secure environment for the receipt and transmittal of information related to members, retirees, and employers.

In addition to the pension application, the new solution is expected to include, but not be limited to, practices, procedures, as well as all computer hardware and software necessary to support TCERA's requirements (detailed in the following sections of this Request for Proposal [RFP]). This includes all necessary documentation, training materials, and training in procedures and software.

The proposed solution must offer complete integration of information processing and other proposed technologies.

Finally, and perhaps most important, TCERA requires that the new solution continue to assist the staff in their mission of providing the best possible service to their membership. TCERA is committed to increasing its use of technology in providing ever more accessible and member-oriented service to its membership. TCERA looks to the new solution to help move from the use of postal mail to far more extensive use of email and other Web-based technologies for TCERA's member-based communications. TCERA views Web-based, member self service as a significant goal in the implementation of a new LOB solution.

TCERA desires to accomplish these goals with as much standard "off-the-shelf" technology and software as possible, to optimize both efficiencies and effectiveness in its retirement services delivery offerings.

Vendors are to provide web-based solutions. TCERA requires solutions that are based on mature, proven technologies (but not those that are old and antiquated, i.e., at or near the end of their life cycle), including but not limited to hardware and software. The solution proposed to TCERA must generally reflect the capabilities available to the most technologically enabled public retirement systems. TCERA desires proposals for modern solutions, i.e., open solutions, modern database management capabilities, and user-



friendly interfaces. However, TCERA does not wish to be a test or “beta” test site for any technologies or solutions.



## A-3 Project Timetable

The sections below provide a high-level of the proposed procurement schedule as well as suggesting the timing of initial and major deliverables once the project is underway.

### A-3.1 PROJECT SCHEDULE AND MILESTONES

The dates provided in Table 2. below are approximate and are for the period up to the project start date following contract award.

TCERA reserves the right to change the calendar of events or issue Addenda to the RFP at any time. TCERA also reserves the right to cancel or reissue the RFP. Vendors should check the TCERA Website from time to time as any amendments or other RFP related materials will be posted there.

**Table 2. Project Schedule**

| DATE                                       | ACTIVITY                                                                                                                 |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| June 15, 2009                              | RFP issued                                                                                                               |
| July 8, 2009                               | Questions to be read at the bidders conference are due                                                                   |
| July 16, 2009                              | Bidders conference                                                                                                       |
| July 24, 2009                              | Responses to vendor questions from bidders conference and previously submitted questions are provided as an RFP addendum |
| August 28, 2009                            | Deadline for receipt of proposals                                                                                        |
| September 9, 2009                          | Product Demonstration Script and Agenda Issued to vendors                                                                |
| September 21, 2009 –<br>September 25, 2009 | Hold scripted product demonstrations / presentations                                                                     |
| October 5, 2009 –<br>October 9, 2009       | Conduct client site visits                                                                                               |
| October 30, 2009                           | TCERA evaluation - determine successful vendor                                                                           |
| November 1, 2009 –<br>November 30, 2009    | Contract negotiations                                                                                                    |
| November 30, 2009                          | TCERA selection approved and contract executed                                                                           |
| January 4, 2010                            | Project starts                                                                                                           |

### A-3.2 TIMING OF MAJOR DELIVERABLES

Vendors must provide a detailed listing of deliverables that will be produced for the project with estimated completion dates. This section consists of a list of the minimum set of high-level deliverables required for the project. The due dates for the minimum set of deliverables fall into two categories: those with delivery dates contingent on the contract start date or the start date of the phase or work unit and those with delivery dates dependent on the proposed structure of the project plan. Table 3. below lists those deliverables with delivery dates predicated on the contract start date or start of a phase or work unit.



These deliverables as well as all the others listed in this section must all appear in the vendor's Detailed Project Work Plan, some of them may occur multiple times since they are Implementation Phase-related.

**Table 3. Delivery Due Dates for Major Deliverables**

| NBR | DELIVERABLE                            | DAYS POST CONTRACT START | DAYS PRIOR TO START OF PHASE OR WORK UNIT |
|-----|----------------------------------------|--------------------------|-------------------------------------------|
| 1   | Detailed Phase I (Sixty-Day) Work Plan | 14                       |                                           |
| 2   | Detailed Project Work Plan             | 60                       |                                           |
| 3   | Statements of Work                     |                          | 30                                        |
| 4   | Risk Management Reporting Methodology  | 90                       |                                           |
| 5   | Requirements Traceability Matrix (RTM) | 60                       |                                           |
| 6   | Problem Incident Reporting Methodology | 90                       |                                           |
| 7   | System Security Plan                   | 120                      |                                           |
| 8   | Implementation / Rollout Plan          |                          | 45                                        |

The following section further identifies the minimum set of high-level deliverables required of the project. The list includes deliverables identified above (i.e., those with dates predicated on project start date or task or work unit start date) as well as deliverables due on a schedule dictated by the project plan developed by the bidder:

### **1. Detailed Phase I (Sixty-Day) Work Plan**

The vendor must provide a complete, detailed plan covering all activities to be undertaken during the first sixty days of the project (Phase I) within 14-days of contract signing. This plan forms the basis for the next deliverable, the Detailed Project Work Plan - including Gantt Charts, schedules, and narrative descriptions, but also provides TCERA with information about what is happening during the first two months of the project, when personnel will have to be available for consultation, for document review, etc. The plan must include all deliverables due before or at the end of Phase 1, complete with start dates, completion dates, hours to complete, dependencies, vendor and TCERA resources assigned and project milestones. The work plan will be reviewed at weekly meetings between TCERA and the vendor.

### **2. Detailed Project Work Plan**

The vendor must provide a complete, high-level summary plan for the entire project. In addition, the vendor must provide a detailed plan for the first six months of all activities required to meet all of the project requirements including: system design; development (to meet custom requirements); user, administrator and developer training; testing; conversion; and post-installation warranty. The detailed plan must be updated on a rolling quarterly basis. This plan will build upon the initial Sixty-Day Work Plan - including Gantt Charts, schedules, and narrative descriptions, the plan must include all project deliverables, all detailed tasks with start dates, completion dates, hours to complete, dependencies, vendor and TCERA resources assigned and project milestones. The work plan must reflect the desired phasing of the project as described in Section B-3.1.7. This plan must be established and maintained by the vendor throughout the life of the project using Microsoft Project. It will be reviewed at weekly meetings between TCERA and the vendor. The detailed plan must be presented to TCERA within the time period indicated in Table 3. It is to be updated whenever any major changes are made to the plan but no less frequently than quarterly.



### **3. Statements of Work (SOWs)**

All work to be done under the contract to be awarded will be covered by written Statements of Work (SOW) authorized by TCERA, which define reasonably sized components of work. Refer to Section B-3.3.2 for additional requirements relating to SOWs. As indicated in Table 3., a SOW must be submitted prior to the start of the tasks or activities identified in the SOW. Vendor acknowledges and agrees that in no way shall SOWs diminish responses to the requirements as articulated in their RFP submission.

### **4. Risk Management Reporting Methodology**

Within the time period indicated in Table 3. the bidder must deliver a detailed Risk Management Reporting Methodology for use throughout the project in reporting risks identified during the course of the project. See Section B-3.3.9 for details.

### **5. Requirements Traceability Matrix**

TCERA will develop and provide to the vendor the Requirements Traceability Matrix within the time period indicated in Table 3. The vendor must update and return it to TCERA also within the time period indicated in Table 3. Refer to Section B-3.3.1 on the Requirements Traceability Matrix for additional information.

### **6. Problem Incident Reporting Methodology**

Within the time period indicated in Table 3. the vendor must deliver a detailed Problem Incident Reporting Methodology for use throughout the project in reporting production problems as well as problems identified during testing activities. See Section B-3.3.8 for details.

### **7. System Security Plan**

Within the time period indicated in Table 3. the vendor must deliver a completed System Security Plan that provides an overview of **all** of the security requirements associated with the pension application throughout its life cycle. The plan must describe the processes and controls that are necessary to protect the application from loss, misuse, or unauthorized access to or modification of information as well as the protection of data, etc., during the life of the project.

### **8. Implementation / Rollout Plan**

A detailed rollout plan for each functional cutover phase must be provided for review and approval by TCERA within the time period indicated in Table 3. The plan must detail tasks, responsibility, duration, deliverables, and "ownership" among all project stakeholders (i.e., TCERA, the vendor, and all involved third parties). The plan must detail week-by-week, day-by-day, and in some cases hour-by-hour activities.

Vendors are encouraged to identify additional project deliverables, as applicable, beyond the minimum set identified above.

Vendors are advised that the project deliverables discussed above are **not** related to payment points. Deliverables – termed herein "contractual deliverables" – that, upon their written acceptance by TCERA, will trigger vendor payments have been established by TCERA. For each such deliverable, TCERA has established the percentage of the total project cost that is to be allocated to it (please refer to Section D-6).



## **A-4 Current TCERA Environment**

The sections that follow detail TCERA's current pension administration capabilities, current organization, and the supporting technical environment.

### **A-4.1 OVERVIEW OF ORGANIZATION AND FUNCTIONS**

The Tulare County Employees' Retirement Association administers a defined benefit plan. This means that you are guaranteed a certain level of benefits at retirement for life. The plan is governed by the County Employees Retirement Law of 1937 (§ 317450, et seq.), a division of the California Government Code, and pertinent case law.

All regular, permanent employees of Tulare County, who are scheduled to work at least 40 hours per pay period (i.e., at least ½ time), automatically become members of TCERA. Membership is effective on the first day of the pay period following entrance into qualified employment; therefore, the membership date in the retirement system may not be the same as the hire date with the Employer. Certain elected officials are also eligible for membership in TCERA; however, elected officials do not automatically become members, but must file a declaration to join membership. Membership may be waived by any employee who is age 60 or older as of his/her date of hire with the Employer by signing a Waiver Of Membership form and filing it with TCERA.

Certain employees are not eligible for membership in TCERA. Employees who are employed in temporary, seasonal, intermittent (extra-help) or part-time (i.e., less than ½ time) positions, are not eligible for membership. Also, individuals working under contract (independent contractors) are not eligible for membership.

TCERA has two types of members: General members and Safety members. Safety members include employees working in active law enforcement positions which have been designated as Safety positions by the Board of Retirement. For example, Deputy Sheriffs, Welfare Fraud Investigators and District Attorney Investigators are Safety members. All non-Safety members are classified as General members.

TCERA also has different Tiers (benefit levels): All employees hired prior to 1980 are Tier 1 members. These members receive the highest lifetime retirement benefits available from TCERA and are eligible for a maximum of 3% annual cost-of-living adjustment on their benefits after retirement. Employees hired on or after January 1, 1980 through December 31, 1989 are Tier 2 members. These employees also receive lifetime retirement benefits, however, the formula used to calculate their retirement benefits results in slightly lower benefits than Tier 1. Tier 2 members are eligible for a maximum of 2% annual cost-of-living adjustment on their benefits after retirement. Employees hired on or after January 1, 1990 are Tier 3 members. The formula used to calculate retirement benefits for Tier 3 members is the same formula used to calculate Tier 2 benefits. Tier 3 members also receive lifetime retirement benefits, with the same annual cost-of-living adjustments after retirement, as Tier 2 members.

Special Note: Effective July 1, 2005, the Tulare County Board of Supervisors implemented a higher benefit formula for General members in all Tiers on a prospective basis. Because of this benefit improvement, benefits for these members may be limited by IRS Code Section 415. These limitations will not apply to Tier I and II Safety members until such time as pension benefit improvements are granted to the Safety membership.

TCERA currently has a staff of approximately 10 employees under the leadership of the Retirement Administrator. All staff currently use PCs to access the LAN for office automation and pension administration, and to connect to the County intranet.



The business areas within TCERA are responsible for the following:

- Executive Administration is responsible for:
  - Implementing policy and directives from the Board of Retirement
  - Review and approval of internal processes
  - Personnel management
  - Liaison with consultants and managers
  - Investment analysis
  - Supervision of major projects
  - Establishment and implementation of internal procedures
- Retirement Services – Active Members is responsible for:
  - Plan education for new members
  - Member enrollment and file setup
  - Earnings and contribution payroll downloads
  - Active member exception processing
  - Refund processing
  - Death benefit processing
  - Tax withholding remittance for refunds and death benefits
  - Active member maintenance
  - Interest posting
  - Buyback and redeposit processing
  - Pre-retirement domestic relations order (DRO) processing
  - Supplemental disability allowance tracking
  - Member statements and balance letters
  - 30 year member monitoring, calculation, and reporting
- Retirement Services – Retired Members is responsible for:
  - Plan education for members considering retirement
  - Retirement interviews
  - Retirement processing
  - Pension payroll
  - Retired member death processing
  - Retired member maintenance
  - Cost of Living Adjustment (COLA) implementation
  - Third-Party payments of insurance premiums and dues
  - Tax withholding remittance for pension payments
  - 1099-R reconciliation and processing
  - DE-6 and DE-7 reconciliation and processing
  - Preparation of required board reports regarding retirement applications and deaths
- Retirement Services – Disability is responsible for:
  - Disability retirement interviews
  - Disability retirement processing
  - Disability benefit calculations
  - Disability file setup
  - Review of supporting documentation
  - Preparation of hearing exhibits
  - Issuing subpoenas for records



- Coordination of benefits with employer (e.g. AR26)
  - Logging information on the Disability Findings Summary
  - Scheduling of internal review of disability applications
  - Liaison with medical document review and IME providers
  - Liaison with hearing officers
  - Liaison with employer (Disability Coordinator) regarding accommodations, etc.
  - Tracking and reporting of application status
- Accounting is responsible for:
    - Budget preparation and review
    - Financial statement preparation and review
    - Special report preparation and review (CAFR, PAFR, State Controllers Report, etc.)
    - Investment transaction processing
    - Accounts payable review and processing
    - Accounting transaction review and processing
    - Asset smoothing and semi-annual interest calculations
    - Reconciliation of contributions
    - Reconciliation of interest
    - Reconciliation of reserves
- Clerical Support is responsible for:
    - Primary telephone
    - Front counter activity
    - Secretarial support
    - Agenda preparation and distribution
    - Accounts Payable
    - Member Maintenance (Address Changes, Beneficiary Forms, etc.)
    - Retirement Services Support

## **A-4.2 LEGACY TECHNICAL ENVIRONMENT**

### **A-4.2.1 Current Hardware Environment**

Currently TCERA operates a LAN environment supporting 14 user PC workstations, 1 laptop, 2 black/white network copier/printers, 1 color network laser printer, multiple non-networked laser and ink jet printers, and 1 fax machine. The PC standard for new workstations is the Lenovo Think Centre M58 series workstation with processing speeds no lower than 2.5 GHz. Existing workstations are no greater than four (4) years old and are from various manufacturers, depending on the standard at the time of purchase. The laptop is a Lenovo ThinkPad T500 with a processing speed of 2.53 GHz. TCERA believes that the workstation PCs are robust enough to support the vendor's solution. If this is not the case, the vendor must identify what upgrades are necessary to support its solution.

Through the TCERA LAN, the staff accesses the primary pension administration system (i.e., Watson Wyatt HR Edge), which was implemented at TCERA in 1999 and subsequently enhanced and modified. The current pension administration system was developed in Microsoft ACCESS utilizing Microsoft SQL Server for data storage. The current issues TCERA is experiencing include lack of functionality, reporting, query functions, and insufficient audit trails. The system is difficult to maintain and has high operating costs. The system cannot be modified to properly automate processes, to include workflow, nor



to provide desired web-based services. Staff also accesses CORT software for pension payroll processing through the TCERA LAN.

#### **A-4.2.1.1 NETWORK**

TCERA has a 1000 Base-T Ethernet network using the TCP/IP protocol; with two switches, one HP and one Cisco, connected to the Tulare County network by a gigabit fiber connection. The Tulare County network provides the infrastructure for all WAN and Internet access, except for the TCERA.org domain provided by Radius 3. A diagram of the TCERA network can be found in Appendix E-15 of this RFP.

#### **A-4.2.1.2 SERVERS**

TCERA has implemented a Microsoft Windows based environment. The Microsoft Windows 2003 Server platform is used to provide network access, security and file/program sharing. A Microsoft Windows 2000 Server platform supports the current active and retiree applications (Watson Wyatt and CORT). All TCERA servers and workstations operate under multiple domains (TCERA intranet and TCERA.org, plus access to the County network). The servers are located in a climate controlled computer room onsite at TCERA. The computer room is protected by a fire suppression system. It has limited access and utilizes an access control system.

TCERA servers include the following:

- **TCERA\_PDC Server:** functions as the primary domain controller for TCERA domain.
- **TCERA\_FP01Server:** functions as the file and print server.
- **TCERA-NT5Server:** functions as the server for the Infolinx file management application.
- **TCERA\_SQL2 Server:** functions as the database server (intranet) for Watson Wyatt, CORT, e-prise Watcher File, and Infolinx.
- **TCERA\_WEB1Server:** functions as the business logic (application) server for Watson Wyatt (NexServ).

#### **A-4.2.1.3 BACKUP METHODOLOGY**

The following procedures are employed for TCERA backups:

TCERA utilizes a Dell PowerVault 110T LTO 800 GB tape backup system.

- The tape back-up using ARC Server Manager takes place over a three (3) day period
  - (Monday, Tuesday, Wednesday); and again on
  - (Thursday Friday, Saturday).
- Cycle is day 1: Overwrite tape, day 2: append to previous day, day 3 append to current back up, then eject once complete, so new tape can be added to unit.
- Tapes are transferred to the County Auditor's office weekly for offsite storage in the vault for off-site storage.
- Monthly tapes are archived for one year. Year end tapes are permanent retention.

#### **A-4.2.1.4 WORKSTATIONS**

TCERA follows the County of Tulare's minimum workstation configuration for new purchases. The current configuration specifications are:



- Windows XP Professional
- Pentium Dual Core Processor or better
- 2 GB RAM
- 160 GB Hard Drive
- Graphic Controller Intel GMA 4500
- Sound Card
- 100/1000 NIC

#### A-4.2.1.5 TCERA APPLICATIONS

Listed below are core programs used and administered by TCERA as of 4/1/2009:

**Table 4. TCERA Programs**

| APPLICATION NAME      | APPLICATION TYPE         | PURPOSE                                      |
|-----------------------|--------------------------|----------------------------------------------|
| Watson Wyatt HR Edge  | Pension Administration   | Active Member Software                       |
|                       |                          | Active Member Data                           |
|                       |                          | Maintains Employment/Salary History          |
|                       |                          | Calculates Retirement Benefits               |
|                       |                          | Maintains Employee Contribution and Interest |
| CORT Software         | Pension Payroll          | Retiree Member Software                      |
|                       |                          | Pension Check/EFT Processing                 |
|                       |                          | Retired Member Data                          |
| QuickBooks            | Accounting               | General Ledger/Accounts Payable              |
| Microsoft Office      | General                  | Excel – Spreadsheet                          |
|                       |                          | Word - Word Processing                       |
|                       |                          | PowerPoint – Presentation                    |
|                       |                          | Publisher – Publications                     |
|                       |                          | Outlook Express - TCERA Communications       |
| Infolinx (Web Based)  | File/Document Management | Tracks location of Office Files              |
|                       |                          | Tracks status of disability applications     |
| WinZip                | Zip/Encryption Software  | Zip Large Files                              |
|                       |                          | Encrypt Confidential Files                   |
| Adobe Reader          | Reader for pdf files     | View and print pdf files                     |
| e-prise Watcher File  | Disability Tracking      | Track Disability Status                      |
| Payroll Filter        | Custom Program           | Filters payroll data for suspected errors    |
| Workbench (Web Based) | Custodian Bank           | Reporting and Transaction Processing Site    |
| Plesk 8.01            | Radius3 e-mail           | TCERA e-mail Maintenance Tool                |
| CaptureEze            | Print Screen Utility     | Allows Automatic Print Screen Capability     |



| APPLICATION NAME | APPLICATION TYPE      | PURPOSE                                   |
|------------------|-----------------------|-------------------------------------------|
| Accurint         | Confidential Research | Member/Beneficiary Address/Phone Research |

Listed below are core programs used by TCERA; however they are administered / owned by Tulare County as of 4/1/2009:

**Table 5. Tulare County Programs**

| APPLICATION NAME            | APPLICATION TYPE              | PURPOSE                                                |
|-----------------------------|-------------------------------|--------------------------------------------------------|
| Enterprise                  | HR/Payroll                    | Maintain Retirement Panel                              |
|                             |                               | Review Salary History for Retirement calculations      |
|                             |                               | Review Salary History for Buyback calculations         |
|                             |                               | Review Data for 30 Year Member calculations            |
| Rapid Pay Including N Drive | Payroll                       | Input Staff Payroll Information                        |
| ReportSmith                 | Reporting Tool                | Produce Mailing Labels                                 |
| TD Client                   | Union Bank Communication Tool | Transmit Transaction Information                       |
| AFIN/AMS Advantage          | Accounting                    | Enter transactions for all County related transactions |
| AFIN Reports                | Reporting                     | Review Reports Generated from AFIN                     |
| Web Budget                  | Budget Tool                   | Access to Required County Budget Information           |
| Novell GroupWise            | Calendar/e-mail               | County Communications                                  |
| Internet Explorer           | Internet                      | Internet Access                                        |
| Adobe                       | Pdf                           | pdf Documents                                          |
| McAfee Virus Scan           | Virus Protection              | County Provided Virus Protection                       |
| Sophos                      | Virus Protection              | County Provided Virus Protection                       |

#### **A-4.2.1.6 CURRENT SYSTEM UPGRADE POLICY**

TCERA is on a four year replacement schedule on all workstations. Servers, printers, software patches, and functionality are upgraded on an as-evaluated basis. Security patches are updated regularly as notified by the various software vendors.



### **A-4.2.2 Current Application Environment**

The material presented in the sections below subdivides the current technical environment into the several component application subsystems that comprise the current legacy environment. (Note that it is TCERA's intent that the new pension administration solution will be a single, integrated solution.) The sections that follow include descriptions of the hardware and both system and application (where appropriate) software for:

- General pension administration (Membership):
  - Watson Wyatt HR Edge (Application resides on application server with data centralized on SQL 2000 database server). HR Edge is the software for pension administration from enrollment through refund/retirement. The program integrates with Microsoft Word at the workstation level to produce estimates and correspondence.
- General pension administration (Pension Payroll):
  - CORT System (Workstation Software with data centralized on SQL 2000 database server. CORT is the software for pension administration from the date of retirement forward. TCERA issues pension checks, refund checks, EFT pension payments, 1099R's and all required federal and state reports through this software.
- Financial management (General Ledger):
  - QuickBooks (Workstation Software with data centralized on file server). The new pension administration solution will need to provide the appropriate financial information for input into QuickBooks. Note that a new Financial Management (General Ledger) system is not envisioned to be a part of this procurement / project. Ideally, the financial information will be in a format compatible for import into QuickBooks.
- Pension File / Records Management:
  - Infolinx (Web based with data centralized on separate server). No integration with this software will be required.

TCERA will assume responsibility for all operational and programming support of its legacy systems. The vendor will have no responsibilities in this regard. Also, TCERA will assume responsibility for all activities relating to the shutdown / decommissioning of legacy systems after cutover to the new solution.



#### A-4.2.2.1 SERVER CONFIGURATION

This section outlines characteristics of the existing server environment.

**Table 6. Server Environment**

| Brand/Model                            | Name       | Role                                     | CPU Type /Num | Disk Space | Partition 1 /avail. | Partition 2 /avail. | Memory | Operating System        |
|----------------------------------------|------------|------------------------------------------|---------------|------------|---------------------|---------------------|--------|-------------------------|
| <b>SWITCHES:</b>                       |            |                                          |               |            |                     |                     |        |                         |
| Cisco Catalyst 2950 24 port 10/100 Mbs |            | Network Infrastructure                   |               |            |                     |                     |        |                         |
| HP Procurve 2524 24 port 10/100 Mbs    |            | Network Infrastructure                   |               |            |                     |                     |        |                         |
| <b>BACKUP:</b>                         |            |                                          |               |            |                     |                     |        |                         |
| Dell PowerVault 110T LTO 800 GB        |            | Backup, Disaster Recovery                |               |            |                     |                     |        |                         |
| <b>SERVERS:</b>                        |            |                                          |               |            |                     |                     |        |                         |
| Dell Power Edge 1650                   | TCERA_SQL2 | SQL 2000, Cort DB, Watson Wyatt DB,      | 1.26 Ghz/1    | 72 GB      | 4 GB/2 GB           | 64 GB/16 GB         | 1 GB   | Windows Server 2000 SP4 |
| Dell Power Edge 1650                   | TCERA_WEB1 | NexServ, WW application server, Intranet | 1.26 Ghz/1    | 16 GB      | 4 GB/2 GB           | 12 GB/6 GB          | 1 GB   | Windows Server 2000 SP4 |
| Dell Power Edge 1650                   | TCERA-PDC  | Domain Authentication, Backup            | 1.26 Ghz/1    | 72 GB      | 8 GB/1.2 GB         | 64 GB/56 GB         | 512 MB | Windows Server 2003 SP2 |
| Dell Power Edge 2850                   | TCERA-FP01 | File and Print Sharing                   | 2.8 Ghz/4     | 144 GB     | 12 GB/6 GB          | 132 GB/57 GB        | 2 GB   | Windows Server 2003 SP2 |
| Dell Power Edge 2850                   | TCERA-NT5  | Infolinx                                 | 2.8 Ghz/4     | 144 GB     | 12 GB/5GB           | 132 GB/123 GB       | 2 GB   | Windows Server 2003 SP2 |
| Dell Power Edge 2850                   | TCERA-NT4  | Future SQL 2005 server                   | 2.8 Ghz/4     | 144 GB     | 12 GB/6 GB          | 132 GB/136GB        | 2 GB   | Windows Server 2003 SP2 |
| <b>UNINTERRUPTED POWER SUPPLY:</b>     |            |                                          |               |            |                     |                     |        |                         |
| APC Symmetra LX                        |            | UPS for All Server Equipment             |               |            |                     |                     |        |                         |



The characteristics of the PCs (hardware and software) used for the pension administration system, including the number of workstations and the operating system software residing on the workstations, are presented below.

**Table 7. Configuration of TCERA's Existing PCs**

| <b>HARDWARE CONFIGURATION</b> |                |                |                |                |                |                  |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| PC BRAND                      | <b>Lenovo</b>  | <b>Lenovo</b>  | <b>IBM</b>     | <b>Gateway</b> | <b>Dell</b>    | <b>HP</b>        |
| PC MODEL                      | 6075CTO        | 60750MU        | 821542U        | Profile4.5     | Precision 670  | Vectra           |
| CPU TYPE                      | 2.0MHz         | 2.6MHz         | 3.2MHz         | 2.6MHz         | 2.8MHz         | 1.0MHz           |
| CPU NUMBER                    | 1              | 1              | 1              | 1              | 1              | 1                |
| DISK SPACE                    | 80GB           | 80GB           | 80GB           | 80GB           | 80GB           | 80GB             |
| MEMORY                        | 2GB            | 2GB            | 2GB            | 2GB            | 2GB            | 1GB              |
| <b>SOFTWARE CONFIGURATION</b> |                |                |                |                |                |                  |
| OPERATING SYSTEM              | Windows XP Pro | Windows XP Pro | Windows XP Pro | Windows XP Pro | Windows XP Pro | Windows 2000 Pro |
| PATCH LEVEL                   | SP2            | SP2            | SP2            | SP2            | SP2            | SP4              |
| <b>NUMBER of PC(s)</b>        | <b>5</b>       | <b>2</b>       | <b>2</b>       | <b>1</b>       | <b>1</b>       | <b>3</b>         |

TCERA's current inventory of printers is provided below:

**Table 8. TCERA Current Printer Inventory**

| <b>MAKE</b>    | <b>MODEL</b>                  | <b>QUANTITY</b> |
|----------------|-------------------------------|-----------------|
| Konica Minolta | BH600 (Network)               | 1               |
| Ricoh          | Oficio 550 (Network)          | 1               |
| HP             | Color LaserJet 4600 (Network) | 1               |
| HP             | LaserJet P3005                | 1               |
| HP             | LaserJet 4000N                | 1               |
| HP             | InkJet 2280                   | 1               |
| HP             | LaserJet 2300                 | 1               |
| HP             | DeskJet 990 CSI               | 1               |
| HP             | LaserJet 1200                 | 1               |
| HP             | DeskJet 5650                  | 1               |
| HP             | ColorLaserJetCP1518ni         | 1               |
| HP             | LaserJet 2420                 | 1               |



#### **A-4.2.2.2 FINANCIAL MANAGEMENT SYSTEM**

TCERA's current Financial Management System is QuickBooks software. This software runs on the workstation and does not require a separate server configuration. Note that a new Financial Management (General Ledger) system is not envisioned to be a part of this procurement / project.

#### **A-4.2.2.3 OTHER SUB-SYSTEMS**

Other peripheral applications supplement the legacy pension solution and these items must be replaced by the new pension system or an interface must be built to them, they include:

- Additional reporting / filters not supported through HR Edge
- Reconciliation of HR Edge (current LOB solution) numbers
- Infolinx file management and disability tracking system
- Microsoft Excel spreadsheets that provide functionality beyond that available in HR Edge
- Mailing lists
- Board meeting agenda preparation
- And various other systems supporting the day-to-day administrative responsibilities of TCERA.

In addition, TCERA utilizes the MS Office suite of products to manipulate data and as an aid in its day-to-day LOB activities.

A sampling of sub-system specific data is included in Appendices E5 – E10 of the RFP.

#### **A-4.2.2.4 COUNTY PAYROLL SYSTEM**

The payroll system (Enterprise) used by Tulare County is maintained by Tulare County Human Resources and Tulare County Information Technology. Currently, TCERA receives one wage and contribution report from the county IT facility from the payroll system. The file contains payroll data for participating employees of Tulare County. In addition, a separate wage and contribution report is received from a second employer, the Tulare County Superior Courts (TCSC). Wage and contribution information from a third employer, the Strathmore Public Utilities District (SPUD) is received in hard copy format and entered into the pension system manually.

### **A-4.3 CURRENT "As Is" BUSINESS FUNCTIONALITY**

TCERA "as is" functionality is defined in the form of business process manuals. Please refer to Appendix E-12 of this RFP. Various quantities and statistics associated with current business functionality are presented in this section.

General statistics about the current pension administration system, as of the last audit, are included in below:

**Table 9. TCERA Statistics as of June 30, 2008**

| ITEM                       | QUANTITY |
|----------------------------|----------|
| Number of active members   | 4,673    |
| Number of inactive members | 1,776    |



| ITEM                                                                                                 | QUANTITY      |
|------------------------------------------------------------------------------------------------------|---------------|
| Number of retirees and beneficiaries receiving monthly payments                                      | 2,007         |
| Percentage of payments made by EFT                                                                   | 99%           |
| Number of retiree plans (General and Safety)                                                         | 2             |
| Number of contributing employers (County, County Superior Court, Strathmore Public Utility District) | 3             |
| Net assets                                                                                           | \$965,622,175 |
| Benefits paid during year 2008                                                                       | \$38,840,980  |
| Withdrawals taken during year 2008                                                                   | \$4,447,283   |
| Administrative costs during year 2008                                                                | \$1,460,141   |
| Employer Contribution revenue received during year 2008                                              | \$22,691,963  |
| Employee Contribution revenue received during year 2008                                              | \$17,757,261  |
| Number of full-time employees                                                                        | 10            |

The volumes of documents currently printed as part of the legacy pension administration system are indicated in below.

**Table 10. TCERA Printing Volume Estimates**

| PRINTING JOB                          | APPROXIMATE VOLUME                            |
|---------------------------------------|-----------------------------------------------|
| Member Annual Statements (yearly)     | 8,500                                         |
| Individual Annual Statements (yearly) | 25                                            |
| Member Balance Letters (yearly)       | 300                                           |
|                                       |                                               |
| 1099R IRS Forms (yearly)              | 2,700                                         |
| Benefit Estimates (yearly)            | 1,000                                         |
| Checks (monthly)                      | Physical – 100<br>EFT Acknowledgments – 2,000 |
| General correspondence (yearly)       | 30,000                                        |

TCERA currently receives 60 calls a day. All member calls are processed through a single line. A receptionist relays the call to the appropriate person. Touch tone access is available only through private “back office” lines or after hours.



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## PART B PROJECT SCOPE

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### B-1 Functional Requirements

The following sections provide detailed information on the business and technical functional requirements that **MUST** be satisfied by the new system. The information is divided into the 23 functional business areas that TCERA supports. The vendor is required to provide:

- Existing functionality (i.e., the current procedures, etc. are defined in E-9 Documentation of Current TCERA Processes) that must be reproduced, albeit with a greater degree of automation and integration, imaging enabled, with improved business processes, with improved data accuracy, and with an improved degree of user and customer satisfaction
- Functionality to support the execution of all processes required in accordance with enabling legislation, Board policies, etc. that are in effect on the day of contract execution
- New functionality (the “to be state” defined in the following sections) that must be developed with a high degree of automation, integration, and improved business processes.

If at the time of contract award, requirements gathering, or detailed design, an agreement is made between the vendor and TCERA not to implement any current functionality, that agreement must be documented thoroughly and signed by both parties and reflected in updates to the Requirements Traceability Matrix (RTM).

Any and all functions inherent to manual calculations and standalone spreadsheets in the “as is” environment are to be automated and seamlessly integrated in the new system. In this context, integrated means the system does the calculation, and not that the spreadsheet is loaded with data and then manually executed by a user and the resulting data re-entered into the LOB system.

Finally, the vendor is referred to Section B-2.6.1 for a discussion of the potential impact of unattended processing on interactive performance.

#### B-1.1 DESIRED “TO BE” BUSINESS FUNCTIONALITY – INTRODUCTION

The matrices in the following subsections list the many detailed business function capabilities that the proposed integrated retirement system solution must provide.

Vendors’ responses to the desired “to be” functionality must include an affirmation that the proposed solution will meet all of the requirements identified within the matrices within Section B-1.1. If the proposed solution will not meet all the requirements, then the vendor must explicitly identify (including subsection number and requirement number) which functionality will not be provided. The vendor is responsible for the delivery of all functionality which is not so identified. Vendors are **not required to return the matrices in their proposal**.

The column headings in the “To-Be” matrices are:

1. **Requirement ID** – an internal indicator of the specific requirement
2. **Description** – a detailed description of the requirement



The business functional requirements are broken down into the following categories corresponding to the RFP sub-sections which follow:

1. Activity Tracking
2. Audit and Security
3. Benefit Calculations
4. Benefit Estimates
5. Customer Service
6. Death
7. Disability
8. Employer Contribution and Payroll Reporting
9. Enrollment
10. Funds Management
11. General
12. Maintain Members and Beneficiaries
13. Member Statement
14. Intersystem Membership/Reciprocity
15. Pension Payroll
16. Power of Attorney
17. Print Archive
18. Buybacks and Re-Deposits
19. Domestic Relations Order (DRO)
20. Refunds
21. Reporting
22. Re-Hires
23. Tax Reporting

The new pension system will be a browser-based solution. The solution will provide web-enabled self-service functionality and ease of use not only to TCERA users, but also to members, retirees, beneficiaries, and employers. Specific implementation and/or policy decisions as to which Web-enabled self-service features should be “turned-on” and “when” are to be discussed and agreed upon throughout the course of the implementation project. As a result, the ability to initiate the Web-enablement of required functionality must be easily administered by a system administrator and not an IT specialist.

Vendors are to take note that Web-enabled functionality – whether applicable to TCERA users or members or retirees or beneficiaries – must be available on a near 24 X 7 basis. If some level of “downtime” is essential for system / Web-site maintenance and support, then the downtime or period of unavailability must adhere to the availability, downtime and recoverability requirements identified in Section B-2.6. Vendors are to explicitly state their agreement to meet this critical performance requirement.



### B-1.1.1 Activity Tracking

**Table 11. Functional Requirements for Activity Tracking**

| Requirement ID | Description                                                                                                                                                                                                                                                             |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                         |
| 1.             | Ability to automatically display all past activity tracking events that are similar to the member's current request in order to alert the user that the member is perhaps "fishing" for a different TCERA response to his/her previous inquiry                          |
| 2.             | Ability to limit access for certain activities such as being able to modify or delete an appointment                                                                                                                                                                    |
| 3.             | Ability to capture (automatically user-id, user name, date and time stamped) all contacts and inquiries, including comment, status, routing, requestor, caller, relationship, etc. (via e-mail, correspondence, telephone calls, counseling sessions, personal contact) |
| 4.             | Ability to capture a form request (form requested, date requested, date mailed, the requestor, the recipient)                                                                                                                                                           |
| 5.             | Ability to capture activity / contact with customers by providing users with standard codes as well as the ability to input free form text                                                                                                                              |
| 6.             | Ability to capture in the activity tracking log all information that was historically provided / sent to the member and when                                                                                                                                            |
| 7.             | Ability to capture information from counseling sessions, such as questions asked, answers provided, information entered, forms / correspondence generated, etc.                                                                                                         |
| 8.             | Ability to capture information on mass mailings (type, to whom, and when)                                                                                                                                                                                               |
| 9.             | Ability to capture request for income verification                                                                                                                                                                                                                      |
| 10.            | Ability to capture, at the individual member level, the preferred means of communication (e.g., mail, telephone, e-mail, fax, relay telephone, Braille, etc.)                                                                                                           |
| 11.            | Ability to generate reports based on telephone call statistics (type of call, type of caller, forecasting)                                                                                                                                                              |
| 12.            | Ability to report statistics on each type of form / correspondence generated                                                                                                                                                                                            |
| 13.            | Ability to generate a counseling schedule, assign people to those counseling sessions, and generate various listings, etc. as needed                                                                                                                                    |
| 14.            | Ability to generate a listing of counseling appointments based on various parameters (by day, week, month, etc; by an individual counselor or all counselors, etc.)                                                                                                     |
| 15.            | Ability to generate a report of mass mailings (type, to whom, and when)                                                                                                                                                                                                 |
| 16.            | Ability to generate an "Appointment Reminder" correspondence informing the member about an upcoming counseling session                                                                                                                                                  |
| 17.            | Ability to generate chronological report of activity log                                                                                                                                                                                                                |
| 18.            | Ability to print all activity tracking entries for a contact                                                                                                                                                                                                            |
| 19.            | Ability to print any activity tracking view exactly as it appears on the user's screen                                                                                                                                                                                  |
| 20.            | Ability to print both blank and pre-filled forms                                                                                                                                                                                                                        |
| 21.            | Ability to provide managers with an end of day appointment change report for review                                                                                                                                                                                     |
| 22.            | Ability for retirees or members to self-register via the Web for classes, counseling sessions or other services                                                                                                                                                         |
| 23.            | Ability for users to access history of all information that was historically provided / sent to the member directly from customer service screens                                                                                                                       |
| 24.            | Ability for users to tie documents, images (If imaging is selected), spreadsheets, and similar or related items to any activity tracking log entry                                                                                                                      |
| 25.            | Ability for various constituents (member, retirees, employers, etc) to interface with the system via Web access, etc. to sign-up for counseling sessions, directions, etc.                                                                                              |
| 26.            | Ability to access any activity tracking log entry by SSN, name, date of birth, phone number, or other lookup fields                                                                                                                                                     |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                         |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27.            | Ability to access the member address update screen (both active and retired) from any customer service screen                                                                                                                                                                                                                                       |
| 28.            | Ability to accommodate "returned mail" as one of the imaging document types (If imaging is selected), and to trigger a returned mail workflow process for processing, investigation, etc.                                                                                                                                                           |
| 29.            | Ability to automatically link calendar activities to contacts                                                                                                                                                                                                                                                                                       |
| 30.            | Ability to automatically update the activity tracking database for life events, including but not limited to beneficiary designation, request for retirement benefit estimate, retirement application, disability application, termination of employment, refund requests, service credit purchases, death of member, retiree, or beneficiary, etc. |
| 31.            | Ability to calculate, record and monitor members that reach the required minimum distribution date (70 ½); send correspondence to members to follow-up as well as a 6-month advance report to generate correspondence prior to mandatory distribution.                                                                                              |
| 32.            | Ability to display all activity tracking transactions dates and times                                                                                                                                                                                                                                                                               |
| 33.            | Ability to display comments / notes attached to a member's account                                                                                                                                                                                                                                                                                  |
| 34.            | Ability to display the status (not-started, in-process, pending more information, completed, etc.) of all workflow processes                                                                                                                                                                                                                        |
| 35.            | Ability to easily access all pertinent information on a "customer" (member, retiree, or beneficiary) when a contact occurs                                                                                                                                                                                                                          |
| 36.            | Ability to initiate workflow processes both automatically (via the imaging of documents) and manually based on the receipt of a phone-call, walk-in, fax, e-mail, etc.                                                                                                                                                                              |
| 37.            | Ability to integrate activity tracking log capabilities with the line-of-business system, not requiring duplicate input of data or separate action and / or access modes                                                                                                                                                                            |
| 38.            | Ability to produce forms / correspondence online; consolidate multiple documents for the same person and print in a single print job, and update activity tracking log                                                                                                                                                                              |
| 39.            | Ability to provide a user interface for customer service / activity tracking screens that "looks and feels" to the user like the screens used in the line-of-business solution (but the screens are to be customer inquiry and service oriented, and not necessarily process work process oriented)                                                 |
| 40.            | Ability to provide remote / Web access to the line-of-business system for any out-of-office counseling sessions, seminars, workshops, etc                                                                                                                                                                                                           |
| 41.            | Ability to provide 5 densely packed customer service screens (inquiry only) that contain as much summary information as possible for given functional areas (death, refund, pension payroll, disability, beneficiary, etc.) and the ability to drill-down for detailed information if so desired by the user                                        |
| 42.            | Ability to schedule counseling appointments based on counselor availability                                                                                                                                                                                                                                                                         |
| 43.            | Ability to scroll through activity log chronologically (oldest first, newest first) and to sort by category of contact                                                                                                                                                                                                                              |
| 44.            | Ability to track all member and employer related events as defined by TCERA business areas                                                                                                                                                                                                                                                          |
| 45.            | Ability to track on the member level when a mass mailing was sent                                                                                                                                                                                                                                                                                   |
| 46.            | Ability to track requests that require TCERA response and the method for responding (call, correspondence, e-mail, etc.)                                                                                                                                                                                                                            |
| 47.            | Ability to update activity tracking information to reflect the most recent transaction or information provided to the customer via the system (i.e., change in beneficiary, retirement estimate, etc.) or as a result of a communication between TCERA and the customer – phone, e-mail, mail, FAX, or in person                                    |



## B-1.1.2 Audit and Security

Table 12. Functional Requirements for Audit and Security

| Requirement ID | Description                                                                                                                                                                                                                        |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                    |
| 1.             | Ability to encrypt all audit information                                                                                                                                                                                           |
| 2.             | Ability to encrypt all system security and role related information                                                                                                                                                                |
| 3.             | Ability to establish and set up Web-based application screens as either (able to browse back to a screen after going to a new screen) or as (a time-out / life span of zero screen, i.e., prevent navigating back to a screen)     |
| 4.             | Ability to prohibit users from accessing records with their own information (by Social Security number, name, etc.)                                                                                                                |
| 5.             | Ability to provide adequate audit trails of system updates, including appropriate change controls requiring management approval of any software modifications or changes prior to implementation                                   |
| 6.             | Ability to provide applicable levels of internal controls and appropriate segregation of duties, including the ability to approve correspondence to be sent or printed                                                             |
| 7.             | Ability to capture an audit (review) transaction on all TCERA specified transactions                                                                                                                                               |
| 8.             | Ability to capture and display comments (e.g., transaction level, account folder level, etc.) and the ability to restrict comment updates to the users or supervisors who created the comment                                      |
| 9.             | Ability to capture designation of user (staff, members, retirees, etc.) capabilities / security levels (e.g., add, change, inquiry, delete)                                                                                        |
| 10.            | Ability to capture user permissions to determine how far back in time a user can post a transaction; only certain users should be able to post to a closed month                                                                   |
| 11.            | Ability for internal auditors to audit account transactions                                                                                                                                                                        |
| 12.            | Ability for reviewer, if any errors / irregularities are detected, to correct the problem him/herself or to send the transaction back to the originator for re-work (at the reviewer's discretion)                                 |
| 13.            | Ability for the audit trail to track changes made to the data regardless of the means by which the change was made – i.e., LOB solutions, employer or member Web site, etc.                                                        |
| 14.            | Ability for the system to adhere to required TCERA standards with regard to user-id and password administration, frequency of changing passwords, etc.                                                                             |
| 15.            | Ability for the system to keep track of last access date/time by user-id                                                                                                                                                           |
| 16.            | Ability for the system to monitor the number of successful and unsuccessful access attempts and to create audit trails showing these events                                                                                        |
| 17.            | Ability for the system to retain both before and after images of changes                                                                                                                                                           |
| 18.            | Ability for the system to set up, maintain and monitor roles and responsibility for system management, usage, and maintenance                                                                                                      |
| 19.            | Ability for the system to support data classification levels (e.g., secret, confidential, private, restricted, public, unclassified, etc.)                                                                                         |
| 20.            | Ability for Web-based applications to be secured based on industry standards and TCERA encryption policies / procedures                                                                                                            |
| 21.            | Ability to adhere to TCERA security policies, bulletins, standards, procedures, etc.                                                                                                                                               |
| 22.            | Ability to assign access to a user for a pre-defined period of time for that role                                                                                                                                                  |
| 23.            | Ability to assign appropriate priority levels / dates for review of work / audit                                                                                                                                                   |
| 24.            | Ability to audit member accounts randomly without a triggering event and record the fact the account was audited and by whom (internal auditor, external auditors, etc).                                                           |
| 25.            | Ability to automatically generate a report of all unattended processes that encountered a locked account, sorted by locking user-id, that identified the account against which the update was attempted and the source of the data |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 26.            | Ability to direct a message to the system console or unattended process scheduler or event scheduler, in the event an unattended process attempts to update a locked account, indicating the account was not updated due to the lock, the date the lock was effective, and the user-id of the person who locked the account                                                                                                                |
| 27.            | Ability to ensure data security measures are employed to prevent unauthorized access of data and/or changes to it                                                                                                                                                                                                                                                                                                                          |
| 28.            | Ability to ensure that a locked account will remain locked until an appropriately authorized user-id unlocks it; the only exception being that the System Administrator will have the authority to unlock any locked account                                                                                                                                                                                                               |
| 29.            | Ability to ensure that all locked accounts will be "stamped" with the date, time, and user-id of the person who locked and unlocked it                                                                                                                                                                                                                                                                                                     |
| 30.            | Ability to ensure that at all times TCERA's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance are in agreement                                                                                                                                                                                                                                                                              |
| 31.            | Ability to ensure that in no event will an unattended process that attempts to update a locked account terminate abnormally for that reason                                                                                                                                                                                                                                                                                                |
| 32.            | Ability to ensure that no audit trail data can be deleted                                                                                                                                                                                                                                                                                                                                                                                  |
| 33.            | Ability to ensure that security profiles are protected from unauthorized access                                                                                                                                                                                                                                                                                                                                                            |
| 34.            | Ability to extract audit log information for display and reporting purposes and ability to filter selected data from audit log files to generate meaningful and useful security reports                                                                                                                                                                                                                                                    |
| 35.            | Ability to generate audit report(s) identifying all people, processes, dates, and/or times involved in changing member and employer data                                                                                                                                                                                                                                                                                                   |
| 36.            | Ability to include appropriate subtotals on all reports to allow reconciliation of reports within the system, as well as reconciliation of reports within the system with external documentation (to be identified during requirements analysis)                                                                                                                                                                                           |
| 37.            | Ability to lock an account (stolen identity, divorce, child support, court order, etc.)                                                                                                                                                                                                                                                                                                                                                    |
| 38.            | Ability to log an external user off the system after a user-definable period of inactivity (example: 1 hour)                                                                                                                                                                                                                                                                                                                               |
| 39.            | Ability to maintain a historical record of user-ids issued, including the identity of the person associated with the user-id and the timeframe during which the user-id is/was valid                                                                                                                                                                                                                                                       |
| 40.            | Ability to maintain an audit trail of all access to data which indicates all user access and specifies the nature and date of that data access                                                                                                                                                                                                                                                                                             |
| 41.            | Ability to maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, to the results produced by the system AND to trace all transactions from the final results produced by the system, through all system processing, back to the original source of entry into the system; these audit trails must be protected from modification and deletion |
| 42.            | Ability to produce an audit trail report of all program code changes (date, time, version, workstations, and author)                                                                                                                                                                                                                                                                                                                       |
| 43.            | Ability to produce certain security reports on a regular basis (e.g., violations, access to sensitive files, etc.)                                                                                                                                                                                                                                                                                                                         |
| 44.            | Ability to prompt a person with a "challenge phrase" after a user-definable number of unsuccessful log-on attempts                                                                                                                                                                                                                                                                                                                         |
| 45.            | Ability to provide a listing of all automatic computer generated entries against the general ledger, such that a TCERA staff member can successfully identify the source of every automated general ledger entry                                                                                                                                                                                                                           |
| 46.            | Ability to provide a security report listing users, their roles and security access                                                                                                                                                                                                                                                                                                                                                        |
| 47.            | Ability to provide a single integrated user logon into all applications regardless of the number of sub-systems that are being connected (imaging, workflow, etc.)                                                                                                                                                                                                                                                                         |
| 48.            | Ability to provide access rules and role assignment which will restrict departmental employees from performing incompatible functions or functions beyond their responsibility                                                                                                                                                                                                                                                             |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 49.            | Ability to provide an “account locking” capability such that an appropriately authorized user will be able to lock a member’s account from distribution of benefits (refund, retirement, rollover, etc. if a user attempts to modify data in a locked account, display a message indicating the account is locked, by which user-id, effective date, and reason (e.g. DRO, Disputed beneficiary, etc.) |
| 50.            | Ability to provide appropriate security surrounding electronic, digital and digitized signatures                                                                                                                                                                                                                                                                                                       |
| 51.            | Ability to provide data audit trails such that TCERA can quickly identify to the lowest level of detail the composition of all totals, subtotals, and grand totals displayed or reported by the pension solution                                                                                                                                                                                       |
| 52.            | Ability to provide encryption that must be used for secret, confidential, private, or restricted information that will be stored in a non-secure location or transmitted over open networks, such as the Web                                                                                                                                                                                           |
| 53.            | Ability to provide formatted audit reports that show (for user-selected user id’s, date-range, and/or members [selected by last name, masked social security number, or other unique identifier]) all changes made to member records, including before and after images; an “all” members option must be included                                                                                      |
| 54.            | Ability to provide special screens for sensitive data so users are aware of confidentiality (e.g., disability screens)                                                                                                                                                                                                                                                                                 |
| 55.            | Ability to provide standard interfaces to maintain security permissions                                                                                                                                                                                                                                                                                                                                |
| 56.            | Ability to provide unique user identification and automatic log-off                                                                                                                                                                                                                                                                                                                                    |
| 57.            | Ability to provide various levels of security and adhere to existing security structures, including network security, application security, development environment security, and Web-access security – with procedures for support and maintenance for each                                                                                                                                           |
| 58.            | Ability to restrict access to system by user identification and passwords, at a minimum                                                                                                                                                                                                                                                                                                                |
| 59.            | Ability to retain passwords already used by a user and prevent their re-use for 5 successive password changes. Password format convention restrictions should be enabled (e.g. require upper and lower case and non-alpha characters. New passwords may not repeat characters from prior password, etc.                                                                                                |
| 60.            | Ability to run ad hoc reports of audit trail history by transaction type, transaction date, input date or any of the fields related to the audit trail records                                                                                                                                                                                                                                         |
| 61.            | Ability to send a transaction to a reviewer for audit                                                                                                                                                                                                                                                                                                                                                  |
| 62.            | Ability to set up, maintain and monitor Web access / session inactivity and establish “timeout” requirements                                                                                                                                                                                                                                                                                           |
| 63.            | Ability to support a business-process security structure, a transaction based security structure and a window level security structure, possibly at the retirement fund level                                                                                                                                                                                                                          |
| 64.            | Ability to support personal identification numbers (PINs) for security purposes                                                                                                                                                                                                                                                                                                                        |
| 65.            | Ability to track all transactions posted to a closed month, including the user-id making the change and the date of the transaction                                                                                                                                                                                                                                                                    |
| 66.            | Ability to track sign-on access from another computer by user-id                                                                                                                                                                                                                                                                                                                                       |
| 67.            | Ability to track updates that are made to data validation and edit checks                                                                                                                                                                                                                                                                                                                              |
| 68.            | Ability to view list of users logged into system and safely close the user session remotely to allow for updates and other processes                                                                                                                                                                                                                                                                   |
| 69.            | Ability to generate audit confirmation letters for active and retired members as requested by independent auditors                                                                                                                                                                                                                                                                                     |
| 70.            | Ability to produce audit extractions for sample testing                                                                                                                                                                                                                                                                                                                                                |
| 71.            | Ability to provide web self service access for members, including establishing identity and secure login                                                                                                                                                                                                                                                                                               |
| 72.            | Ability to provide audit documentation for member verification of web-based data changes (automatic correspondence)                                                                                                                                                                                                                                                                                    |
| 73.            | Ability to meet all control standards required by independent auditor (control worksheets as specified by accounting standards will be provided)                                                                                                                                                                                                                                                       |
| 74.            | Ability to, at a minimum, provide the following controls: menu access, screen access, screen function access, transaction access, transaction approval access, workstation location access, workstation time restriction                                                                                                                                                                               |





### B-1.1.3 Benefit Calculations

**Table 13. Functional Requirements for Benefit Calculations**

| Requirement ID | Description                                                                                                                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                   |
| 1.             | Ability for user to create, update and maintain retirement age and factor tables (dollar annuity value, early retirement factor, option factors, joint-and-survivor factor, etc.)                                                                 |
| 2.             | Ability to capture reasons for inaccuracies or incompleteness on the retirement application and / or other related documents                                                                                                                      |
| 3.             | Ability to determine if the difference between the benefit for the most recent estimate with the same parameters and the final benefit amounts exceeds the TCERA defined threshold and if so, notify staff via workflow for further investigation |
| 4.             | Ability to enter audit messages explaining what changes / corrections need to be made by a TCERA user when auditor returns work after completion of audit pass                                                                                    |
| 5.             | Ability to notify auditors of various case specifics / special situations prior to their auditing work / accounts                                                                                                                                 |
| 6.             | Ability to release record for payment only after benefit calculation is verified / audited                                                                                                                                                        |
| 7.             | Ability to return record for changes if verification unsuccessful                                                                                                                                                                                 |
| 8.             | Ability to route all types of benefit calculations to an audit pass in accordance with TCERA business rules and operational procedures                                                                                                            |
| 9.             | Ability to validate all record changes against existing business rules                                                                                                                                                                            |
| 10.            | Ability to capture retirement application information (option selection, tax withholding, beneficiary, survivor annuitant, etc.)                                                                                                                  |
| 11.            | Ability to input stop dates for the temporary annuity benefit option with notification feature.                                                                                                                                                   |
| 12.            | Ability to record, track, and display the receipt of the benefit application                                                                                                                                                                      |
| 13.            | Ability to (track information and) generate report identifying number of retirement calculation requests received, dates received, date completed, and by whom including the ability to run report by date range.                                 |
| 14.            | Ability to cancel a benefit and reset a member to active status and restore all contributions and service                                                                                                                                         |
| 15.            | Ability to generate a member "Re-computation correspondence" detailing the under or over payment of benefits and the steps that will be taken to either recoup the overpayment or provide a "catch-up" payment to offset the underpayment         |
| 16.            | Ability to generate an employer form with a user selected number of days prior to retirement to verify the last day worked and number of sick hours accrued.                                                                                      |
| 17.            | Ability to print benefit account detail report                                                                                                                                                                                                    |
| 18.            | Ability to produce a "Return Funds" correspondence to a financial institution to recoup the overpaid rollover / direct deposit amount                                                                                                             |
| 19.            | Ability to produce system generated correspondence informing new retirees of their initial benefit                                                                                                                                                |
| 20.            | Ability to support the generation of retirement application kits containing a cover correspondence and all necessary forms appropriate to the member's situation (retirement application, rollover, beneficiary nomination, etc.)                 |
| 21.            | Ability, both before and after a retirement, to establish and maintain a relationship between a member or retiree and all relevant non-member spouses.                                                                                            |
| 22.            | Ability for users, via Web application, to or override (if user has access rights) termination dates, unpaid leave dates, last year of service, etc.                                                                                              |
| 23.            | Ability for user to override benefit estimate parameters (if user has access rights)                                                                                                                                                              |
| 24.            | Ability to age accounts / transactions to automatically generate follow-up correspondence since last activity (e.g.: after 30 days, 60 days, etc.)                                                                                                |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25.            | Ability to automatically calculate gross annuity, disbursements, and transfer amount according to business rules and laws and to update payroll files as indicated by benefit calculations with ability to sort or filter by various data elements                                                                                                                                                                                                  |
| 26.            | Ability to automatically determine retirement special legislation "windows of eligibility" and apply to benefit calculation rules accordingly                                                                                                                                                                                                                                                                                                       |
| 27.            | Ability to automatically pre-fill user defined member information on all benefit calculation forms                                                                                                                                                                                                                                                                                                                                                  |
| 28.            | Ability to record receipt of benefits returned and update member's account                                                                                                                                                                                                                                                                                                                                                                          |
| 29.            | Ability to manually run the interest posting job prior to processing a benefit calculation so that the benefit calculation is correct and up-to-date, actually updating the member account balance (individual interest posting for that period would then be excluded in any future batch processing for the same period)                                                                                                                          |
| 30.            | Ability to calculate and apply the IRS 415 and 401(a) (17) limitations to the benefit calculation                                                                                                                                                                                                                                                                                                                                                   |
| 31.            | Ability to calculate and distribute retirement benefits under different retirement formulas for varying periods of service (split service and multiple formulas).                                                                                                                                                                                                                                                                                   |
| 32.            | Ability to calculate benefit estimate for all applicable retirement types (service, disability (Service and Non-Service Connected), multiple plans, early, vested, etc.) and all applicable retirement options. This includes calculation of Final Average Salary based on effective date of a disability. NOTE – TCERA's Non-Service Connected Disabilities are processed under CA government code section 31727.7 – different than other systems. |
| 33.            | Ability to calculate Final Average Salary in accordance with plan provisions                                                                                                                                                                                                                                                                                                                                                                        |
| 34.            | Ability to calculate retirement benefit using the service "buckets" defined in the TCERA member system                                                                                                                                                                                                                                                                                                                                              |
| 35.            | Ability to calculate retirement service on a real-time basis (without running a full benefit estimate) daily, weekly, biweekly, semi-monthly, or monthly basis.                                                                                                                                                                                                                                                                                     |
| 36.            | Ability to closeout a member account for any trailing monies (contributions and interest) that may have been received after the initial or finalized benefit calculation and set up payment accordingly                                                                                                                                                                                                                                             |
| 37.            | Ability to compare final benefit amount to final corrected benefit amount automatically without the user having to re-enter or re-calculate this information and calculate underpayment / overpayment                                                                                                                                                                                                                                               |
| 38.            | Ability to conduct a reasonableness test according to IRC 415 requirements using functionality within the solution.                                                                                                                                                                                                                                                                                                                                 |
| 39.            | Ability to create a benefit calculation for members who have service in multiple systems (reciprocal/inter-system members) and/or groups within each system (mixed members), with the ability to view each calculation as well as the combined calculation                                                                                                                                                                                          |
| 40.            | Ability to create an estimate for the Temporary Annuity Option incorporating information provided by the Social Security Administration regarding the member's projected Social Security benefit at age 62 and using factors base on individual's age at retirement from covered service                                                                                                                                                            |
| 41.            | Ability to create appropriate tax records upon processing benefit calculation including tax exclusion periods and amounts for post-tax contributions.                                                                                                                                                                                                                                                                                               |
| 42.            | Ability to define and enhance benefit calculation logic / specifications including changes due to legislation for calculating a final average salary, final contributions, final interest, final service, etc.                                                                                                                                                                                                                                      |
| 43.            | Ability to determine eligibility for all types of retirement (early, normal, disability, vested, reciprocal/inter-system, death in service, etc.)                                                                                                                                                                                                                                                                                                   |
| 44.            | Ability to determine if member's request to change terms of retirement was filed with TCERA prior to the generation of the retiree's 1st pension check                                                                                                                                                                                                                                                                                              |
| 45.            | Ability to display detailed benefit calculations if requested by user                                                                                                                                                                                                                                                                                                                                                                               |
| 46.            | Ability to flag or delete incomplete benefit calculation information transactions when member rescinds retirement prior to retirement date or after intent to change process                                                                                                                                                                                                                                                                        |
| 47.            | Ability to follow up on flagged beneficiary, address, EFT changes that are pending                                                                                                                                                                                                                                                                                                                                                                  |
| 48.            | Ability to handle and apply both fiscal year end (June) and calendar year end (December) processing as it relates to benefit calculation, interest posting, and payroll                                                                                                                                                                                                                                                                             |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 49.            | Ability to calculate and process retroactive payments and disburse them in the same media as the normal pension check                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 50.            | Ability to maintain at the participant and the summary level an excess benefit file in correspondence with IRS 415 (b) and (c) rules                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 51.            | Ability to perform benefit calculations under all applicable options (e.g.: Unmodified, Option 1, Option 2, Option 3) and the following variable / customized options that TCERA supports (Option 4, Specific Percentage, Specific Amount, Pop-up to previous benefit, More Than One Survivor)                                                                                                                                                                                                                                                                            |
| 52.            | Ability to perform retirement benefit calculations for all retirement systems in accordance with plan provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 53.            | Ability to provide "what-if" analysis capability by allowing user to adjust benefit estimate parameters and view new calculation results                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 54.            | Ability to provide a checklist detailing which documents have been sent, received, and/or which are still outstanding                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 55.            | Ability to provide a Web-based benefit estimate calculator to assist members with estimating their pension amount                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 56.            | Ability to provide direct access to a member's detailed account information from a benefit calculation screen(s) for viewing and research purposes, with the additional ability to print this information                                                                                                                                                                                                                                                                                                                                                                 |
| 57.            | Ability to provide reason and reason code for any overpayments (drop down box/free form) so that users can explain situations without other users having to review the detailed transactions                                                                                                                                                                                                                                                                                                                                                                              |
| 58.            | Ability to reset a member to active status and restore all contributions and service upon the event a benefit is cancelled.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 59.            | Ability to support existing special member contribution classes (Law Enforcement)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 60.            | Ability to update a benefit calculation based on newly received information after having released the record for payment but before issuing 1 <sup>st</sup> pension check (e.g., option changes received before retirement date)                                                                                                                                                                                                                                                                                                                                          |
| 61.            | Ability to update certain member data with new information (name change, address, etc) during benefit calculation process or direct to different work queue if necessary (SSN changes)                                                                                                                                                                                                                                                                                                                                                                                    |
| 62.            | Ability to verify / cross-reference the termination date provided on the retirement application against the termination date transmitted from the employer, and if a discrepancy exists, notify TCERA end-user                                                                                                                                                                                                                                                                                                                                                            |
| 63.            | Ability, in case of underpayment, to issue supplemental "catch-up" payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 64.            | Ability to calculate partial month payment for first pension check based on retirement date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 65.            | Ability to incorporate converted sick leave service credit and awarded "Golden Handshake" service into retirement calculation.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 66.            | Ability to calculate accurate final average salary according to plan provisions for periods of service less than the required 26 or 78 pay periods                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 67.            | Ability to calculate a new benefit amount for a retiree, who previously retired, then returned to work and is retiring again. This requires the ability to calculate and distribute two different retirements for different periods of employment, possibly under multiple retirement formulas depending on dates of service, membership, tier, etc. (member retires as safety under old formula, places retirement on hold to go back to active employment as general under new formula, retires a second time), combining the payment in a single monthly disbursement. |
| 68.            | Ability to accurately calculate benefits for part time service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 69.            | Ability to provide warning and exception report if COL Group does not match expected for Retirement Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 70.            | Ability to provide warning and exception report if COL Carryover does not match expected for COL Group or retirement date                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 71.            | Ability to generate final benefit letters based on member data and benefit details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 72.            | Ability to recalculate reserve transactions for amended pension calculations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 73.            | Ability to track "golden handshake" service separately so that the additional credit can be applied to the basic benefit calculation, but excluded for supplemental benefit calculations                                                                                                                                                                                                                                                                                                                                                                                  |



| Requirement ID | Description                                                                                                                                                                                                        |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 74.            | Ability to properly account for post retirement second spouse (payable out of supplemental benefit reserve)                                                                                                        |
| 75.            | Ability to model retirement calculations to include various purchases of service, sick leave conversion, golden handshake service, etc.)                                                                           |
| 76.            | Ability to track and generate information for Retirement Application Log for reconciliation of reserve transfers                                                                                                   |
| 77.            | Ability to accurately calculate final average salary for all tiers, including integration of Social Security                                                                                                       |
| 78.            | Ability, in the case of overpayment, to request repayment by member in lump sum, or to determine and apply temporary reduction in benefit necessary to recoup the overpayment within user-defined number of months |



### B-1.1.4 Benefit Estimates

**Table 14. Functional Requirements for Benefit Estimates**

| Requirement ID | Description                                                                                                                                                                                                                                                                                               |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                           |
| 1.             | Ability to capture a benefit estimate request whether received by mail, e-mail, phone, fax, hand delivery, or Web                                                                                                                                                                                         |
| 2.             | Ability to capture both standard and customized comment fields for inclusion on the benefit estimate                                                                                                                                                                                                      |
| 3.             | Ability to generate benefit estimate results in a standardized correspondence format                                                                                                                                                                                                                      |
| 4.             | Ability to generate printed benefit estimate for all applicable retirement types (service, disability (service and non-service connected), multiple plans, early, vested, etc.) and all applicable retirement options                                                                                     |
| 5.             | Ability to print estimates in both a summary and detailed view                                                                                                                                                                                                                                            |
| 6.             | Ability for user to modify or delete estimates that have not been printed or distributed (applicable only to those estimates that the user has created)                                                                                                                                                   |
| 7.             | Ability to archive, recall, and display estimates in both a summary and detailed view                                                                                                                                                                                                                     |
| 8.             | Ability to calculate actual value of member's account as of divorce/separation date and community property portion of member's account based upon dates of service, date of marriage, and awarded split.                                                                                                  |
| 9.             | Ability to calculate benefit estimate for all applicable retirement types (service, disability, multiple plans, early, vested, etc.) and all applicable retirement options                                                                                                                                |
| 10.            | Ability to calculate benefit estimates and include and exclude selected purchasable time when doing so                                                                                                                                                                                                    |
| 11.            | Ability to calculate contributions, interest and service through member's projected date of retirement based on the member's employment status (using different period-specific growth rates applicable to salary and COLA within the same estimate scenario) and calculate benefit estimates accordingly |
| 12.            | Ability to calculate multiple estimates for a member with the user having to enter only those fields that are changed on each iteration                                                                                                                                                                   |
| 13.            | Ability to calculate, accumulate and combine service credit independently for various types of service and benefit formulas the member has had at the appropriate time for both the benefit estimate and calculation                                                                                      |
| 14.            | Ability to determine the member's earliest retirement date based on the retirement eligibility rules                                                                                                                                                                                                      |
| 15.            | Ability to display benefit estimate results in either whole dollars or dollars and cents                                                                                                                                                                                                                  |
| 16.            | Ability to estimate benefits payable to beneficiaries under various plan options                                                                                                                                                                                                                          |
| 17.            | Ability to generate estimate for Beneficiary Continuance including Active Member Deaths (Disability).                                                                                                                                                                                                     |
| 18.            | Ability to identify and flag frequent callers who repeatedly request estimates                                                                                                                                                                                                                            |
| 19.            | Ability to identify special conditions within a member's account (outstanding purchase of service, active account, inactive account, vested, previously retired, judge, law enforcement, etc.) as it relates to performing the benefit estimate                                                           |
| 20.            | Ability to include both supplemental wage records and regular wage records in the benefit calculation process                                                                                                                                                                                             |
| 21.            | Ability to include service available for purchase or for buy back in the estimate.                                                                                                                                                                                                                        |
| 22.            | Ability to perform all Final Average Salary computations for all TCERA supported retirement systems, retirement types and retirement options                                                                                                                                                              |
| 23.            | Ability to pre-populate the estimate calculation with real-time data and store as the basis for subsequent benefits estimates                                                                                                                                                                             |
| 24.            | Ability to provide a standardized on-line form for a member to initiate an estimate request via the Web                                                                                                                                                                                                   |
| 25.            | Ability to provide a user interface to accommodate benefit estimate parameter entry, viewing of calculation results, overriding of system-supplied information, and conducting estimate "what-if" analysis                                                                                                |
| 26.            | Ability to provide a Web-based benefit estimate calculator to assist members with estimating their pension amount – using "real" production data                                                                                                                                                          |



| Requirement ID | Description                                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27.            | Ability to recognize dollars paid out by TCERA due to one or more TCERA-specific lawsuits or other special rules.                                                                                                                                                        |
| 28.            | Ability to reflect taxes and other deductions in benefit estimates, yielding a “net” benefit estimate                                                                                                                                                                    |
| 29.            | Ability to review current data in member’s account (both in summary and in detail) prior to performing an estimate                                                                                                                                                       |
| 30.            | Ability to save the parameters and results of the generated estimate directly from the end-user’s workstation                                                                                                                                                            |
| 31.            | Ability to support IRS 415 and 401(a)(17) limitations in generating benefit estimates                                                                                                                                                                                    |
| 32.            | Ability to uniquely identify each benefit estimate that is generated by automatically assigning a benefit estimate number, staff initials, date, and time produced                                                                                                       |
| 33.            | Ability to use member’s beneficiary information on file when performing an estimate and to over-ride / change for calculation purposes if needed                                                                                                                         |
| 34.            | Ability to accurately calculate benefits for members based on varying service/contribution. salary reporting (e.g. biweekly for Tulare County and Tulare County Superior Courts – Monthly for Strathmore Public Utilities District) without manually adjusting the data. |
| 35.            | Ability to correctly calculate service credit with leaves of absence, ignoring increases to salary changes during leaves (G.C. 31461)                                                                                                                                    |
| 36.            | Ability to allow for multiple cover letters depending on member status (e.g. active, deferred, reciprocal, split service, etc.)                                                                                                                                          |
| 37.            | Ability to model assumed service for outgoing reciprocity based on termination date and estimate date when needed for vesting purposes.                                                                                                                                  |
| 38.            | Ability to capture and track benefit estimate request                                                                                                                                                                                                                    |
| 39.            | Ability to calculate a new benefit amount for a retiree who previously retired, then returned-to-work and is now retiring again                                                                                                                                          |
| 40.            | Ability to calculate accurate final average salary according to plan provisions for periods of service less than the required 26 or 78 pay periods                                                                                                                       |
| 41.            | Ability to accurately calculate benefit estimates for part time service                                                                                                                                                                                                  |
| 42.            | Ability to generate appropriate cover letter based on estimate data overrides entered in estimate                                                                                                                                                                        |
| 43.            | Ability to create “sample” estimate scenarios for training and seminars that mask individual data                                                                                                                                                                        |
| 44.            | Ability to view any images associated with a specific benefit estimate.                                                                                                                                                                                                  |



### **B-1.1.5 Customer Service**

**Table 15. Functional Requirements for Customer Service**

| Requirement ID |                                                                                                                                                             |  |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                | Description                                                                                                                                                 |  |
| 1.             | Ability for staff to retrieve member record, including Line-of-business (LOB) data, notes of previous calls, imaged documents, etc., quickly                |  |
| 2.             | Ability to capture text of all in-bound and out-bound e-mails into notes section of member record                                                           |  |
| 3.             | Ability to capture typed notes within member record following every phone call using interface that makes extensive use of drop downs, mnemonics, etc.      |  |
| 4.             | Ability for staff to check status of all pending member requests from a simple query                                                                        |  |
| 5.             | Ability for staff to quickly retrieve all portions of a member record once call is activated at agent's PC                                                  |  |
| 6.             | Ability to email substance of a received call to a specific member of staff for them to follow-up on call                                                   |  |
| 7.             | Ability to provide conversion of notes/memo from current member database into new Line-of-business system to ensure continued access to notes in new system |  |



## B-1.1.6 Death

Table 16. Functional Requirements for Death

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1.             | Ability to “freeze” account in the event of a contested death benefit or DRO in process                                                                                                                                                                                                                                                                                                                              |
| 2.             | Ability to automatically stop/hold monthly retirement benefit payment if date of death precedes payment date, and record the stop/hold on the account level so that staff processing the account are aware of the stop/hold                                                                                                                                                                                          |
| 3.             | Ability to identify if a refund application, disability retirement application, or retirement application was filed prior to the member's death, and if so, trigger appropriate workflow (and set the item as high priority)                                                                                                                                                                                         |
| 4.             | Ability to track returned benefit payments (issued after the month of death)                                                                                                                                                                                                                                                                                                                                         |
| 5.             | Ability to capture information from contested death benefit correspondence (e.g., name of person contesting death benefit, reason contesting, TCERA response, etc.); conditional routing will occur based on correspondence between TCERA and the person contesting the death benefit                                                                                                                                |
| 6.             | Ability to capture information related to a death notification (e.g., date received, date of death, contact person(s) name, address, and phone number, relationship to deceased member, death certificate received indicator, etc.)                                                                                                                                                                                  |
| 7.             | Ability to record receipt of all forms received throughout the process (e.g., death certificate, next-of-kin affidavit, annuity election form, tax forms, rollover form, etc.) and ability to capture pertinent information from each document/form                                                                                                                                                                  |
| 8.             | Ability to “age” death benefit accounts for the purpose of automatically generating follow-up correspondence, i.e., ; a “simple” cover correspondence explaining that a prior correspondence was sent (mm/dd/yyyy) and that TCERA is still waiting for a response with a copy of the original correspondence attached                                                                                                |
| 9.             | Ability to automatically generate and send follow-up correspondence regarding non-receipt of <u>student status</u> form using a user determined number of days after the form was sent (include copy of student status form) – for continuance purposes                                                                                                                                                              |
| 10.            | Ability to automatically generate student status form, and a cover correspondence stating due date, to full-time student survivors requesting certification of full-time student status for a user determined number of months prior to review date                                                                                                                                                                  |
| 11.            | Ability to automatically generate student status form, and a cover correspondence stating due date, to full-time student survivors requesting certification of full-time student status for a user determined number of months prior to review date                                                                                                                                                                  |
| 12.            | Ability to create a system generated payment correspondence                                                                                                                                                                                                                                                                                                                                                          |
| 13.            | Ability to determine that benefit payments for partial month of death and subsequent months were not returned and if so, generate a correspondence requesting reimbursement                                                                                                                                                                                                                                          |
| 14.            | Ability to generate an Acknowledgement correspondence when a death notification is received and contact person information is available                                                                                                                                                                                                                                                                              |
| 15.            | Ability to generate an additional information correspondence based on further information needed to process the death benefit payment; include appropriate forms to be sent with the correspondence                                                                                                                                                                                                                  |
| 16.            | Ability to generate a death benefit overpayment correspondence when applicable                                                                                                                                                                                                                                                                                                                                       |
| 17.            | Ability to generate an Estimated Death Benefit / Death in Service correspondence to include the estimated death benefit amount, beneficiary/survivor annuitant information, and what is needed to process the benefit payment (i.e., premium assistance reimbursement, monthly benefit payment reimbursement, etc.); include appropriate forms based on situation (e.g., rollover form, annuity election form, etc.) |
| 18.            | Ability to generate various pre-filled (e.g., member, survivor annuitant, and/or beneficiary information) death benefit related documents                                                                                                                                                                                                                                                                            |
| 19.            | Ability to recognize if contact person information was entered at the time of notification, and if not, automatically generate a correspondence to the estate of the deceased requesting contact person information                                                                                                                                                                                                  |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20.            | Ability for the reviewer to assign a reason code for the return of the account/folder (i.e., error, inquiry, or additional information required)                                                                                                                                                                                                              |
| 21.            | Ability for user to override automatic suspension of student survivor benefits due to non-receipt of student status form by due date                                                                                                                                                                                                                          |
| 22.            | Ability to add a survivor annuitant to monthly benefit payroll using a specific \$ amount or percentage                                                                                                                                                                                                                                                       |
| 23.            | Ability to calculate the death benefit (estimated and finalized) for all payment types (i.e., prorated, survivor, and balance) and store not only the estimated benefit payment calculation information but also the final calculation results, preserving the detailed calculation for future reference                                                      |
| 24.            | Ability to create a survivor annuitant payroll record immediately upon notification of a member's death where appropriate                                                                                                                                                                                                                                     |
| 25.            | Ability to cross-reference a survivor annuitant added to payroll and the associated deceased member (e.g., both member and spouse were in the retirement system)                                                                                                                                                                                              |
| 26.            | Ability to determine direct rollover eligibility and calculate the minimum distribution amount                                                                                                                                                                                                                                                                |
| 27.            | Ability to determine the member status (i.e., active or retired) when notified of death in order to route the notification of death to the appropriate work area                                                                                                                                                                                              |
| 28.            | Ability to display appropriate beneficiary information (e.g., last named beneficiaries/survivor annuitant on file, associated percentages, identification of multiple beneficiaries, beneficiary's/survivor annuitant's relationship to member, etc.)                                                                                                         |
| 29.            | Ability to identify if the deceased member had a previous retirement/frozen annuity and process in accordance with plan provisions                                                                                                                                                                                                                            |
| 30.            | Ability to identify if the deceased member previously retired, received a retirement benefit, and then returned to service, and process in accordance with plan provisions                                                                                                                                                                                    |
| 31.            | Ability to identify the benefit payment type (i.e., survivor annuity or pension account balance refund) established at the time of member retirement to route the death benefit work request to the appropriate queue                                                                                                                                         |
| 32.            | Ability to identify those accounts where no response was received from a follow-up correspondence after a TCERA-defined time period                                                                                                                                                                                                                           |
| 33.            | Ability to identify where there are multiple payees (e.g., beneficiary, next-of-kin, survivor annuitant, etc.) and process separately, tracking the information TCERA is waiting for from each beneficiary, and authorizing payment to those who have returned all necessary information while holding payment to payees whose information remains incomplete |
| 34.            | Ability to warn if the tax reporting number of the death beneficiary is the same as the member's                                                                                                                                                                                                                                                              |
| 35.            | Ability to process death benefits according to specific "active member death" plan provisions                                                                                                                                                                                                                                                                 |
| 36.            | Ability to process multiple payments to multiple financial institutions in one transaction                                                                                                                                                                                                                                                                    |
| 37.            | Ability to process separate death benefits, possibly according to different processing rules, in cases where the deceased was receiving more than one monthly benefit check                                                                                                                                                                                   |
| 38.            | Ability to re-calculate the death benefit when new information is received                                                                                                                                                                                                                                                                                    |
| 39.            | Ability to re-calculate the distribution of the death benefit in the event a beneficiary pre-deceases the member or a beneficiary waives the benefit                                                                                                                                                                                                          |
| 40.            | Ability to receive notification of death in various ways (e.g., Notification of Death form, phone, correspondence, returned check, Web utility, etc.) and trigger a workflow request                                                                                                                                                                          |
| 41.            | Ability to reverse a death entered in error; reinstate a payroll record removed in error without interrupting monthly payments or pay the benefit payments that were missed prior to the reversal (i.e., "catch up")                                                                                                                                          |
| 42.            | Ability to route work for audit / review prior to release for payment; if "errors" are found, route the account/folder to the original processor and (after correction) from the original processor to the original reviewer                                                                                                                                  |
| 43.            | Ability to standardize the content, information, and format on a notification of death whether received through a standard TCERA form, phone call, or Web utility                                                                                                                                                                                             |



| Requirement ID | Description                                                                                                                                                             |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 44.            | Ability to store a summary transaction of the death events ("dead", payment made, payment amount, payee for each, etc.) based on detailed account transactions          |
| 45.            | Ability to support the handling of member death payments where there are multiple payments to be issued, including use of ACH                                           |
| 46.            | Ability to suspend the death benefit process and generate a work request to a specialized area for processing (e.g., Legal, Health Care, etc.)                          |
| 47.            | Ability to track accounts/folders as they are routed from processor to reviewer and back                                                                                |
| 48.            | Ability to track the distribution, turn-around, and processing of each document used in death processing                                                                |
| 49.            | Ability to trigger automatic reminder to user if the Estimated Death Benefit correspondence is not sent out within five days of the death of date notification          |
| 50.            | Ability to calculate partial month payment based on date of death – Amount due to TCERA if DOD is after payroll cutoff or amount due Estate if prior to payroll cutoff. |
| 51.            | Ability to distinguish if member's last system was TCERA or another system and trigger notification that inter-system are not eligible for TCERA death benefit.         |
| 52.            | Ability to track and report date of death (must be included in actuarial extract                                                                                        |
| 53.            | Ability to update the tax files when a reimbursement amount (for benefits paid after date of death) is deducted from a death benefit                                    |



## B-1.1.7 Disability

**Table 17. Functional Requirements for Disability**

| Requirement ID | Description                                                                                                                                                                                                                                                 |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                             |
| 1.             | Ability to know if a member is receiving advance disability payments.                                                                                                                                                                                       |
| 2.             | Ability to know if a member is reciprocal.                                                                                                                                                                                                                  |
| 3.             | Ability to know if a member is purchasing service credit (payments in progress).                                                                                                                                                                            |
| 4.             | Ability to validate whether a member is on pension payroll or is in the process of applying for retirement when filing for a disability claim                                                                                                               |
| 5.             | Ability to capture a denial of benefits type and denial type code for the case                                                                                                                                                                              |
| 6.             | Ability to capture a member's request for an appeal                                                                                                                                                                                                         |
| 7.             | Ability to capture an appeal type and appeal type code for the case                                                                                                                                                                                         |
| 8.             | Ability to capture and track benefit adjustment reason type and code                                                                                                                                                                                        |
| 9.             | Ability to capture and track disability review status and status code                                                                                                                                                                                       |
| 10.            | Ability to capture appeal decision and appeal decision code for the case                                                                                                                                                                                    |
| 11.            | Ability to capture information from application for disability retirement                                                                                                                                                                                   |
| 12.            | Ability to process supplemental disability retirement benefits and retro payments - reemployment for incapacitated members                                                                                                                                  |
| 13.            | Ability to record receipt of application for disability retirement, physician's medical report, earnings statement, marital status form, student status form, appeals, and other disability related documents as listed below                               |
| 14.            | Ability to automatically generate a report identifying disability applications/cases to be presented to the disability review committee                                                                                                                     |
| 15.            | Ability to automatically generate and send follow-up correspondence regarding non-receipt of <u>marital status</u> form a user defined number of days after the form was sent (include copy of marital status form)                                         |
| 16.            | Ability to automatically generate correspondence to disability annuitants explaining reason for payroll adjustments                                                                                                                                         |
| 17.            | Ability to automatically generate disability reevaluation form, with cover correspondence stating due date for return, to disability annuitants a user defined number of months prior to their reevaluation date                                            |
| 18.            | Ability to automatically generate follow-up correspondence if annual earnings statement form has not been received a user defined number of days after the form was sent (include copy of earnings statement form)                                          |
| 19.            | Ability to automatically generate follow-up correspondence regarding non-receipt of disability reevaluation form a user defined number of day after the form was sent (include copy of disability reevaluation form)                                        |
| 20.            | Ability to automatically generate marital status form, and a cover correspondence stating the due date, to spouse survivors requesting certification of marital status a user defined number of months prior to review date                                 |
| 21.            | Ability to gather information from the system in order to generate a summary "Appeal Fact Sheet" for an appeal write-up (name, masked Social Security number, date of birth, employment history, retirement information and payment history, if applicable) |
| 22.            | Ability to generate "fact sheet" based on the system's history of disability events relating to a particular member to be used for appeal presentation / litigation                                                                                         |
| 23.            | Ability to generate a member's disability exhibit with variable outputs (have the ability limit the degree of information provided in the exhibit)                                                                                                          |
| 24.            | Ability to generate a report identifying applications that are ready for review by the Medical Board                                                                                                                                                        |
| 25.            | Ability to generate a report listing history of appeals: type, date received, date presented to review committee, decision (grant, deny, tabled-need flag, etc.), date presented to Board of Trustees, etc.                                                 |



| Requirement ID | Description                                                                                                                                                                                         |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 26.            | Ability to generate an appeal Acknowledgement correspondence and necessary follow-up correspondence to member                                                                                       |
| 27.            | Ability to generate an application for disability retirement Acknowledgement correspondence and necessary follow-up correspondence to member                                                        |
| 28.            | Ability to generate an application for disability retirement form                                                                                                                                   |
| 29.            | Ability to generate a letter to reject an incomplete application or withdraw application.                                                                                                           |
| 30.            | Ability to generate a Department filing letter.                                                                                                                                                     |
| 31.            | Ability to generate a disability aging report.                                                                                                                                                      |
| 32.            | Ability to generate calendar correspondence (e.g. appeals)                                                                                                                                          |
| 33.            | Ability to generate correspondence explaining "catch-up" payments                                                                                                                                   |
| 34.            | Ability to generate correspondence requesting information from county departments, special districts, physicians, investigators                                                                     |
| 35.            | Ability to generate correspondence to appellants requesting various additional information                                                                                                          |
| 36.            | Ability to generate correspondence to member either denying appeal or approving appeal and reinstating benefits                                                                                     |
| 37.            | Ability to generate correspondence to member either denying or approving disability benefits, including scheduled date of first check if applicable                                                 |
| 38.            | Ability to generate correspondence to member either denying or granting request for appeal                                                                                                          |
| 39.            | Ability to generate correspondence to requesting various additional information                                                                                                                     |
| 40.            | Ability to generate correspondence to retiree regarding automatic transfer from disability to regular retirement status                                                                             |
| 41.            | Ability to generate disability application packet                                                                                                                                                   |
| 42.            | Ability to produce a cover sheet and an executive fact summary report                                                                                                                               |
| 43.            | Ability to produce various disability denial correspondence including reasons                                                                                                                       |
| 44.            | Ability, if disability claim is denied and member is eligible for regular retirement or refund, to generate appropriate correspondence to member and employer with follow-ups to both automatically |
| 45.            | Ability to present on screen or generate a report the presents the history of activity and the current state of a disability claim                                                                  |
| 46.            | Ability for physicians to submit disability information remotely from their office via a Web utility                                                                                                |
| 47.            | Ability to add appeal decision codes                                                                                                                                                                |
| 48.            | Ability to add appeal type codes                                                                                                                                                                    |
| 49.            | Ability to add benefit adjustment reason type and code                                                                                                                                              |
| 50.            | Ability to add denial of benefits type codes                                                                                                                                                        |
| 51.            | Ability to add new disability review status type and code                                                                                                                                           |
| 52.            | Ability to automatically "live" calendar activities to disability applicants                                                                                                                        |
| 53.            | Ability to automatically record the result (approved, denied, tabled, pending, withdrawn, etc.) of the appeal and close the appeal such that the case can never be reviewed again                   |
| 54.            | Ability to automatically suspend disability benefits if disability reevaluation form is not received by due date                                                                                    |
| 55.            | Ability to calculate supplemental disability retirement payments                                                                                                                                    |
| 56.            | Ability to close disability account after appeal process is completed                                                                                                                               |
| 57.            | Ability to date stamp # order exhibits with option to numbers and letters                                                                                                                           |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 58.            | Ability to forward a work request item to the disability processing activity to reinstate disability benefits if an appeal is approved                                                                                                                                                                                                         |
| 59.            | Ability to generate disability-related payroll adjustments                                                                                                                                                                                                                                                                                     |
| 60.            | Ability to handle all tax related implications with respect to disability payments, overpayments and reimbursements                                                                                                                                                                                                                            |
| 61.            | Ability to identify all payments made to disability retirees                                                                                                                                                                                                                                                                                   |
| 62.            | Ability to identify disability retirees by disability review status type                                                                                                                                                                                                                                                                       |
| 63.            | Ability to identify disability retirees by job and type of disability (e.g. Back injury, heart presumptive, knees...)                                                                                                                                                                                                                          |
| 64.            | Ability to identify members who have not responded to TCERA's request for additional medical information                                                                                                                                                                                                                                       |
| 65.            | Ability to maintain tracking system to record pertinent information for all disability applications received; must be able to search under all fields                                                                                                                                                                                          |
| 66.            | Ability to mass produce / print all pertinent imaged documents and forward to appeals staff to review and edit into the appeals package                                                                                                                                                                                                        |
| 67.            | Ability to provide a single disability summary screen, possibly with multiple tabs, containing all information desired by TCERA users                                                                                                                                                                                                          |
| 68.            | Ability to recalculate final disability retirement when member retires after reemployment for incapacitated members.                                                                                                                                                                                                                           |
| 69.            | Ability to recalculate supplemental disability retirement payments to adjust for pay increases                                                                                                                                                                                                                                                 |
| 70.            | Ability to restrict various sensitive information                                                                                                                                                                                                                                                                                              |
| 71.            | Ability to screen for disability retiree and suspend the retiree's benefit(s) in the event the retiree returns to work for a TCERA employer.                                                                                                                                                                                                   |
| 72.            | Ability to store, edit and update disability policy and procedures                                                                                                                                                                                                                                                                             |
| 73.            | Ability to track a member's request for an appeal                                                                                                                                                                                                                                                                                              |
| 74.            | Ability to incorporate codes and notations for employer generated applications                                                                                                                                                                                                                                                                 |
| 75.            | Ability to capture disability documentation and view from the pension administration system                                                                                                                                                                                                                                                    |
| 76.            | Ability to code for previous disability filing                                                                                                                                                                                                                                                                                                 |
| 77.            | Ability to track hearing officer history (how often used, rotation history, name and contact info)                                                                                                                                                                                                                                             |
| 78.            | Ability to track details of contract specifics for hearing officers (rates, contract dates, etc.)                                                                                                                                                                                                                                              |
| 79.            | Ability to track information regarding assigned counsel                                                                                                                                                                                                                                                                                        |
| 80.            | Ability to track progression of the formal and informal cases through various status codes                                                                                                                                                                                                                                                     |
| 81.            | Ability to track allowable earnings and compare with disability annuitant's earnings per annual earnings statement; if the member's earnings are greater than allowable earnings, automatically reduce the benefit amount by the difference; the system must be able to capture the actuarial reduction specifically for disability annuitants |
| 82.            | Ability to account for AR26 (Tulare County Administrative Rule 26) funds when calculating a retroactive disability retirement                                                                                                                                                                                                                  |
| 83.            | Ability to track, calculate, and maintain Supplemental Disability Allowance (SDA) payments according to plan provisions; generating a report and employer notification when changes are required.                                                                                                                                              |
| 84.            | Ability to validate that member meets the disability eligibility requirements (service, age, etc.)                                                                                                                                                                                                                                             |



## B-1.1.8 Employer Contribution and Payroll Reporting

Table 18. Functional Requirements for Employer Contribution and Payroll Reporting

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1.             | Ability to match employer report to employer remittances and alert user of mismatches                                                                                                                                                                                                                                                                                                                                                              |
| 2.             | Ability to notify user whenever Employer Contribution and Payroll Reporting information is received for a person who has applied for retirement, received an initial benefit, or has had a final calculation of benefit performed                                                                                                                                                                                                                  |
| 3.             | Ability to prevent invalid or duplicate data from posting to the member's account                                                                                                                                                                                                                                                                                                                                                                  |
| 4.             | Ability to produce report comparing a member's current month salary and hours (as adjusted) to preceding months and identifying, by employer, instances where the information submitted violates TCERA business rules (e.g., salary exceeds an acceptable parameter; no salary reported; no hours reported but required for plan, etc.)                                                                                                            |
| 5.             | Ability to provide an audit trail of any adjustments in salary, contributions, or service made to a member's account, including the ability to detail a member's salary, contributions, and service by employer throughout the system and the member's history                                                                                                                                                                                     |
| 6.             | Ability to accept electronic payments from employers                                                                                                                                                                                                                                                                                                                                                                                               |
| 7.             | Ability to accept various forms of media (disk, paper, tape, file transfer, CD-ROM, Web, etc.) containing member data submitted by multiple employers                                                                                                                                                                                                                                                                                              |
| 8.             | Ability to capture a member's hire date or termination date from employer reports                                                                                                                                                                                                                                                                                                                                                                  |
| 9.             | Ability to capture comments or notes regarding an employer data file                                                                                                                                                                                                                                                                                                                                                                               |
| 10.            | Ability to capture comments or notes regarding specific employer delinquencies                                                                                                                                                                                                                                                                                                                                                                     |
| 11.            | Ability to capture employer demographic information, including the TCERA-assigned employer number, employer name, multiple contacts, multiple addresses, multiple e-mail addresses, and other pertinent information                                                                                                                                                                                                                                |
| 12.            | Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures                                                                                                                                                                                                                                                                                                                  |
| 13.            | Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances                                                                                                                                                                                                                                                                                                          |
| 14.            | Ability to capture user-defined rules to validate employer data                                                                                                                                                                                                                                                                                                                                                                                    |
| 15.            | Ability to capture user-maintainable parameters to control service credit allocation based on contributions received for a given pay period                                                                                                                                                                                                                                                                                                        |
| 16.            | Ability to capture user-maintained tables for employer and employee contribution rates, each rate having a corresponding effective date                                                                                                                                                                                                                                                                                                            |
| 17.            | Ability to capture, track, and report member personnel status codes (Hire Date, Re-Hire, Leave Without Pay, Terminate, Suspension, etc.) from employer reports (as well as "manual" user input); must include capture and tracking of status code start / end dates as defined by TCERA (e.g. leave of absence is assigned to an entire pay period based on contribution received, even if the actual leave was only a portion of the pay period). |
| 18.            | Ability to provide several industry-standard methods of submitting member data by employers, such as FTP and the Web, as well as conventional unattended processing of delivered media. PGP Encryption software compatible with PGP Desktop Version 9 must be used for all confidential or proprietary data.                                                                                                                                       |
| 19.            | Ability to automatically generate a report identifying the employer reports received, employer reports not received, dates when employer reports were received, amounts received and any \$ differences due; automatically notify one or more contacts within the agency that the report is available and can be viewed on-line                                                                                                                    |
| 20.            | Ability to produce report for members that reach 5 & 30 year eligibility service (including reciprocal service.                                                                                                                                                                                                                                                                                                                                    |
| 21.            | Ability to automatically generate penalty and/or interest correspondence / invoices to employers based on late report / late remittance                                                                                                                                                                                                                                                                                                            |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22.            | Ability to generate optional correspondence to employer and employee regarding any adjustment made by TCERA staff to salary, contributions, and service                                                                                                                                                                                  |
| 23.            | Ability to generate a report of the status of receivables for employee and employer contributions on demand, available to both staff and to employers                                                                                                                                                                                    |
| 24.            | Ability to generate a report presenting summaries of exceptions for each employer that will need to be corrected, including the ability to re-generate the report after corrections have been made                                                                                                                                       |
| 25.            | Ability to generate an employer statement showing unpaid monthly charges identified by both prior and current periods, as well as any cash receipt not applied                                                                                                                                                                           |
| 26.            | Ability to generate an invoice to the employer for employee and employer contributions on demand as well as on a fixed schedule; for those situations where the employer is delinquent in the reporting of member wages and salaries, invoiced amount will be a system-generated estimate based on most recent previous employer report  |
| 27.            | Ability to generate correspondence / e-mails / faxes to employers notifying them of corrections they need to make on their next month's report                                                                                                                                                                                           |
| 28.            | Ability to print a report of all members being reported who have no enrollment application on file                                                                                                                                                                                                                                       |
| 29.            | Ability to produce a report that lists employers who are delinquent in the payment of employee and employer contributions, including an aging of delinquencies                                                                                                                                                                           |
| 30.            | Ability to produce a turn-around document reflecting the employer's information reported to TCERA showing current salary, contributions, and change balances in the order in which the employer submitted the information                                                                                                                |
| 31.            | Ability to produce monthly Discrepancy Report comparing a member's current monthly salary with preceding month's and identify, by employer, members whose: (1) salary is >10 percent higher than, or less than half of, previous month salary; (2) salary is reported as zero, (3) OTHER?                                                |
| 32.            | Ability to provide an on-line report of member's account history by agency by date range                                                                                                                                                                                                                                                 |
| 33.            | Ability to review and optionally reject negative transactions received on an employer's wage and contribution report                                                                                                                                                                                                                     |
| 34.            | Ability to accommodate employer-reported data adjustments to prior periods (retroactive adjustments) as well as information for the current period; adjustments must be "post-able" at either the agency level or the employee level, whichever is appropriate for the type of adjustment being submitted                                |
| 35.            | Ability to accommodate multiple employment status codes full time, part time percentage, extra help non-participating member) for a member employed by one employer or multiple employers                                                                                                                                                |
| 36.            | Ability to accommodate those cases where the employer reports adjustments for specific individuals over an extended period of time (example: John Doe should have been reported with \$50 contributions and not \$40 for the past 24 months; thus \$10 will continue to be reported as an adjustment over the next 24 months)            |
| 37.            | Ability to accommodate variances resulting from a member's working simultaneously for multiple employers (e.g., handling reported hours vs. reported days, part-time vs. full-time), ensuring proper service credit and limiting service earned to no greater than one year in total, regardless of the number of employers, hours, etc. |
| 38.            | Ability to apply cash receipts or disbursements to outstanding employer and member receivables and payables in an automatic manner                                                                                                                                                                                                       |
| 39.            | Ability to apply deduction so identified in the wage and contribution report against predefined purchase of service balances.                                                                                                                                                                                                            |
| 40.            | Ability to assign an "effective" period(s) to employer submitted data                                                                                                                                                                                                                                                                    |
| 41.            | Ability to automatically calculate the contribution that is due from the employer by contribution type and by plan type and provide a summary of amounts due by each type identified                                                                                                                                                     |
| 42.            | Ability to automatically create appropriate general ledger transactions for payment receipts (e.g., monthly remittance of employer contributions, member overpayments, service purchase payments) and disbursements (e.g., refunds and overpayments).                                                                                    |
| 43.            | Ability to automatically scan employer reporting disks, CD's, etc. for viruses prior to processing the report                                                                                                                                                                                                                            |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 44.            | Ability to automatically trigger appropriate workflow if an employer reported adjustment is received for someone who has terminated/refunded (to address any overpayment / underpayment of refund)                                                                                                                                                                                                                                                |
| 45.            | Ability to calculate and track both penalties and interest applicable to both late reports and late remittances from employer                                                                                                                                                                                                                                                                                                                     |
| 46.            | Ability to check employer entry and termination dates against employee service records to insure that service credited is within the participation period of the employer                                                                                                                                                                                                                                                                         |
| 47.            | Ability to classify employer data errors according to their severity (with posting of data permitted for less severe conditions, but posting suspended for critical errors)                                                                                                                                                                                                                                                                       |
| 48.            | Ability to communicate information (such as delinquent reporting) to employers via e-mail or Web                                                                                                                                                                                                                                                                                                                                                  |
| 49.            | Ability to confirm that employer remittance was received within a user determined number of day prior to the reporting period end date                                                                                                                                                                                                                                                                                                            |
| 50.            | Ability to correct all employer-reported data by manual entry, providing an audit trail of all such corrections                                                                                                                                                                                                                                                                                                                                   |
| 51.            | Ability to create and delete individual records within the employer data file subject to TCERA internal audit controls, limited to specific users                                                                                                                                                                                                                                                                                                 |
| 52.            | Ability to create appropriate general ledger debit and credit memos for differences and corrections in employer reports                                                                                                                                                                                                                                                                                                                           |
| 53.            | Ability to display any adjustment made in employee's salary, contributions, and service and display those adjustments at both the summary level and the detailed transaction level                                                                                                                                                                                                                                                                |
| 54.            | Ability to electronically interface with multiple banks and accounts containing daily information for employer remittance lockbox deposits or ACH deposits                                                                                                                                                                                                                                                                                        |
| 55.            | Ability to flag members without any wages or contributions reported for user investigation                                                                                                                                                                                                                                                                                                                                                        |
| 56.            | Ability to indicate when an employer data file is not in balance, on-line, real-time                                                                                                                                                                                                                                                                                                                                                              |
| 57.            | Ability to issue credit to employer that reports employer and/or employee contributions paid for a non-qualifying employee                                                                                                                                                                                                                                                                                                                        |
| 58.            | Ability to maintain the data relationship between the employer and member                                                                                                                                                                                                                                                                                                                                                                         |
| 59.            | Ability to maintain year-to-date balances of total employer and employee contributions for each employer                                                                                                                                                                                                                                                                                                                                          |
| 60.            | Ability to post (when there are individual records with errors) all the validated member records and suspend those member records containing errors and generate a report; OR ability to capture changeable threshold parameters based on the number of errors encountered; X records with errors prevents posting of the entire report; Y prevents only erroneous records from posting; a user (not programmer) maintained parameter is required |
| 61.            | Ability to process employer submitted information (salary, contributions, and service) with various reporting frequencies (currently bi-weekly and monthly).                                                                                                                                                                                                                                                                                      |
| 62.            | Ability to provide a crosswalk that maps the old and new employer name and number; in the case of merged employers or split employers                                                                                                                                                                                                                                                                                                             |
| 63.            | Ability to provide a real-time summary of any data file received from an employer, including data file totals and number of detail records                                                                                                                                                                                                                                                                                                        |
| 64.            | Ability to provide an edit for concurrent time (i.e., an employee contributing in two places), which may be allowable if the member is enrolled in two different plans, and prompt the user to check further into the circumstances                                                                                                                                                                                                               |
| 65.            | Ability to provide appropriate validations to ensure that reported service is consistent with time worked and contributions made , and that all data elements are properly posted to the member's account                                                                                                                                                                                                                                         |
| 66.            | Ability to provide front-end validation that only one period of wages and contributions is being reported or ability to accept employer report covering multiple periods                                                                                                                                                                                                                                                                          |
| 67.            | Ability to provide front-end validations on SSN's, agency numbers, duplicate names, blank fields, negative numbers, dates, etc.                                                                                                                                                                                                                                                                                                                   |
| 68.            | Ability to provide front-end validations to determine whether reporting dates have already been posted on a member level, and if so, alert user to investigate                                                                                                                                                                                                                                                                                    |
| 69.            | Ability to provide real-time processing of employer reports                                                                                                                                                                                                                                                                                                                                                                                       |



| Requirement ID | Description                                                                                                                                                                                                                                                                |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                            |
| 70.            | Ability to reconcile the total amount of member contributions and employer portions plus any adjustments to the total remittance made by the employer                                                                                                                      |
| 71.            | Ability to re-execute data validations and re-calculate data file totals after a correction is made or records have been created or deleted, subject to TCERA internal audit controls                                                                                      |
| 72.            | Ability to retrieve and review prior wage and contribution reports as reported by the employer including the means and media by which it was reported                                                                                                                      |
| 73.            | Ability to reverse the processing of wage and contribution reports that were submitted by an employer in error                                                                                                                                                             |
| 74.            | Ability to split employers, appropriately allocating / segregating employee data between the two new employers, but retaining the ability to query on all historical data from the "original" (pre-split) employer                                                         |
| 75.            | Ability to support a fully defined and structured reporting format regardless of the method / media of delivery                                                                                                                                                            |
| 76.            | Ability to support and track the following dates relating to employer wage and contribution reports: date submitted, date validated, date accepted by TCERA, date processed/posted and date paid                                                                           |
| 77.            | Ability to track due dates.                                                                                                                                                                                                                                                |
| 78.            | Ability to support controlled future dating of submitted data                                                                                                                                                                                                              |
| 79.            | Ability to support the lowest level of detail in the member account based on various employer reporting frequencies, e.g., weekly, bi-weekly, semi-monthly, and monthly                                                                                                    |
| 80.            | Ability to support the processing of multiple employer reporting transactions for a given person in a given time period to handle standard pay, overtime, extra-curricular, etc.                                                                                           |
| 81.            | Ability to tie contributions posted to the system to a payroll period ending date and update employee salary history for the appropriate month and year                                                                                                                    |
| 82.            | Ability to track received, processed and unprocessed employer data files                                                                                                                                                                                                   |
| 83.            | Ability to validate and post service credit if member salary and contributions are reported for any reporting frequency.                                                                                                                                                   |
| 84.            | Ability to validate reported data against tables of employer and employee contribution rates based on matching the payroll ending date with the effective date of the contribution rate                                                                                    |
| 85.            | Ability to validate whether service credit should be granted based on a full contribution made during a given time period                                                                                                                                                  |
| 86.            | Ability to calculate regular and COLA portions of reported employee contributions and maintain detail and totals for actuarial reporting                                                                                                                                   |
| 87.            | Ability to identify pay period number and pay period date for contributions and salary                                                                                                                                                                                     |
| 88.            | Ability to verify that reported contributions equal expected contributions based on current rates and reported earnings as well as provide an exception report for active members with no reported contribution                                                            |
| 89.            | Ability to filter employer download for all current exceptions through current vendor's filter and TCERA's payroll filter                                                                                                                                                  |
| 90.            | Ability to accept "waived status" for members not required to join TCERA                                                                                                                                                                                                   |
| 91.            | Ability to identify and report inactive members who are in Extra Help status and mark them as eligible for interest but ineligible for refund                                                                                                                              |
| 92.            | Ability to code member accounts if contribution repayment plan is in place with the employer, including ability to freeze the account for refund or retirement until payment plan is cleared.                                                                              |
| 93.            | Ability to verify that a member is enrolled with an employer before accepting member wage and contribution data from that employer, while retaining the ability to identify new members (and automatically trigger enrollment workflow) when first reported by an employer |



### B-1.1.9 Enrollment

**Table 19. Functional Requirements for Enrollment**

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                               |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                           |
| 1.             | Ability to identify and report through a workflow process that a member is earning salary, contributions, and service under more than one employer for the same period of time                                                                                                                                                            |
| 2.             | Ability to identify duplicate names with the same or similar SSN and/or date of birth for staff intervention/validation then automatically generate a correspondence to the member requesting verification of SSN and/or date of birth and suspend the account until verification is received                                             |
| 3.             | Ability to track and report pre and post tax employee contributions.                                                                                                                                                                                                                                                                      |
| 4.             | Ability to track name changes                                                                                                                                                                                                                                                                                                             |
| 5.             | Ability to identify duplicate SSN conditions and flag them for staff intervention/validation                                                                                                                                                                                                                                              |
| 6.             | Ability to capture enrollment of members who transfer from one affiliated employer to another or transfer from regular to extra help.                                                                                                                                                                                                     |
| 7.             | Ability to capture membership waiver information provided on a waiver form or Web utility (i.e., employer name, employer number, and school year)                                                                                                                                                                                         |
| 8.             | Ability to capture the enrollment of new employees, transferring employees, employees returning to service, returning from a furlough, or returning from a leave of absence                                                                                                                                                               |
| 9.             | Ability to communicate all invalid entries in "real-time" and edit / validate "real-time" corrections                                                                                                                                                                                                                                     |
| 10.            | Ability to use a single point of entry regardless of whether it is a new member enrollment or an existing account                                                                                                                                                                                                                         |
| 11.            | Ability to validate incoming data formats from employer and other TCERA affiliates (e.g. numeric, field size, physical file attributes, etc.)                                                                                                                                                                                             |
| 12.            | Ability to include a nomination of beneficiary correspondence explaining what corrections are needed                                                                                                                                                                                                                                      |
| 13.            | Ability to generate a membership waiver (over 60) Acknowledgement correspondence                                                                                                                                                                                                                                                          |
| 14.            | Ability to generate a pre-filled forms and track the distribution, turn-around, and processing of that form                                                                                                                                                                                                                               |
| 15.            | Ability to generate a pre-filled membership waiver eligibility form and track the distribution, turn-around, and processing of that form                                                                                                                                                                                                  |
| 16.            | Ability to print a report of all members without an enrollment application on file                                                                                                                                                                                                                                                        |
| 17.            | Ability to produce a member's employer history information in a single report                                                                                                                                                                                                                                                             |
| 18.            | Ability to produce a member's plan history information in a single report                                                                                                                                                                                                                                                                 |
| 19.            | Ability to produce a report of all employees for whom wages and contributions are reported by the employer but no enrollment information has been received and automatically generate a pre-filled membership application for each such employee                                                                                          |
| 20.            | Ability to produce error reports to be distributed through various media (e.g., paper, email, FTP, CD, etc.), if the enrollment information is captured through media other than an enrollment form or Web utility (e.g., tape, CD, etc.) Confidential information must be encrypted if it to be distributed in a non-secure environment. |
| 21.            | Ability to produce statistical, demographic, and error information on all the different types of media (e.g., paper, Web, tape, CD, etc.)                                                                                                                                                                                                 |
| 22.            | Ability to support both mandatory and non-mandatory fields and automatically generate an additional information correspondence from an incomplete enrollment record and include a pre-filled membership application highlighting the areas that need to be completed or corrected                                                         |
| 23.            | Ability for TCERA staff to create, update, and display enrollment information (i.e., member demographics and employment information) provided from an enrollment form, Web utility, or various other media (e.g., tape, diskette, CD, etc.)                                                                                               |



| Requirement ID | Description                                                                                                                                                                                                                            |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24.            | Ability to accept beneficiary information without Social Security number upon initial setup with supervisor override (members may choose beneficiaries who reside outside the United States and therefore have no SSN)                 |
| 25.            | Ability to assign / associate members to their appropriate retirement plan, corresponding contribution rate, coverage, tier, and class based on eligibility rules                                                                      |
| 26.            | Ability to assign and continue to use an established employee ID number for members                                                                                                                                                    |
| 27.            | Ability to automatically set up a Web account for a new member and therefore provide access to his/her account and / or files via the Web through use of an ID and PIN numbers upon successful member enrollment                       |
| 28.            | Ability to create, revise, display and print members' information including but not limited to the following: name, address, masked Social Security number, date of birth, employment date, employment details, membership class, etc. |
| 29.            | Ability to create, revise, maintain, inquire and display enrollment information (address, phone, employment information, etc.) with effective dates                                                                                    |
| 30.            | Ability to ensure (possibly through workflow) that if a minor or special needs adult is added as a primary beneficiary that a guardian is also established                                                                             |
| 31.            | Ability to flag an enrollment record if enrollment information is received for an individual currently receiving a monthly pension benefit or if the individual previously waived membership                                           |
| 32.            | Ability to manually enroll a member outside of the control of workflow and of automatic enrollment through wage and contribution reporting process (e.g. DRO)                                                                          |
| 33.            | Ability to name and set up a Primary, Secondary, Guardian, Estate, Charity, etc. as a beneficiary as well as establish the percentages, payment priority, etc.                                                                         |
| 34.            | Ability to retrieve and update an incomplete enrollment once the additional information is received from either the member or employer                                                                                                 |
| 35.            | Ability to review enrollment information captured through various media (e.g., tape, diskette, CD, Web, etc.) prior to the data being committed to the database                                                                        |
| 36.            | Ability to store and retrieve an incomplete enrollment                                                                                                                                                                                 |
| 37.            | Ability to support bi-directional links between member(s) and beneficiary(ies) so that end-user can search on a beneficiary's SSN and locate the original member's account                                                             |
| 38.            | Ability to support different enrollment rules pertaining to different time periods and to accommodate members who are "grand-fathered" in based on those rules                                                                         |
| 39.            | Ability to track those individuals that are enrolled in both TCERA and reciprocal agency(ies)                                                                                                                                          |
| 40.            | Ability to update member demographic information while processing an enrollment                                                                                                                                                        |
| 41.            | Ability to validate against enrollment eligibility requirements                                                                                                                                                                        |
| 42.            | Ability to recognize and track members in waived status                                                                                                                                                                                |
| 43.            | Ability to validate against membership waiver eligibility requirements                                                                                                                                                                 |



## B-1.1.10 Funds Management

**Table 20. Functional Requirements for Funds Management**

| Requirement ID | Description                                                                                                                                                                                                                                                                                      |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                  |
| 1.             | Ability to ensure that all transactions have a user ID and transaction date associated with them                                                                                                                                                                                                 |
| 2.             | Ability to filter for duplicate entries ( e.g. if one of TCERA business areas enters a cash receipt, then another TCERA business area cannot enter the same cash receipt                                                                                                                         |
| 3.             | Ability to provide various controls to ensure accuracy, as an example: ensure that money already entered for a given entity, for a specific time period cannot be re-entered, etc.                                                                                                               |
| 4.             | Ability to provide various reconciliation controls to ensure that last month's fund balance plus any activity during the month equals this month's fund balance                                                                                                                                  |
| 5.             | Ability to capture an unattended process total amount, individual check amount, and allocation of an amount into employer portion and employee portion. In addition, the system must have the ability to account for lump sum payments from the employer not associated with individual payrolls |
| 6.             | Ability to capture all types of stop payments (retirements, refunds, direct rollover, vendor payments, etc.) including the date of stop payment and a reason for the stop payment                                                                                                                |
| 7.             | Ability to capture both member and employer cash receipts data at the plan level, with the ability to roll-up as necessary                                                                                                                                                                       |
| 8.             | Ability to capture cash receipt information, whether via ACH, wire transfer, lock-box, check, etc.                                                                                                                                                                                               |
| 9.             | Ability to capture changes in individual and bank routing numbers for direct deposit of retiree payments                                                                                                                                                                                         |
| 10.            | Ability to capture check / payment statuses, including cancellation status at the check level, the account level and the person level since some individuals receive multiple checks for numerous reasons                                                                                        |
| 11.            | Ability to capture check status (cashed, not cashed, etc.)                                                                                                                                                                                                                                       |
| 12.            | Ability to capture employer remittance cash receipt date (defaulted to today's date), pay period end date, and report end date                                                                                                                                                                   |
| 13.            | Ability to capture employer remittance type as either check or wire transfer                                                                                                                                                                                                                     |
| 14.            | Ability to capture information from checks that were returned to TCERA but not deposited and initiate workflow process for investigation and corrective action                                                                                                                                   |
| 15.            | Ability to capture payment frequency for each employer so that the system can track all reporting dates (not just the last reporting date) to ensure that a pay-period has not been missed                                                                                                       |
| 16.            | Ability to capture response from member relating to outstanding check that has not been cashed                                                                                                                                                                                                   |
| 17.            | Ability for the system to produce an export file for deposits and disbursements to interface with the County general ledger system (AFIN) including applicable employer codes                                                                                                                    |
| 18.            | Ability to automatically generate a correspondence to the member, a user defined number of days after the check date, explaining that he/she has an outstanding check that has not been cashed                                                                                                   |
| 19.            | Ability to extract statistical data to analyze or project trends                                                                                                                                                                                                                                 |
| 20.            | Ability to generate a collection correspondence for a receivable                                                                                                                                                                                                                                 |
| 21.            | Ability to generate a correspondence notifying annuitant of a reissued payment and reason                                                                                                                                                                                                        |
| 22.            | Ability to generate a Fund Transfer Reconciliation, i.e., a listing of any funds that may have been transferred from one account to another                                                                                                                                                      |
| 23.            | Ability to generate a GL Mapping Report, i.e., a report / matrix listing the line-of-business transactions and their corresponding GL transaction                                                                                                                                                |
| 24.            | Ability to generate a report of projected funding requirements for the next month to ensure that adequate funds are available in the appropriate TCERA accounts                                                                                                                                  |
| 25.            | Ability to generate an extract file per TCERA specifications that can be used to produce the CAFR report                                                                                                                                                                                         |
| 26.            | Ability to generate an insufficient funds correspondence to member                                                                                                                                                                                                                               |
| 27.            | Ability to generate correspondence and/or e-mails to members notifying them of stop payment                                                                                                                                                                                                      |



| Requirement ID | Description                                                                                                                                                                                                                                                                                              |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 28.            | Ability to generate report at the end of each business day relating to the collection and disbursement of funds                                                                                                                                                                                          |
| 29.            | Ability to generate report of employer overpayments and underpayments, both daily and on an as-requested basis                                                                                                                                                                                           |
| 30.            | Ability to generate separate monthly benefit and refund reports identifying the monthly journal entries posted to GL and a summary of all benefit payrolls, deposits, and adjustments                                                                                                                    |
| 31.            | Ability to maintain and provide various information that when extracted can be used to produce the CAFR report                                                                                                                                                                                           |
| 32.            | Ability to produce various reconciliation reports with enough detail to accurately reconcile the payments made and cash received                                                                                                                                                                         |
| 33.            | Ability to provide a monthly report of the projected total benefit payments for the next month for each plan, including withdrawals, death benefits, disability benefits, and monthly retirement payments                                                                                                |
| 34.            | Ability to provide adequate reconciliation reports to help end-users verify the transactions processed, including daily, weekly, monthly and fiscal year reconciliations                                                                                                                                 |
| 35.            | Ability to provide on demand a report of the total contributions received that have not been posted to pension system accounts                                                                                                                                                                           |
| 36.            | Ability to generate a report showing new member retirements, contributions and employer actuarial costs.                                                                                                                                                                                                 |
| 37.            | Ability to generate a report showing new retirees, date of retirement, member classification and department,                                                                                                                                                                                             |
| 38.            | Ability to generate a report showing new decedents, date of death and membership classification.                                                                                                                                                                                                         |
| 39.            | Ability to generate a report of interest posted during a specific period or a range.                                                                                                                                                                                                                     |
| 40.            | Ability to track employer account balances and generate reports of the amount of cash receipts remitted by employer over time                                                                                                                                                                            |
| 41.            | Ability to (at the time a member retires) transfer the member's account balance from the appropriate member-related GL account to the appropriate pension-related GL account, generating a report for review.                                                                                            |
| 42.            | Ability to accommodate an automatic check reconciliation process (as opposed to a manual paper reconciliation process) for multiple checking accounts – with all accounts being handled in the same manner                                                                                               |
| 43.            | Ability to accommodate for General Ledger the addition, modification, closing and deletion of plans such that duplicate data entry is not required                                                                                                                                                       |
| 44.            | Ability to accommodate retroactive interest posting for those cases in which a refund / withdrawal should not have been taken and is reversed                                                                                                                                                            |
| 45.            | Ability to adhere to Governmental Accounting Standards Board (GASB) statements and Generally Accepted Accounting Principles (GAAP)                                                                                                                                                                       |
| 46.            | Ability to adjust an account to prevent out-of-balance conditions including a reason code and an explanation of historical transactions                                                                                                                                                                  |
| 47.            | Ability to automatically increment the cash receipt batch number each day                                                                                                                                                                                                                                |
| 48.            | Ability to automatically match funds received to the correct employee or employer account                                                                                                                                                                                                                |
| 49.            | Ability to calculate and post interest to members' accounts on a semi-annual basis on the prior six month member balance, based on plan provisions and the ability to correct and adjust interest on as needed basis, including the ability to post zero or negative interest (loss) to member accounts. |
| 50.            | Ability to capture and maintain contribution rates by retirement system                                                                                                                                                                                                                                  |
| 51.            | Ability to capture and maintain interest rate tables (i.e., purchase of service, member account interest, etc.)                                                                                                                                                                                          |
| 52.            | Ability to default the cash receipt transaction date to today's date (to eliminate need for user entry in most cases)                                                                                                                                                                                    |



| Requirement ID | Description                                                                                                                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 53.            | Ability to define new transaction types at the user-level via a table driven parameter and ensure that they are appropriately applied throughout the application and GL, with supervisor approval.                                                            |
| 54.            | Ability to detect employer overpayments and underpayments and process accordingly, either setting up an account receivable / account payable or carrying a positive / negative balance on the employer's account                                              |
| 55.            | Ability to display cash disbursement information necessary to permit user to complete bank reconciliation processes                                                                                                                                           |
| 56.            | Ability to distinguish cash versus non-cash financial transactions (i.e., interest, miscellaneous credits to member's account, etc.)                                                                                                                          |
| 57.            | Ability to distribute incoming funds to more than one receivable record for the same member if appropriate                                                                                                                                                    |
| 58.            | Ability to ensure, for all funds, that member and employer reserves as indicated in the pension solution database are continuously in agreement with the general ledger reserve balances for same                                                             |
| 59.            | Ability to export transaction detail to the GL in sufficient detail such that all deductions are accommodated (i.e., pension benefits "gross to net")                                                                                                         |
| 60.            | Ability to extract accurate actuarial information in a format acceptable to TCERA's actuary                                                                                                                                                                   |
| 61.            | Ability to identify the type of payment made to a vendor or member (i.e., system-generated check, manual check, or wire transfer)                                                                                                                             |
| 62.            | Ability to identify those members that are eligible for account interest posting based on plan provisions, calculate, and apply interest accordingly. This includes accurately calculating and applying interest to re-hires.                                 |
| 63.            | Ability to initiate a cash receipt investigation process if incoming funds are received and a receivable does not exist                                                                                                                                       |
| 64.            | Ability to interface to the existing chart of accounts with sufficient flexibility to maintain that interface should the chart of accounts change and to allow for the creation of new systems, funds, plans, etc.                                            |
| 65.            | Ability to maintain a history of purged accounts                                                                                                                                                                                                              |
| 66.            | Ability to match cash receipt information relating to incoming funds with corresponding receivable records                                                                                                                                                    |
| 67.            | Ability to match stop payment requests to payments made that have not yet cleared                                                                                                                                                                             |
| 68.            | Ability to post out-of-sequence wage and contribution cash receipts so as not to delay posting of subsequent months due to "problem" months                                                                                                                   |
| 69.            | Ability to process a response from the member relating to un-cashed check and trigger workflow for TCERA user to re-issue a new check and send that transaction to the third-party processor to generate the actual check (if check processing is outsourced) |
| 70.            | Ability to process accounts receivable, cash receipts, accounts payable, cash payments and transfer transactions and pass them to the GL system according to the GL system's chart of accounts and by user defined timeframes                                 |
| 71.            | Ability to process cash receipts resulting from the reversal of a disbursement                                                                                                                                                                                |
| 72.            | Ability to process collected GL postings according to a changeable user-defined frequency parameter (daily, weekly, monthly, etc.)                                                                                                                            |
| 73.            | Ability to process manual payment transactions (on a very special case-by-case basis with the highest of security / audit levels) for situations where an immediate disbursement must be made                                                                 |
| 74.            | Ability to process receipts (cash, checks, etc.) from both organizations and individuals                                                                                                                                                                      |
| 75.            | Ability to provide a defined and structured matrix mapping line-of-business transactions to their corresponding GL transactions and the appropriate accounts                                                                                                  |
| 76.            | Ability to provide a detailed history of all transactions processed                                                                                                                                                                                           |
| 77.            | Ability to provide alternative views of contribution, salary, and service history, such as by plan, employers, filtered dates, etc.                                                                                                                           |
| 78.            | Ability to provide direct integration of the line-of-business system to the general ledger system without the need for any interim programmatic or manual reformatting process                                                                                |



| Requirement ID | Description                                                                                                                                                                                                      |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 79.            | Ability to provide seamless integration with TCERA's existing accounting software                                                                                                                                |
| 80.            | Ability to query on financial transactions based on SSN, payment types (including personal checks), check number, etc.                                                                                           |
| 81.            | Ability to recognize and track overpayments and establish a corresponding receivable                                                                                                                             |
| 82.            | Ability to reconcile the remittances of employer cash receipts with reported amounts                                                                                                                             |
| 83.            | Ability to support a (table driven) mapping mechanism to map business transactions to the GL by a user administrator                                                                                             |
| 84.            | Ability to support a defined date format and ensure the consistent synchronization of various dates (business date, transaction date, effective date, etc.) between the LOB and GL systems                       |
| 85.            | Ability to support all TCERA systems / plans and all of their accounting funds, journals, chart of accounts, general ledger (GL) transactions, etc.                                                              |
| 86.            | Ability to support the following types of check payment types: original, replacement, re-issue, re-sent, etc.                                                                                                    |
| 87.            | Ability to support the processing / posting of a collection of GL transactions                                                                                                                                   |
| 88.            | Ability to support the setup and creation of recurring payments (pension payroll)                                                                                                                                |
| 89.            | Ability to support the transfer of direct deposit information to third-party for running payroll, if check processing is outsourced                                                                              |
| 90.            | Ability to suspend interest accrual for members who are not vested and are identified by a user defined code or status as ineligible for interest (currently "unclaimed" status)                                 |
| 91.            | Ability to tie various addresses and bank routing information to the check (not necessarily just the member) for those cases where a person wants his/her checks / payments to go to different places / accounts |
| 92.            | Ability to track each step of the stop payment process, including that it was sent to Treasury / bank for investigation and the results of that investigation                                                    |
| 93.            | Ability to track information regarding the member's classification or job group within the plan                                                                                                                  |
| 94.            | Ability to update files when replacement check or photocopy is issued                                                                                                                                            |
| 95.            | Ability to provide information for reconciliation of all reserve accounts in a format acceptable to TCERA and its independent auditors                                                                           |
| 96.            | Ability to automatically generate information required for California State Controller's Report in a format compatible with reporting requirements                                                               |
| 97.            | Ability, after a stop payment has taken place and the check has been regenerated, to calculate additional interest on non-periodic payments (subsequent installments and direct rollovers)                       |



## B-1.1.11 General

**Table 21. Functional Requirements for General**

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                            |
| 1.             | Ability to provide end-to-end performance monitoring and control                                                                                                                                                                                                                                                                                                           |
| 2.             | Ability for TCERA to use an enterable standardized form online to initiate a member request                                                                                                                                                                                                                                                                                |
| 3.             | Ability to allow for "real-time" validations and the return of entry errors where applicable                                                                                                                                                                                                                                                                               |
| 4.             | Ability to capture and accept digital signatures that conform to federal and state statutes                                                                                                                                                                                                                                                                                |
| 5.             | Ability to capture annotations on correspondence                                                                                                                                                                                                                                                                                                                           |
| 6.             | Ability to capture manual notes at a variety of levels within the database structure including (but not limited to) member and workflow                                                                                                                                                                                                                                    |
| 7.             | Ability to capture member-submitted change requests through the Web site, with posting subject to TCERA Staff review and approval.                                                                                                                                                                                                                                         |
| 8.             | Ability to capture new Web-based forms as the need evolves                                                                                                                                                                                                                                                                                                                 |
| 9.             | Ability to capture updates to the Knowledge Management Repository (frequently asked questions, standard problems and responses, and other ad hoc information), if such option is selected.                                                                                                                                                                                 |
| 10.            | Ability to capture user-administered, date-sensitive, system-wide parametrically set numerical values and rules                                                                                                                                                                                                                                                            |
| 11.            | Ability to capture user-entered, free form notes on contacts with TCERA members (i.e., capture user-id, user name, date, time stamp, etc.); records must be limited in length by TCERA, able to be sorted based on various criteria such as date/time, TCERA contact, type of contact, etc., and viewable by any other user                                                |
| 12.            | Ability to run queries seeking various demographic "slices" of the TCERA population, e.g., "All members within two years of possible retirement (including those who would meet that criteria should they purchase service to cover 'empty' years)," "All members who have become members within the past five years," etc., so they may be issued invitations to seminars |
| 13.            | Ability to support the import of data from other external Open Database Connectivity (ODBC) compliant sources                                                                                                                                                                                                                                                              |
| 14.            | Ability for the system to handle both of the following correspondence generation options:<br>1. End-users generate their own correspondence and print it themselves (locally)<br>2. End-users generate their own correspondence then send it to centralized system for consolidation, mail assembly and distribution                                                       |
| 15.            | Ability for the system to provide alternative views of contribution, salary, and service history such as by plan, employers, filtered dates, etc.                                                                                                                                                                                                                          |
| 16.            | Ability to display basic member information on all applicable application screens and have the information displayed in various text cases and styles as required                                                                                                                                                                                                          |
| 17.            | Ability to display monetary amounts in whole dollars or dollars and cents                                                                                                                                                                                                                                                                                                  |
| 18.            | Ability to generate a file of participants which is then matched against a third-party vendor's database to identify deceased individuals                                                                                                                                                                                                                                  |
| 19.            | Ability to generate additional information correspondence when further documentation is needed and/or data is missing; ability to generate follow-up correspondence as needed                                                                                                                                                                                              |
| 20.            | Ability to generate all forms and correspondence (including appropriate redesign and combining of current forms and correspondence and creation of new ones) using OCR/ICR and barcode capability                                                                                                                                                                          |
| 21.            | Ability to generate automatic reminder correspondence when the specified "wait" period has been exceeded for a response from a user, employer, etc.                                                                                                                                                                                                                        |
| 22.            | Ability to produce on demand mailing labels for mass mailings in up to 7 different formats, with appropriate selection and sort options                                                                                                                                                                                                                                    |
| 23.            | Ability to provide online, context-sensitive error and help messages/screens                                                                                                                                                                                                                                                                                               |
| 24.            | Ability to sign correspondence with staff names (electronic signatures)                                                                                                                                                                                                                                                                                                    |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25.            | Ability to support screen prints for all windows                                                                                                                                                                                                                                                                                                                                                                                         |
| 26.            | Ability to use a standardized correspondence format to display benefit estimate results                                                                                                                                                                                                                                                                                                                                                  |
| 27.            | Ability to "clean-up" / delete any bad or erroneous estimates that a user wants to delete (applicable only to those estimates that the user has created)                                                                                                                                                                                                                                                                                 |
| 28.            | Ability to "filter" user comments so that a user can see all comments, just comments related to a business area, just comments for a business process, just comments for a window, etc                                                                                                                                                                                                                                                   |
| 29.            | Ability to accept and process submitted requests received through a Web utility                                                                                                                                                                                                                                                                                                                                                          |
| 30.            | Ability to accommodate different parameter values for different time periods                                                                                                                                                                                                                                                                                                                                                             |
| 31.            | Ability to accommodate years in which there may be 27 rather than 26 pay periods due to the accumulation of days which do not fit into 26 pay periods                                                                                                                                                                                                                                                                                    |
| 32.            | Ability to accommodate parameters that vary between plans, funds or employers                                                                                                                                                                                                                                                                                                                                                            |
| 33.            | Ability to add a new plan to the system, to modify an existing plan, and to delete an existing plan from the system                                                                                                                                                                                                                                                                                                                      |
| 34.            | Ability to allow for varying data structures (i.e., not forcing a single "name" structure or "address" structure) based upon the business need for that information and the type of correspondence to be generated                                                                                                                                                                                                                       |
| 35.            | Ability to allow members / affiliates to access their account data via the Web                                                                                                                                                                                                                                                                                                                                                           |
| 36.            | Ability to archive data controlled by distinct business-based rules                                                                                                                                                                                                                                                                                                                                                                      |
| 37.            | Ability to automatically notify appropriate users that the specified "wait" period has been exceeded for a response from a user, employer, etc.                                                                                                                                                                                                                                                                                          |
| 38.            | Ability to calculate the member's "age" within the system for various purposes; age factors related to retirement are calculated in quarter-year increments; contributions are based on an individual's age rounded up to the next full year after the 182nd post-birthday day occurs (i.e., after a half-year has passed)                                                                                                               |
| 39.            | Ability to close existing plans to new members                                                                                                                                                                                                                                                                                                                                                                                           |
| 40.            | Ability to comply with all applicable external rules and regulations (e.g., TCERA, , HIPAA, California Government Code, Tulare County Board of Retirement, Tulare County Board of Supervisors, IRS, Postal, etc.) that are defined for a period of 24 months after contract signing                                                                                                                                                      |
| 41.            | Ability to comply with all applicable federal and state tax laws and statutes                                                                                                                                                                                                                                                                                                                                                            |
| 42.            | Ability to create queries using standard English language requests.                                                                                                                                                                                                                                                                                                                                                                      |
| 43.            | Ability to customize system generated correspondence using different paragraphs based on member account information and/or unique situations by using an indicator                                                                                                                                                                                                                                                                       |
| 44.            | Ability to determine the cost (member and employer share if applicable) and payment plan(s) for the various types of service credit purchases:<br><br>Formerly refunded service with TCERA<br>Former un-credited full-time service with an employer covered by a TCERA system<br>Multiple Service<br>Medical Leave of Absence<br>Military service<br>Additional Retirement Service Credit<br>Prior Public Service<br>Extra Help<br>Other |
| 45.            | Ability to determine the member's earliest retirement date based on the retirement eligibility rules                                                                                                                                                                                                                                                                                                                                     |
| 46.            | Ability to determine whether a member has attended one of several education seminar types within the past (specified number of) years.                                                                                                                                                                                                                                                                                                   |
| 47.            | Ability to display benefit estimate results in either whole dollars or dollars and cents – and the flexibility to perform rounding and reduce the amount if desired                                                                                                                                                                                                                                                                      |



| Requirement ID | Description                                                                                                                                                                                                                                                                      |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 48.            | Ability to enter data into the system and set its status to "pending" (also keep its status of "pending" in workflow) for those cases where a document comes in before the document that should have arrived first to initiate the process                                       |
| 49.            | Ability to generate benefit estimate off-site via dial in, Remote Access, Internet, etc.                                                                                                                                                                                         |
| 50.            | Ability to have both standard and customized comment fields on the benefit estimate                                                                                                                                                                                              |
| 51.            | Ability to have parameter values, table driven, with user maintainable, date sensitive capability                                                                                                                                                                                |
| 52.            | Ability to integrate all data insertion (e.g., name, address, service credits, etc.) in forms and correspondence using appropriate tools                                                                                                                                         |
| 53.            | Ability to maintain (add, edit and delete) pre-defined value lists such as cities, employer codes, etc.; the system should be table driven to the maximum extent possible; therefore, tables which contain lists of valid values are to be maintained by a single common program |
| 54.            | Ability to maintain a Help or Glossary of terminology used by TCERA staff.                                                                                                                                                                                                       |
| 55.            | Ability to maintain a historical list of employer numbers prior to data conversion.                                                                                                                                                                                              |
| 56.            | Ability to maintain an indicator stating how the member/employer wants correspondence distributed (e.g., e-mail, USPS, FAX, etc.)                                                                                                                                                |
| 57.            | Ability to maintain and manage the various versions of documents over time when changes are made to standardized forms, correspondence, and reports                                                                                                                              |
| 58.            | Ability to maintain and update the schema definitions associated with the data warehouse over time                                                                                                                                                                               |
| 59.            | Ability to maintain holiday, payroll, closing calendars for processes                                                                                                                                                                                                            |
| 60.            | Ability to maintain those table-values (i.e. tax tables, service credit factors, interest rates, etc.) that are more complex than simple list-values via a standard user-interface                                                                                               |
| 61.            | Ability to match entered data with database values without regard to case – i.e., a system that is NOT case-sensitive                                                                                                                                                            |
| 62.            | Ability to navigate through screens based on standard Windows and/or Browser based navigation                                                                                                                                                                                    |
| 63.            | Ability to navigate through screens using Hot Keys and retain the key identifier (e.g., Social Security number) throughout                                                                                                                                                       |
| 64.            | Ability to accurately handle reciprocities (multiple service), re-employment within 90 days, returning from deferred status, or re-deposits                                                                                                                                      |
| 65.            | Ability to pre-populate city and state by first entering the ZIP code and allow for overriding of the city and state, without consequently altering the ZIP code, when necessary                                                                                                 |
| 66.            | Ability to prevent the entry of duplicate transactions, when appropriate                                                                                                                                                                                                         |
| 67.            | Ability to process business transactions and display information in a concise and consolidated manner so as to avoid end-users from having to access numerous screens in order to accomplish their business task                                                                 |
| 68.            | Ability to provide "rules management" capabilities                                                                                                                                                                                                                               |
| 69.            | Ability to provide a "mass" data entry capability that will permit users to execute a large number of "like" transactions in a "short-cut" fashion, i.e., mass change (e.g., COLA, interest) based on query                                                                      |
| 70.            | Ability to provide a common error handling mechanism, including error correction, recovery processing, and related quality control procedures and processes                                                                                                                      |
| 71.            | Ability to provide a data warehouse available for query without negatively impacting production environment performance                                                                                                                                                          |
| 72.            | Ability to provide a simplified WEB-based benefit estimate calculator to assist members with estimating their pension amount – using "real" production data                                                                                                                      |
| 73.            | Ability to provide data quality determination and analysis                                                                                                                                                                                                                       |
| 74.            | Ability to provide for correspondence to be generated presorted with barcode and 9-digit zip code                                                                                                                                                                                |
| 75.            | Ability to query and print the history of all changes, showing before and after values, as well as when the change was made and by whom                                                                                                                                          |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 76.            | Ability to reopen closed plans                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 77.            | Ability to restore archived data or specific members or groups of members, and/or based on distinct time periods                                                                                                                                                                                                                                                                                                                                                                            |
| 78.            | Ability to size and adjust all screens and have their settings saved at the workstation level so end-users can display/position screens based on business needs                                                                                                                                                                                                                                                                                                                             |
| 79.            | Ability to store and retrieve all parameters used, calculations performed, and corresponding results for all calculations                                                                                                                                                                                                                                                                                                                                                                   |
| 80.            | Ability to subtotal member history by different time frames (e.g., month, quarter, years, etc.)                                                                                                                                                                                                                                                                                                                                                                                             |
| 81.            | Ability to support foreign addresses                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 82.            | Ability to support multiple, time effective addresses                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 83.            | Ability to support name in three distinct components – first, middle and last                                                                                                                                                                                                                                                                                                                                                                                                               |
| 84.            | Ability to support various error level severities (warning, fatal, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 85.            | Ability to support various types of transaction and status codes throughout the system                                                                                                                                                                                                                                                                                                                                                                                                      |
| 86.            | Ability to tie the data warehouse to the system's ad hoc query and reporting functions                                                                                                                                                                                                                                                                                                                                                                                                      |
| 87.            | Ability to track and manage e-mail messages and faxes as electronic correspondence                                                                                                                                                                                                                                                                                                                                                                                                          |
| 88.            | Ability to track the receipt of triggering documents and the status of the business process through completion for all business processes                                                                                                                                                                                                                                                                                                                                                   |
| 89.            | Ability to transfer service credits or monies between plans                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 90.            | Ability to use Soundex, partial field values and/or wild cards for lookups in key fields                                                                                                                                                                                                                                                                                                                                                                                                    |
| 91.            | Ability to add and edit associated correspondence                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 92.            | Ability to correctly identify members eligible for interest for semi-annual interest posting based on balances in member accounts for the PRIOR six month period as required by plan specifications and California government code.                                                                                                                                                                                                                                                         |
| 93.            | Ability to accurately calculate semi-annual interest based on the approved rate of interest for each six month period and apply it appropriately to member accounts (positive, negative or zero). Interest should be tracked separately by detail and totals for each member.                                                                                                                                                                                                               |
| 94.            | Ability to calculate contribution refunds or amounts due in response to entry age change (generally due to confirmation of reciprocal service or employer reporting error)                                                                                                                                                                                                                                                                                                                  |
| 95.            | Ability to look up members by Social Security Number, Name, Employee ID (employer), and Retirement ID (TCERA)                                                                                                                                                                                                                                                                                                                                                                               |
| 96.            | Ability to link to a TCERA created glossary of terms, pay period schedules, refund schedules, and other related links from the Pension Administration System                                                                                                                                                                                                                                                                                                                                |
| 97.            | Ability to enter data (name, address, measurements, currency amounts, dates, etc.) in various formats (uppercase, lowercase, mixed-case, etc.) and have the system use a single format for the storage of such information. The application should not force a single "name" structure or "address" structure. The application must allow for varying structures <u>based upon the business and user need</u> for that information and the type of correspondence / output to be generated. |



## B-1.1.12 Maintain Members and Beneficiaries

**Table 22. Functional Requirements for Members and Beneficiaries**

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1.             | Ability to capture, maintain, inquire and display multiple transactions (address, employment information, etc.) of the same type with effective dates                                                                                                                                                                                                                                                                                                                       |
| 2.             | Ability to determine whether changed information was verified especially for those cases where this information is changed back and forth multiple times (as examples: SSN, date of birth), including supporting documentation                                                                                                                                                                                                                                              |
| 3.             | Ability to enforce edits on addresses based on postal regulations and have those edits prompt users to follow the standard prior to successful update; if a user enters a zip code, the system will pre-fill the corresponding city and state (and allow overwriting of same without validation against the ZIP code); the system will ensure synchronization so if a user enters (St., Street, street or state) the system will convert it to a single standardized format |
| 4.             | Ability to identify accounts with positive or negative balance after withdrawal of contributions and notify an end-user for a possible "Additional Refund or overpayment recovery to be processed"                                                                                                                                                                                                                                                                          |
| 5.             | Ability to provide a beneficiary "valid indicator" stating whether this information is valid or invalid; also flag any discrepancies between the information on the application and the information in the data base for user follow-up; suspend the retirement process until all discrepancies have been resolved (if applicable)                                                                                                                                          |
| 6.             | Ability to provide a valid / invalid address checkbox for a person's address and if the address is marked invalid – track all correspondence that should have been sent until a valid address is known and then generate all the past correspondence (pending user approval) to the new valid address                                                                                                                                                                       |
| 7.             | Ability to review a former member's account, when a request is received from another system to verify membership in the TCERA system; if any out of balances are detected, generate a correspondence requesting repayment or pay refund of any remaining contributions before verifying service credit to the requestor                                                                                                                                                     |
| 8.             | Ability to support multiple phone numbers that are date sensitive; dates for each number can be participant defined and updated                                                                                                                                                                                                                                                                                                                                             |
| 9.             | Ability to systematically audit certain changes to a member record prior to applying the change                                                                                                                                                                                                                                                                                                                                                                             |
| 10.            | Ability to add, update, delete international as well as domestic addresses                                                                                                                                                                                                                                                                                                                                                                                                  |
| 11.            | Ability to allow a member to change only the data fields approved by TCERA (the fields to be determined at a later time) using a Web utility, subject to TCERA staff review and approval.                                                                                                                                                                                                                                                                                   |
| 12.            | Ability to capture an "beneficiary type indicator" to determine if the member's beneficiary change should be printed on the Membership Statement                                                                                                                                                                                                                                                                                                                            |
| 13.            | Ability to capture and maintain contribution rates by plan, type and tier.                                                                                                                                                                                                                                                                                                                                                                                                  |
| 14.            | Ability to capture and maintain guardians, conservators, power-of-attorney and other legal designations                                                                                                                                                                                                                                                                                                                                                                     |
| 15.            | Ability to capture and maintain interest rate tables (i.e., purchase of service, member account interest, etc.)                                                                                                                                                                                                                                                                                                                                                             |
| 16.            | Ability to capture and maintain marital status information (single, married, widowed, and divorced)                                                                                                                                                                                                                                                                                                                                                                         |
| 17.            | Ability to capture and maintain multiple beneficiaries, their entitlement grouping (Continuance or Death Benefit/FRA) and/or percentage allocation, or flat \$ amount.                                                                                                                                                                                                                                                                                                      |
| 18.            | Ability to capture and maintain separate disbursement addresses for refunds, death benefits and annuity                                                                                                                                                                                                                                                                                                                                                                     |
| 19.            | Ability to capture and track date of birth of member and beneficiary                                                                                                                                                                                                                                                                                                                                                                                                        |
| 20.            | Ability to capture and track Social Security number of member and beneficiary                                                                                                                                                                                                                                                                                                                                                                                               |
| 21.            | Ability to capture comments/attach notes to a member's account                                                                                                                                                                                                                                                                                                                                                                                                              |
| 22.            | Ability to capture detailed beneficiary (including survivor annuitant) information, including beneficiary name, benefit amount or percent, sex, SSN, etc.                                                                                                                                                                                                                                                                                                                   |
| 23.            | Ability to capture, maintain, inquire and display multiple transactions (address, employment information, etc.) of the same type with effective dates                                                                                                                                                                                                                                                                                                                       |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24.            | Ability to capture, maintain, inquire, and print the following address types: e-mail address, multiple mailing addresses, bank address, electronic transfer address (routing number), power-of-attorney address, temporary addresses, beneficiary address, and alternate contact address, etc. that are date sensitive; dates for each address can be participant defined and updated; require entry of at least one address |
| 25.            | Ability to capture, revise, display and print members' information including but not limited to the following: name, address, Social Security number, date of birth, employment date, employment details, membership class, etc.                                                                                                                                                                                             |
| 26.            | Ability to capture, update, and display the survivor annuitant detailed information for a retiring or retired member (including name, SSN, address, benefit amount or percent, etc.) to be paid at the retiree's death                                                                                                                                                                                                       |
| 27.            | Ability to capture, update, inquire, and delete beneficiary change information                                                                                                                                                                                                                                                                                                                                               |
| 28.            | Ability to input death notifications into a member's and beneficiaries account so that the information is instantly available to staff working on different levels of the account processes                                                                                                                                                                                                                                  |
| 29.            | Ability to generate reports for telephone statistics (type of call, type of caller, forecasting)                                                                                                                                                                                                                                                                                                                             |
| 30.            | Ability to (in the case in which a member is both a retiree and a beneficiary), "tie" together information so that users can view all the benefits an individual is receiving                                                                                                                                                                                                                                                |
| 31.            | Ability to access member accounts with a single entry screen                                                                                                                                                                                                                                                                                                                                                                 |
| 32.            | Ability to accommodate (store and apply) future changes (e.g., name change, address change, tax withholdings, direct deposit information, etc.), all with effective dates, as well as search on historic values.                                                                                                                                                                                                             |
| 33.            | Ability to accommodate data with a status of "pending" (also maintain its status as "pending" in workflow) for those cases where a document comes in before the document that should have arrived first to initiate the process                                                                                                                                                                                              |
| 34.            | Ability to automatically notify member by correspondence at career / retirement milestones (disability, vesting, early, normal retirement, death in service, etc.)                                                                                                                                                                                                                                                           |
| 35.            | Ability to automatically transfer all account information from the wrong Social Security number to the corrected Social Security number                                                                                                                                                                                                                                                                                      |
| 36.            | Ability to communicate all invalid entries real time and edit/validate real time corrections                                                                                                                                                                                                                                                                                                                                 |
| 37.            | Ability to cross reference member, beneficiary, alternate payee, survivor annuitant Social Security number's showing relationship, etc.                                                                                                                                                                                                                                                                                      |
| 38.            | Ability to determine if the requested change (name, sex, etc.) requires legal documentation and, if so, automatically send a correspondence requesting the documentation                                                                                                                                                                                                                                                     |
| 39.            | Ability to determine whether the retiree is allowed to change beneficiary based on the retirement option chosen or restrictions placed on account (divorce)                                                                                                                                                                                                                                                                  |
| 40.            | Ability to display current member and beneficiary address information and be able to update that information when processing a beneficiary change form                                                                                                                                                                                                                                                                       |
| 41.            | Ability to display the member account in both a summary and detailed view                                                                                                                                                                                                                                                                                                                                                    |
| 42.            | Ability to display, query and print the history of all changes                                                                                                                                                                                                                                                                                                                                                               |
| 43.            | Ability to distribute forms initiated via request by workflow or Web                                                                                                                                                                                                                                                                                                                                                         |
| 44.            | Ability to edit/validate incoming data formats from employer and other TCERA affiliates (e.g. numeric, field size, physical file attributes, etc.)                                                                                                                                                                                                                                                                           |
| 45.            | Ability to enclose a "Designation or Change of Beneficiary" correspondence explaining what corrections are needed and include a pre-filled new form with the correct information and what missing/incorrect information is still needed                                                                                                                                                                                      |
| 46.            | Ability to enforce a standard format for making notes of communications with members and actions on their accounts and store electronically                                                                                                                                                                                                                                                                                  |
| 47.            | Ability to export, according to a TCERA-defined file format, data required to populate an active member statement or benefit statement                                                                                                                                                                                                                                                                                       |
| 48.            | Ability to flag a member with ## years of service as no longer having to make contributions and notify member and employer of same                                                                                                                                                                                                                                                                                           |



| Requirement ID | Description                                                                                                                                                                                                                                                                                               |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 49.            | Ability to flag an account with the status of "forfeiting of a benefit" if elected by the member through the refund process                                                                                                                                                                               |
| 50.            | Ability to follow up on flagged beneficiary changes that are pending                                                                                                                                                                                                                                      |
| 51.            | Ability to generate a member detailed service credit break-down correspondence and provide this information via Web access for members                                                                                                                                                                    |
| 52.            | Ability to generate an annual report identifying members who have not elected a beneficiary and send them a correspondence and a pre-filled Beneficiary Change form to be completed and returned                                                                                                          |
| 53.            | Ability to generate various Acknowledgement correspondence (beneficiaries, estate and trust)                                                                                                                                                                                                              |
| 54.            | Ability to identify and track the status of members (vested, active, inactive, retired, etc.)                                                                                                                                                                                                             |
| 55.            | Ability to identify individual withdrawals                                                                                                                                                                                                                                                                |
| 56.            | Ability to identify those members that "missed" the interest posting "window" and have that process re-executed for them                                                                                                                                                                                  |
| 57.            | Ability to identify vesting eligibility based on member's termination date, service and age and to automatically generate a correspondence to the member notifying them of their vested status by system and plan – correspondence to be included with automatically generated Distribution Election Form |
| 58.            | Ability to interface/support exchange of information with third-party sources that provide death information                                                                                                                                                                                              |
| 59.            | Ability to maintain a flag that indicates a beneficiary change has been initiated but not completed                                                                                                                                                                                                       |
| 60.            | Ability to maintain a history of positions (job titles) held by a member (employee)                                                                                                                                                                                                                       |
| 61.            | Ability to manually separate multiple accounts where information is misapplied (e.g., two members under one SSN)                                                                                                                                                                                          |
| 62.            | Ability to perform an edit to ensure that a secondary beneficiary cannot also be a primary beneficiary and vice versa                                                                                                                                                                                     |
| 63.            | Ability to perform an edit to ensure that a secondary beneficiary cannot be added unless a primary beneficiary has already been added                                                                                                                                                                     |
| 64.            | Ability to perform an edit to ensure that if a minor or special needs adult is added as a primary beneficiary, then a guardian is also established                                                                                                                                                        |
| 65.            | Ability to perform edit to determine that a member did not name self as a beneficiary.                                                                                                                                                                                                                    |
| 66.            | Ability to post purchased service credit to member's account based on the purchase of service process                                                                                                                                                                                                     |
| 67.            | Ability to provide a mechanism to view and/or download contribution, service credit and salary / earnings totals and details for a retirement system by user defined time periods (e.g. fiscal year, calendar year, and transaction year)                                                                 |
| 68.            | Ability to retain a history of all changes to member data                                                                                                                                                                                                                                                 |
| 69.            | Ability to reverse member account transactions                                                                                                                                                                                                                                                            |
| 70.            | Ability to search on Social Security number, employee ID number, or name, etc. with the additional capability to use wild card characters                                                                                                                                                                 |
| 71.            | Ability to sort addresses for mass mailings by various values including last name, first name, member ID, elements of address, retirement system                                                                                                                                                          |
| 72.            | Ability to stop adding interest to a member's account once the member has retired, died, or is otherwise not entitled to interest.                                                                                                                                                                        |
| 73.            | Ability to support all of the various service credit "buckets" that TCERA supports based on the retirement system parameters including tier, classification of membership, and dates of service.                                                                                                          |
| 74.            | Ability to systematically change Social Security offset rate table and wage base table set by the Federal Social Security Administration using an on-line program (this is necessary to calculate Joint Coverage members' contributions after they reach the Social Security maximum salary)              |
| 75.            | Ability to track all tax-deferred payments for the purchase of service (taxable contributions, rollover, etc.)                                                                                                                                                                                            |
| 76.            | Ability to track and flag member accounts with pending and approved court orders                                                                                                                                                                                                                          |



| Requirement ID | Description                                                                                                                                                                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 77.            | Ability to generate a notification/report when a member's marital status changes and to automatically generate appropriate correspondence regarding marriage, death, and divorce issues, including a pre-filled beneficiary change form.                                        |
| 78.            | Ability to calculate special 30 year member benefit based on greater of 2.5% of salary or ½ of employee contribution and produce a report for distribution to the employer                                                                                                      |
| 79.            | Ability to maintain separate service "buckets" after service - one for determining eligibility for benefits (includes all applicable service such as reciprocal, pre-DRO division) and one for benefit calculations (TCERA service and purchases only less any DRO reductions). |
| 80.            | Ability to code and track golden handshake recipients and apply benefit eligibility according to plan specifications.                                                                                                                                                           |
| 81.            | Ability to alert staff to an address change outside the State of California, where CA state income tax is currently withheld                                                                                                                                                    |
| 82.            | Ability to model plan changes (e.g. benefit increase/decrease, Cost of Living changes, etc.) to determine impact on plan and current members.                                                                                                                                   |
| 83.            | Ability for user or supervisor to generate an "edit" report by user and date entered to identify data entry and/or processes run for verification and audit purposes                                                                                                            |
| 84.            | Ability to flag a member as address unknown and suppress physical printing of notices/correspondence, etc. until address is corrected as well as produce a report of members in address unknown status                                                                          |
| 85.            | Ability to allow member self-service for member data changes (address, phone, direct deposit, etc.), beneficiary changes, tax withholding, etc. and generate automatic correspondence to member requesting contact if change is incorrect.                                      |
| 86.            | Ability to maintain job codes for members as updated by the employer and include for error exception processing                                                                                                                                                                 |
| 87.            | Ability upon transferring account information from the wrong Social Security number to the correct Social Security number, to send a correspondence to the member with a copy to the employer, and generate a new Membership Statement for the member                           |



### B-1.1.13 Member Statement

Table 23. Functional Requirements for Member Statement

| Requirement ID | Description                                                                                                                                                                                                                                                    |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                |
| 1.             | Ability to provide control report of all members who did not receive Membership Statements and reason for each member                                                                                                                                          |
| 2.             | Ability to provide various management reports: that provide various statistics about the total number of accounts, number of statements generated, number unable to be generated, number un-deliverable, total occurrences of missing information by type, etc |
| 3.             | Ability to capture a Membership Statement distribution indicator so that a member can instruct TCERA as to how the statement should be delivered (mail, web access, or DO NOT DELIVER); default is U.S. mail                                                   |
| 4.             | Ability for the system to print a single member statement and for the operator to select which portions of the statement are to be printed (i.e., contributions, service, service purchase, nominated beneficiary and dependent).                              |
| 5.             | Ability to display and print duplicate Membership Statements by the member or staff from a Web utility                                                                                                                                                         |
| 6.             | Ability to display online and print historic Membership Statement information "identical" in both content and format to the original                                                                                                                           |
| 7.             | Ability to extract and provide all appropriate Membership Statement data in the format prescribed by TCERA with statement content (e.g., plan description, text, benefit estimates, etc.) driven by membership characteristics                                 |
| 8.             | Ability to generate a file containing member statement information to be used by an external third-party for printing member statements in a different format.                                                                                                 |
| 9.             | Ability to print a duplicate Membership Statement on demand                                                                                                                                                                                                    |
| 10.            | Ability for those electing e-mail delivery to automate the e-mailing of the statements                                                                                                                                                                         |
| 11.            | Ability for those electing to have statement mailed to print Membership Statements sorted in zip code order                                                                                                                                                    |
| 12.            | Ability to allow the annual Membership Statement to be generated in multiple user-defined formats                                                                                                                                                              |
| 13.            | Ability to note that reciprocity has been established.                                                                                                                                                                                                         |
| 14.            | Ability to display the most recent / current employer number and employer name on Membership Statement                                                                                                                                                         |
| 15.            | Ability to extract and provide on the member's Membership Statement the appropriate information / paragraphs pertaining to member's benefit depending on the member's account information                                                                      |
| 16.            | Ability to extract the desired information to be sent to a third-party generating the Membership Statements                                                                                                                                                    |
| 17.            | Ability to generate a "Revised" Membership Statement for those members that are affected by an adjustment                                                                                                                                                      |
| 18.            | Ability to generate a new statement for the member when a SSN problem has been corrected                                                                                                                                                                       |
| 19.            | Ability to handle a new format for the Membership Statement should TCERA elect to change / modify the format                                                                                                                                                   |
| 20.            | Ability to identify if a member is refunded, retired, or deceased and, if so, bypass production of the Membership Statement                                                                                                                                    |
| 21.            | Ability to identify members eligible to receive a Membership Statement                                                                                                                                                                                         |
| 22.            | Ability to identify/store/display why an estimate was not included on the Membership Statement                                                                                                                                                                 |
| 23.            | Ability to print a single member statement and all or a portion of the statement.                                                                                                                                                                              |
| 24.            | Ability to print messages on Membership Statement based upon specified parameters being fulfilled                                                                                                                                                              |
| 25.            | Ability to produce Membership Statements on pre-printed stock or blank pages                                                                                                                                                                                   |
| 26.            | Ability to provide for beneficiary information to be displayed on Membership Statements                                                                                                                                                                        |



| Requirement ID | Description                                                                                                                                         |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 27.            | Ability to provide for earliest retirement date and various retirement option amounts to be displayed on Membership Statements                      |
| 28.            | Ability to provide service credit total and a break-out of service credit by type (TCERA (including split service, , etc) on Membership Statements  |
| 29.            | Ability to re-run the Membership Statement job run for a specific retirement system, employer, members within an employer, or a specific member     |
| 30.            | Ability to send one consolidated Membership Statement to members who are covered by more than one retirement system or have multiple accounts (DRO) |
| 31.            | Ability to sort Membership Statements per the Membership Statement distribution indicator                                                           |
| 32.            | Ability to access member statement via Web self-service                                                                                             |
| 33.            | Ability to display totals of pre-and post-tax contributions                                                                                         |
| 34.            | Ability to support the fields desired on the Membership Statement and to allocate space for this information in the file layout                     |



## B-1.1.14 Intersystem Membership/Reciprocity

Table 24. Functional Requirements for Intersystem Membership/Reciprocity

| Requirement ID | Description                                                                                                                                                                                                                         |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                     |
| 1.             | Ability to ensure that overlapping reciprocal service does NOT result in granting more than one year of service credit for each year worked by member                                                                               |
| 2.             | Ability to capture information from application form to elect reciprocity                                                                                                                                                           |
| 3.             | Ability to receive member information from a reciprocal agency                                                                                                                                                                      |
| 4.             | Ability, when a member applies for reciprocal service at TCERA, to capture certification of eligibility from RECIPROCAL AGENCY                                                                                                      |
| 5.             | Ability, when a member applies for multiple service at RECIPROCAL AGENCY, to capture request for certification of eligibility from RECIPROCAL AGENCY                                                                                |
| 6.             | Ability to generate "need more information" correspondence to those members who did not list prior RECIPROCAL AGENCY service                                                                                                        |
| 7.             | Ability to generate a report of those members who do not return application to elect reciprocity form within a user defined number of days                                                                                          |
| 8.             | Ability to generate follow-up correspondence to members who do not return application to elect reciprocity service within a user defined number of days                                                                             |
| 9.             | Ability to generate new welcome correspondence / enrollment packet and establish a deadline for its return                                                                                                                          |
| 10.            | Ability to generate purchase of service billing for member who refunded prior TCERA service and establish deadline for completion of purchase                                                                                       |
| 11.            | Ability, when a member applies for reciprocity at TCERA, to generate a certification request that is sent to the reciprocal agency to confirm eligibility for reciprocity                                                           |
| 12.            | Ability, when a member applies for reciprocity at RECIPROCAL AGENCY, to generate a correspondence denying or granting request for multiple service to the member and a certification / notification to RECIPROCAL AGENCY            |
| 13.            | Ability to determine eligibility for reciprocity at TCERA                                                                                                                                                                           |
| 14.            | Ability to determine if a redeposit of refund calculation needs to be performed to purchase TCERA service                                                                                                                           |
| 15.            | Ability to determine if member had a break in service                                                                                                                                                                               |
| 16.            | Ability to determine if member is full-time or part-time                                                                                                                                                                            |
| 17.            | Ability to determine if member previously elected reciprocity                                                                                                                                                                       |
| 18.            | Ability to determine if a reciprocal agency has special waiting periods or other service eligibility requirements that affect qualification for reciprocal service.                                                                 |
| 19.            | Ability to provide indication of reciprocal service processes completed within member account (i.e., a check list, which is updated throughout the process), including the ability to adjust for overlapping and concurrent service |
| 20.            | Ability to track members that apply for reciprocal service                                                                                                                                                                          |
| 21.            | Ability to track incoming and outgoing reciprocity, with capability to model assumed service for outgoing reciprocity based on termination date and estimate date.                                                                  |



## B-1.1.15 Pension Payroll

**Table 25. Functional Requirements for Pension Payroll**

| Requirement ID | Description                                                                                                                                                                                                                             |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                         |
| 1.             | Ability to create and maintain exception types and codes                                                                                                                                                                                |
| 2.             | Ability to produce various reconciliation reports used to reconcile the COLA and supplemental COLA increase and ensure that the overall pension payroll is balanced                                                                     |
| 3.             | Ability to capture and update direct deposit information                                                                                                                                                                                |
| 4.             | Ability to capture and update key financial institution information                                                                                                                                                                     |
| 5.             | Ability to capture file format changes for deposits and disbursements dictated by third-party payroll service provider (this should be done through a parameter driven menu requiring no recoding)                                      |
| 6.             | Ability to receive and update payroll or deduction information from third-party payroll service provider on a weekly, bi-weekly, semi-monthly, or monthly basis ( flexibility in payroll imports - from multiple sources).              |
| 7.             | Ability to automatically generate a correspondence notifying member of adjustment to monthly check                                                                                                                                      |
| 8.             | Ability to combine check change correspondence with COLA correspondence                                                                                                                                                                 |
| 9.             | Ability to generate a "Check Change correspondence" when a benefit payroll amount is adjusted/changed (combining multiple adjustments into a single correspondence), including variable paragraphs based on nature of the adjustment    |
| 10.            | Ability to generate a comprehensive report listing all changes that took effect since previous month's pension payroll (additions, deletions, modifications, old amount vs. new amount, changes in tax withholding, name changes, etc.) |
| 11.            | Ability to generate a correspondence notifying the member of options available in the event of an adjustment                                                                                                                            |
| 12.            | Ability to generate a correspondence of explanation to the retiree every time there is a change in the benefit amount                                                                                                                   |
| 13.            | Ability to generate a correspondence to accompany 1st check for new retirees                                                                                                                                                            |
| 14.            | Ability to generate a correspondence to the retiree explaining the disposition of accounts receivables against his/her disability account when converted to a regular (service) retirement                                              |
| 15.            | Ability to generate an additional information correspondence to the member, beneficiary, survivor annuitant, financial institution, etc.                                                                                                |
| 16.            | Ability to generate correspondence requesting additional documentation (death certificate, divorce decree, marriage certificate, proof of date of birth of new survivor annuitant) as it relates to a post retirement adjustment        |
| 17.            | Ability to generate exception reports after the COLA adjustments have been applied                                                                                                                                                      |
| 18.            | Ability to generate Monthly Benefit Adjustment Detail Report                                                                                                                                                                            |
| 19.            | Ability to generate New Retirees Detail Report                                                                                                                                                                                          |
| 20.            | Ability to generate Pension Exception Report                                                                                                                                                                                            |
| 21.            | Ability to generate Reinstated Retirees Detail Report                                                                                                                                                                                   |
| 22.            | Ability to generate Retirees Suspended/Closed Detail Report                                                                                                                                                                             |
| 23.            | Ability to generate various Acknowledgement correspondence for name, address, W4P, and direct deposit changes                                                                                                                           |
| 24.            | Ability to generate various correspondence to the member (annuitant) regarding attachments, garnishments, IRS payoff amounts for tax levies, end of benefit date, etc.                                                                  |
| 25.            | Ability to produce a standard COLA correspondence to all recipients, accommodating both automated or ad hoc generated correspondence                                                                                                    |
| 26.            | Ability to produce correspondence to payees listing specific COLA(s) information and change in gross check, FWT, etc.                                                                                                                   |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27.            | Ability to provide a report identifying all demographic changes made to retirees accounts for a user defined period                                                                                                                                                                                                                        |
| 28.            | Ability to reprint the COLA correspondence on an as needed individual basis                                                                                                                                                                                                                                                                |
| 29.            | Ability for end-user to review and update beneficiary data on file                                                                                                                                                                                                                                                                         |
| 30.            | Ability for user to maintain the COLA percentage at the tier level                                                                                                                                                                                                                                                                         |
| 31.            | Ability to accommodate DRO payments (fixed amount or fixed percentage of benefit) and related COLA processing                                                                                                                                                                                                                              |
| 32.            | Ability to accommodate the addition of one-time special subsidies that the Board may choose to award                                                                                                                                                                                                                                       |
| 33.            | Ability to add a new individual to payroll and transfer information to an "auditor" via workflow for an approval step; only after the approval process, officially place the individual on payroll                                                                                                                                         |
| 34.            | Ability to add survivors to payroll for either recurring payments or one-time payments                                                                                                                                                                                                                                                     |
| 35.            | Ability to apply Cost of Living Allowance (COLA) to a payroll transaction when applicable                                                                                                                                                                                                                                                  |
| 36.            | Ability to apply deduction to either gross or net pay.                                                                                                                                                                                                                                                                                     |
| 37.            | Ability to apply the new pension benefits automatically depending on various options chosen (accelerated or joint coverage) and applicable life events (e.g., death, attainment of age 62, etc.)                                                                                                                                           |
| 38.            | Ability to assess a recurring warrant or check charge for those members electing to receive their benefit by check rather than direct deposit or EFT                                                                                                                                                                                       |
| 39.            | Ability to automate the addition of a beneficiary to the monthly pension payroll                                                                                                                                                                                                                                                           |
| 40.            | Ability to automatically adjust a monthly benefit payment amount to recover disability/retirement overpayments and/or AR26 benefits until the debt is satisfied including tracking of remaining balance and generation of correspondence when balance reaches zero. Final payment should automatically adjust to accommodate for rounding. |
| 41.            | Ability to automatically determine and apply actuarial reduction to monthly benefit based on prior option selections and other situations                                                                                                                                                                                                  |
| 42.            | Ability to automatically determine COLA increases or decreases based on each plan's requirements                                                                                                                                                                                                                                           |
| 43.            | Ability to automatically determine, process and pay retroactive annuity due to COLA increase, if applicable                                                                                                                                                                                                                                |
| 44.            | Ability to automatically redistribute pension amounts to remaining dependent children when one of the dependent children reaches age 18 or 22 and a full-time student.                                                                                                                                                                     |
| 45.            | Ability to automatically terminate benefits to a dependent child upon individual reaching age 18 or 22 and a full-time student                                                                                                                                                                                                             |
| 46.            | Ability to automatically update payroll system with new (adjusted) benefit information (gross annuity, taxable, FWT, etc.) including supplemental benefits.                                                                                                                                                                                |
| 47.            | Ability to change COLA and Supplemental COLA calculations to accommodate for legislative or plan changes                                                                                                                                                                                                                                   |
| 48.            | Ability to calculate and issue retroactive payments to a member who has been suspended from payroll for a period of time                                                                                                                                                                                                                   |
| 49.            | Ability to calculate new monthly benefit under all options based on the appropriate factors                                                                                                                                                                                                                                                |
| 50.            | Ability to compare an estimated benefit amount versus a final benefit amount automatically without the user having to re-enter or re-calculate this information                                                                                                                                                                            |
| 51.            | Ability to control the addition and deletion of individuals from payroll with status codes and status effective dates                                                                                                                                                                                                                      |
| 52.            | Ability to correct invalid payroll data by manual entry                                                                                                                                                                                                                                                                                    |
| 53.            | Ability to create and update selected data including gross check amount, federal and state withholding tax, and other type of deductions                                                                                                                                                                                                   |
| 54.            | Ability to create and/or update a detail payroll record                                                                                                                                                                                                                                                                                    |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 55.            | Ability to create deduction-ending dates that automatically suspend deductions when applicable and generate a notification correspondence                                                                                                                                                                                                                                                             |
| 56.            | Ability to create payroll ending dates and automatically remove the account from payroll and optionally reinstate when applicable (e.g., termination of benefit upon age of majority)                                                                                                                                                                                                                 |
| 57.            | Ability to cross reference account information (e.g., member, beneficiary, non-member spouse, survivor annuitant, etc.) and display the associated account                                                                                                                                                                                                                                            |
| 58.            | Ability to determine eligible annuitants for existing and future COLAs                                                                                                                                                                                                                                                                                                                                |
| 59.            | Ability to display all detailed benefit payment information (current/historical) for each electronic transfer/direct deposit or "paper" check initiated (e.g., check number, payment type, gross payment amount, net payment amount, deduction amounts, check address used, etc.)                                                                                                                     |
| 60.            | Ability to include all deductions on check stub – current period and year to date                                                                                                                                                                                                                                                                                                                     |
| 61.            | Ability to maintain a historical file of payroll exceptions                                                                                                                                                                                                                                                                                                                                           |
| 62.            | Ability to maintain more than one benefit account for a payee, (e.g., annuitant, beneficiary, etc.)                                                                                                                                                                                                                                                                                                   |
| 63.            | Ability to maintain payroll status types and codes                                                                                                                                                                                                                                                                                                                                                    |
| 64.            | Ability to maintain yearly gross check amount, taxable amount, deductions, excludable amounts, ratios, and recovered amounts for 1099R reporting                                                                                                                                                                                                                                                      |
| 65.            | Ability to make a payment payable to a guardian on behalf of a minor                                                                                                                                                                                                                                                                                                                                  |
| 66.            | Ability to monitor the usage / depletion of a member's account balance which is recouped through an exclusion ratio (IRS simplified general rule)                                                                                                                                                                                                                                                     |
| 67.            | Ability to perform manual COLA calculations for cases where there are exceptions that could not be updated by the system (e.g. unique DRO requirements)                                                                                                                                                                                                                                               |
| 68.            | Ability to place a "hold" on a benefit payment check and release when applicable                                                                                                                                                                                                                                                                                                                      |
| 69.            | Ability to process special deductions to financial institutions and provide for reconciliation and payments to the appropriate institution                                                                                                                                                                                                                                                            |
| 70.            | Ability to provide an online Web utility for TCERA members (annuitants) to update/maintain their federal and CA state withholding tax amount, multiple check addresses, and other pertinent information, subject to TCERA Staff review and approval. Must include a warning to the member if they live outside of CA and are changing CA withholding. TCERA does NOT withhold taxes for other states. |
| 71.            | Ability to provide an online Web utility for TCERA members (annuitants) to view/print benefit summary information                                                                                                                                                                                                                                                                                     |
| 72.            | Ability to recalculate a benefit amount based on a change in date of birth                                                                                                                                                                                                                                                                                                                            |
| 73.            | Ability to recognize a change to the member's account and trigger a post-retirement adjustment workflow with the ability (if TCERA desires) to have the system perform the re-calculation of benefits and the comparison of benefit amounts                                                                                                                                                           |
| 74.            | Ability to reissue a direct rollover amount to a different financial institution                                                                                                                                                                                                                                                                                                                      |
| 75.            | Ability to retain both the rates used in calculating the COLAs for past years as well as the actual COLA increases applied to individuals' benefit amounts                                                                                                                                                                                                                                            |
| 76.            | Ability to retain history of check addresses, the member's address, and their survivor's addresses, with effective dates 'attached' to all historical addresses                                                                                                                                                                                                                                       |
| 77.            | Ability to reuse prior month deductions for third parties in cases where current month deductions have not been received                                                                                                                                                                                                                                                                              |
| 78.            | Ability to send the data changes for payroll and electronically send change file to an outside agency for the issuance of the payroll run and checks.                                                                                                                                                                                                                                                 |
| 79.            | Ability to set up, process and transfer a disability retirement to a regular (service) retirement if member no longer qualifies for disability and is eligible for regular (service) retirement                                                                                                                                                                                                       |
| 80.            | Ability to setup, process and transfer a benefit wherein the member qualifies for special service disability and later elects to switch to regular disability                                                                                                                                                                                                                                         |



| Requirement ID | Description                                                                                                                                                                                                                           |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                       |
| 81.            | Ability to store and display the before check amount, the COLA increase, the COLA percentage, and check amount after application of the COLA (including all applicable deductions).                                                   |
| 82.            | Ability to store reasons for not receiving a specific COLA (per account)                                                                                                                                                              |
| 83.            | Ability to support both one-time and recurring deductions                                                                                                                                                                             |
| 84.            | Ability to support Joint and Survivor Annuity payments and provide detailed tracking of this annuity, with the ability to transfer the annuity to the survivor after eligibility validation and certification of death of the retiree |
| 85.            | Ability to support multiple check addresses, each in effect for a portion of a year (e.g., "snowbirds") and ability to distribute address changes to related parties as necessary                                                     |
| 86.            | Ability to support negative, zero, and positive account balances                                                                                                                                                                      |
| 87.            | Ability to support payment of a rollover amount to multiple financial institutions and/or multiple accounts within one financial institution                                                                                          |
| 88.            | Ability to support the entry of federal and state tax withholding for a future date and implement the change with the benefit payroll corresponding to the date                                                                       |
| 89.            | Ability to support void, forgery, and stop pay situations.                                                                                                                                                                            |
| 90.            | Ability to suspend and reactivate a member's payroll record                                                                                                                                                                           |
| 91.            | Ability to track income verifications, i.e., member / company / agency requesting income verification, including date received and date information was returned for both active and retired members                                  |
| 92.            | Ability to track individual payroll deductions (e.g., member name, name of entity, address, amount paid, date of payment, check number, etc.)                                                                                         |
| 93.            | Ability to track receipt of notification of change in marital status or death of survivor annuitant or divorce                                                                                                                        |
| 94.            | Ability to transfer the collection of an overpayment deduction from a disability account when converted to a regular retirement                                                                                                       |
| 95.            | Ability to update benefit amounts and issue a supplemental payment to "catch up"                                                                                                                                                      |
| 96.            | Ability to update COLA processing should a benefit recipient become eligible after the normal COLA unattended execution, for all or a subset of members                                                                               |
| 97.            | Ability to update related fields (transfer amount, gross, taxable, survivor check, etc.) after recalculating the COLA                                                                                                                 |
| 98.            | Ability to calculate and maintain a COLA "bank" for each member that stores unused COL percentages each year and draws upon the bank in years where the actual COLA is less than the maximum allowed by the plan                      |
| 99.            | Ability to include and track supplemental pay as a separate pay element                                                                                                                                                               |
| 100.           | Ability to calculate and pay supplemental COL amounts (purchasing power protection) according to plan provisions                                                                                                                      |
| 101.           | Ability to calculate and pay a partial first month check based on date of retirement, as well as calculate and include any retroactive months                                                                                         |
| 102.           | Ability to automatically transfer key information from a deceased member's record to a new continuance record (e.g. original retirement info, remaining contribution balances, etc.)                                                  |
| 103.           | Ability to create and print physical pension checks                                                                                                                                                                                   |
| 104.           | Ability to create and print pension payment acknowledgments for EFT pension payments                                                                                                                                                  |
| 105.           | Ability to create and transmit EFT file to financial institutions for pension payments                                                                                                                                                |
| 106.           | Ability to create and transmit all required federal and state payroll forms (945, 945-A, DE-6, DE-7, 1099, 1096)                                                                                                                      |
| 107.           | Ability to create and print 1099-R's for pension payments, death benefits and refunds                                                                                                                                                 |
| 108.           | Ability to reprint 1099-R's for individual members                                                                                                                                                                                    |



| Requirement ID | Description                                                                                                                                                             |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 109.           | Ability to print or reprint 1099-R's in batches (by alpha range, by tier, by membership type, or other user defined code)                                               |
| 110.           | Ability to calculate and print third-party checks for insurance payments, dues, etc.                                                                                    |
| 111.           | Ability to accurately track and report taxable and non-taxable payment types, including accurate reporting that meets all IRS and applicable state requirements         |
| 112.           | Ability to calculate continuance amounts including different percentage allocations for standard benefits and supplemental benefits                                     |
| 113.           | Ability to calculate Final Retirement Allowance (FRA) for deceased pensioners based on date of death.                                                                   |
| 114.           | Ability to issue checks for Final Retirement Allowance to Estate or beneficiary                                                                                         |
| 115.           | Ability to calculate death and burial benefits based on plan provisions                                                                                                 |
| 116.           | Ability to issue checks for death and burial benefits to multiple beneficiaries.                                                                                        |
| 117.           | Ability to print reports by payroll type (pension, death benefit, refund, etc.)                                                                                         |
| 118.           | Ability to update tax withholding tables as periodically reported by the IRS                                                                                            |
| 119.           | Ability to place a pension payment on hold if deductions are greater than the pension payment – automatically generate a warning report and appropriate correspondence. |
| 120.           | Ability to produce a report identifying all monetary changes from the prior month's payroll                                                                             |
| 121.           | Ability to produce an edit report for all master file changes by user and date entered                                                                                  |
| 122.           | Ability to generate ACH/EFT deposit for foreign accounts                                                                                                                |
| 123.           | Ability to accurately calculate and report supplemental benefits (cash, Supplemental COL, and 2 <sup>nd</sup> spouse retirement)                                        |
| 124.           | Ability to accurately account for and report State and Federal taxes including any corrections for rejected and/or voided payments and receipts.                        |
| 125.           | Ability for members to view selected member data (address, phone, tax withholding, etc.)                                                                                |
| 126.           | Ability for members to access and print pension acknowledgements through Web self service                                                                               |
| 127.           | Ability for members to access and print 1099-R information through Web self service                                                                                     |
| 128.           | Ability to produce "Board Reports" for retirement applications and member deaths                                                                                        |
| 129.           | Ability to withhold healthcare and dental premiums and other third-party deductions from a benefit payment                                                              |



## B-1.1.16 Power of Attorney

Table 26. Functional Requirements for Power of Attorney

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1.             | Ability to ensure that all correspondence will be sent to an appointed guardian after the guardian certificate has been reviewed/approved by TCERA legal staff                                                                                                                                                                                                                                        |
| 2.             | Ability to notify TCERA staff, if applicable, throughout all processes (including the submission of a power of attorney form or trust certificate) that a court appointed guardian has been reviewed/approved by TCERA legal staff or that one is pending legal review – and that all account transactions must be initiated by the court appointed guardian as indicated on the guardian certificate |
| 3.             | Ability to reject a transaction based on the agent's approved powers (e.g., if agent must "act" in conjunction with another agent, signatures from both are required prior to processing transaction)                                                                                                                                                                                                 |
| 4.             | Ability to restrict transactions against an account which has an appointed / approved guardian (i.e., the member may no longer conduct business on his/her own behalf except in certain limited circumstances, for example, a change to member demographic data supported by "valid proof" documentation)                                                                                             |
| 5.             | Ability for user to enter the appropriate agent, guardian, or trustee information upon approval (e.g., designated or court appointed agent(s) name and address, whether agent "acts" alone or together with another agent, agent "powers", whether agent can name him/herself as beneficiary or survivor annuitant of the member's retirement plan, durable, non-durable, specific, general, etc.)    |
| 6.             | Ability to capture a specific time duration (date from and date to) noted in a power of attorney form, guardian certificate, or trust certificate                                                                                                                                                                                                                                                     |
| 7.             | Ability to capture and track the status of a power of attorney form, guardian certificate, or trust certificate (e.g., pending, approved, rejected, legal review, revoked, etc.)                                                                                                                                                                                                                      |
| 8.             | Ability to capture, update, and display submittal of power of attorney form, guardian certificate, and trust certificate                                                                                                                                                                                                                                                                              |
| 9.             | Ability for TCERA to approve/reject a power of attorney form, guardian certificate, or trust certificate; approval or rejection should also trigger workflow to route the work request to the next appropriate step                                                                                                                                                                                   |
| 10.            | Ability to "pend" (when a document designating power of attorney, guardianship, or trusteeship is received from someone other than the member or court) the transaction until the designation request is submitted by the member or a court of competent jurisdiction                                                                                                                                 |
| 11.            | Ability to "pend" (when a request/document, e.g., application for refund, is submitted by a person representing him/herself as power of attorney, guardian, or trustee) the transaction if there is no corresponding record in the system of an <u>approved</u> power of attorney, guardianship, or trusteeship for the requester                                                                     |
| 12.            | Ability to accommodate multiple power of attorney designations; all approved power of attorney designations will remain in effect until they are revoked by the member                                                                                                                                                                                                                                |
| 13.            | Ability to automatically change the power of attorney, guardian, or trustee status from "approved" to "revoked" when the specified duration has been exhausted                                                                                                                                                                                                                                        |
| 14.            | Ability to automatically generate an approval correspondence to both the member and designated agent(s) when a power of attorney, guardianship, or trusteeship record has been updated with a status of approved                                                                                                                                                                                      |
| 15.            | Ability to generate a correspondence indicating that a transaction cannot be processed based on an agent's (power of attorney, guardian, trustee) approved powers                                                                                                                                                                                                                                     |
| 16.            | Ability to generate a correspondence to the member alerting him/her when an approved power of attorney is on file and the member submits another power of attorney form                                                                                                                                                                                                                               |
| 17.            | Ability to generate a delay correspondence when a non-TCERA power of attorney form, guardian certificate, or trust certificate is sent to TCERA legal staff for review; if a trust certificate is sent for review, the delay correspondence should be sent to both the contact person and the trustee(s)                                                                                              |
| 18.            | Ability to generate a disapproval correspondence to both the member and designated agent(s) when a power of attorney, guardianship, or trusteeship record has been updated with a status of disapproved; correspondence should include enclosed prefilled TCERA power of attorney / guardian / trustee form                                                                                           |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19.            | Ability to generate a response (correspondence) to a person seeking to designate him/herself as power of attorney, guardian, or trustee explaining that the transaction cannot be processed until the request is made by either the member or a court of competent jurisdiction and approved by TCERA                                                                                                               |
| 20.            | Ability to generate a response (correspondence) to a person submitting requests/documents (e.g., application for refund) and representing him/herself as power of attorney, guardian, or trustee, explaining that the transaction cannot be processed until the designation of power of attorney, guardian, or trustee is requested by either the member or a court of competent jurisdiction and approved by TCERA |
| 21.            | Ability to reactivate pending transactions that were suspended for lack of approved power of attorney, guardianship or trusteeship once the record's status has been updated of approved                                                                                                                                                                                                                            |
| 22.            | Ability to view current and historic power of attorney information                                                                                                                                                                                                                                                                                                                                                  |



## B-1.1.17 Print Archive

Table 27. Functional Requirements for Print Archive

| Requirement ID | Description                                                                                                                                                                                                                                                          |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                      |
| 1.             | Ability to generate a complete report of all the print streams that have been processed into the repository in a specific period                                                                                                                                     |
| 2.             | Ability to generate an exception report when an automated print archive capture routine aborts for any reason along with the ability to recover gracefully - and fully                                                                                               |
| 3.             | Ability to capture print output and storage of same in print archive.                                                                                                                                                                                                |
| 4.             | Ability to capture to archive any of the print streams generated by the LOB application                                                                                                                                                                              |
| 5.             | Ability to generate a complete set of indices for appropriately indexing a document through a database lookup scheme                                                                                                                                                 |
| 6.             | Ability to index captured print streams appropriately, including to member record if appropriate                                                                                                                                                                     |
| 7.             | Ability to run import of print archives regularly during production hours without having to wait for off-hour periods                                                                                                                                                |
| 8.             | Ability to run import to the print archive of documents generated outside of the normal workflow process                                                                                                                                                             |
| 9.             | Ability to print archived output in format in which print stream was captured so that printed copy looks just like the original (i.e., pass the light-table test)                                                                                                    |
| 10.            | Ability to access both member-specific images and member-specific print archived records with a single query from within the LOB application                                                                                                                         |
| 11.            | Ability to add multiple text annotations to a page of a archived report                                                                                                                                                                                              |
| 12.            | Ability to display interspersed member-specific print-archived records and images identified by the above query in a single viewer                                                                                                                                   |
| 13.            | Ability to provide (appropriately protected) user access to archived reports from outside of the LOB application                                                                                                                                                     |
| 14.            | Ability to retrieve member-specific "documents" (e.g., a check "image," or just the member-specific record of a check register from within a complete check register archive report and display as a member-related "document" just as if it were an imaged document |
| 15.            | Ability to search for and retrieve portions of archived reports based on at least five different index fields, e.g., member ID, SSN, Last Name, ...                                                                                                                  |



## B-1.1.18 Buybacks and Re-Deposits

Table 28. Functional Requirements for Buybacks and Re-Deposits

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.             | Ability to create an un-remitted contribution report so that TCERA knows what money is still owed on all outstanding service purchases                                                                                                                                                                                                                                                                          |
| 2.             | Ability to provide TCERA staff with the capability to extract purchase of service reports through a Web utility (e.g., report listing all satisfied/outstanding purchase of service agreements, report listing any outstanding purchase of service receivable against the employer, etc.)                                                                                                                       |
| 3.             | Ability to report on staff production and thru-put including average time through the process, period beginning count, period ending count, etc.                                                                                                                                                                                                                                                                |
| 4.             | Ability to capture a transaction date, effective date, and amount remitted for each purchase of service payment received from member, employer, or financial institution                                                                                                                                                                                                                                        |
| 5.             | Ability to capture the member a request for purchase of service information (for all types of service purchases) via a purchase of service application form                                                                                                                                                                                                                                                     |
| 6.             | Ability to capture from the member, or TCERA staff a request for a purchase of service estimate or update to a previous estimate (for all types of service purchases) through a Web utility                                                                                                                                                                                                                     |
| 7.             | Ability to report how many Service Credit Purchase Agreements were requested, processed, paid for in a single lump-sum payment or are continuing to be paid                                                                                                                                                                                                                                                     |
| 8.             | Ability to automatically generate a correspondence requesting additional information relating to an incomplete purchase of service record and include the appropriate application highlighting the areas that need to be completed or corrected                                                                                                                                                                 |
| 9.             | Ability to automatically generate reimbursement (with a correspondence of explanation) to the, member or financial institution for an overpaid or member-rescinded purchase of service agreement                                                                                                                                                                                                                |
| 10.            | Ability to generate a denial correspondence if member is ineligible to purchase service credit                                                                                                                                                                                                                                                                                                                  |
| 11.            | Ability to generate a Service Purchase Agreement / Cost Sheet / Invoice (turn-around document) for the member which provides the cost (member) of the purchase, choice of payment plans, terms and conditions for each payment plan (including required interest for installment plans), and a comparison of the member's future retirement benefit with and without the purchase                               |
| 12.            | Ability to produce a correspondence to acknowledge completion of a purchase of service                                                                                                                                                                                                                                                                                                                          |
| 13.            | Ability to produce a correspondence to acknowledge receipt of each application                                                                                                                                                                                                                                                                                                                                  |
| 14.            | Ability for members and/or employers to make payments directly via an electronic payment (Web based, ACH) or lockbox transfer                                                                                                                                                                                                                                                                                   |
| 15.            | Ability to "pend" purchase of service payments (from both employer and member) until the purchase has been completed, then post the full amount of service credit purchased and any required tier and membership date adjustment to the member's account (alternatively, permit posting of partial purchases with supervisor approval). Pending the service until the purchase is complete must be the default. |
| 16.            | Ability to accept incoming rollover payments from financial institutions toward a member's purchase of service receivable                                                                                                                                                                                                                                                                                       |
| 17.            | Ability to accommodate purchase of service agreement and reverse all service credit purchases that were posted prior to the decision to rescind and calculate amount due to member in the event of termination of employment.                                                                                                                                                                                   |
| 18.            | Ability to calculate a purchase to upgrade service benefits from a lower to a higher benefit plan. Cost would include the difference of contributions plus interest.                                                                                                                                                                                                                                            |
| 19.            | Ability to accommodate multiple purchases of the same "type" and track the employer associated with each                                                                                                                                                                                                                                                                                                        |
| 20.            | Ability to allow for various member payment methods, including a lump sum payment, rollover, EFT, installment payments, and payroll deductions                                                                                                                                                                                                                                                                  |
| 21.            | Ability to apply interest to an already established Purchase Agreement / Cost Sheet / Invoice (receivable) if a late-payment is made                                                                                                                                                                                                                                                                            |



| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22.            | Ability to apply the appropriate service credit amount (in the appropriate service credit "buckets") to a member's account based on the purchase of service agreement and payments received                                                                                                                                                                                                                                                                                                                                                                     |
| 23.            | Ability to automatically create, update, and maintain a history of each purchase of service receivable record (e.g., amount of service, type of service, cost of service, payments received, etc.) for a member and/or employer purchase of service agreement                                                                                                                                                                                                                                                                                                   |
| 24.            | Ability to calculate amount of service credit member is eligible to purchase for each type of service credit purchase                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 25.            | Ability to compute a comparison of the member's future retirement benefit with and without an eligible service credit purchase                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 26.            | Ability to determine member's eligibility to purchase service for each type of service credit purchase                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 27.            | <p>Ability to determine the cost (member and employer share if applicable) and payment plan(s) for the various types of service credit purchases:</p> <ul style="list-style-type: none"><li>Formerly refunded service with TCERA</li><li>Medical Leave of Absence</li><li>Military service</li><li>Extra Help</li><li>Other</li></ul> <p>The system should allow for additional user defined service types to accommodate for changes in plan provisions or retirement law.</p>                                                                                 |
| 28.            | Ability to generate pre-filled purchase of service applications and track the distribution, turn-around, and processing of each form                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 29.            | Ability to grant service credit with no cost up to the limit applicable to the plan (golden handshake)                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 30.            | Ability to include a calculation of recovery time when calculating a cost to purchase and benefit estimate.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 31.            | Ability to maintain a history of individual purchase records for each purchase applied for at the level of detail desired by TCERA                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 32.            | Ability to maintain a scheduled employer installment payment (of amounts withheld from member's payroll checks) process as part of the employer's regular (wage and contribution) reporting schedule                                                                                                                                                                                                                                                                                                                                                            |
| 33.            | Ability to maintain a table of purchase of service types with an associated code including the ability to add a new type when legislation warrants it                                                                                                                                                                                                                                                                                                                                                                                                           |
| 34.            | Ability to maintain all rates, factors, and tables associated with each type of service credit purchase (e.g., employer rate, member rate, interest rates, etc.)                                                                                                                                                                                                                                                                                                                                                                                                |
| 35.            | Ability to maintain in member account a detailed history of all refunds such that, when the member elects to purchase service corresponding with a historical refund, the cost of the purchase including interest can be calculated automatically and, when payment is received, the account can be re-built automatically (to avoid users having to manually re-build the account). If the buyback period pre-dates the history of the system, an exception should be generated. The system must have a mechanism for manual entry of the missing information. |
| 36.            | Ability to maintain the eligibility requirement rules and associated calculation for each type of service credit purchase                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 37.            | Ability to provide the employer, member, or TCERA staff a calculator to determine a purchase of service estimate / update (for all types of service purchases) through a Web utility                                                                                                                                                                                                                                                                                                                                                                            |
| 38.            | Ability to recalculate a purchase based on receipt of additional information and generate a revised Service Purchase Agreement / Cost Sheet / Invoice                                                                                                                                                                                                                                                                                                                                                                                                           |
| 39.            | Ability to recalculate the remaining balance due when an overdue payment arrives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 40.            | Ability to route the account for audit and/or review prior to issuing a Service Purchase Agreement / Cost Sheet / Invoice                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 41.            | Ability to support receipt of payment via employer payroll withholding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 42.            | Ability to track the tax status (i.e., before tax or after tax) of all service credit purchase payments                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



| Requirement ID | Description                                                                                                                                                                                                                                                                                   |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 43.            | Ability to alert staff to a retirement or refund request where a purchase of service is in process                                                                                                                                                                                            |
| 44.            | Ability to automatically change the status of the purchase to "complete" and process any other required changes to member data upon receipt of full payment by any means, providing an alert for Staff review of the completed purchase with the ability to manually update necessary fields. |
| 45.            | Ability to include date of purchase on actuarial extract and audit confirmation extract                                                                                                                                                                                                       |
| 46.            | Ability to account for split service on re-deposits (e.g. general and safety membership)                                                                                                                                                                                                      |
| 47.            | Ability to update member demographic information while processing a purchase of service application                                                                                                                                                                                           |



## B-1.1.19 Domestic Relations Order (DRO)

Table 29. Functional Requirements for DRO

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                   |
| 1.             | Ability to “cross-reference” to another member’s account (e.g., spouse also within the retirement system) and alert user when a DRO is being processed or is in place                                                                                                                                                                                                                             |
| 2.             | Ability to enter and display Domestic Relations Order (DRO) related information in cases where a member has been divorced and a DRO is on file                                                                                                                                                                                                                                                    |
| 3.             | Ability, upon receipt of additional DRO information, to append it to the existing DRO if one is in process; initiate a new DRO process if the prior DRO information is already either finalized or rejected                                                                                                                                                                                       |
| 4.             | Ability to generate appropriate correspondence outlining the rights of individuals with respect to one or more DROs in place on a member’s account                                                                                                                                                                                                                                                |
| 5.             | Ability to generate report of split benefit payments                                                                                                                                                                                                                                                                                                                                              |
| 6.             | Ability to produce requested reports for account information during split payment and affidavit proceedings                                                                                                                                                                                                                                                                                       |
| 7.             | Ability to link retiree accounts to all split payments and vice versa                                                                                                                                                                                                                                                                                                                             |
| 8.             | Ability to make appropriate benefit adjustments as necessary based on the rules associated with a finalized DRO                                                                                                                                                                                                                                                                                   |
| 9.             | Ability to monitor split benefit payment amounts                                                                                                                                                                                                                                                                                                                                                  |
| 10.            | Ability to record and support instances where multiple, legitimate DROs are placed against a member’s account                                                                                                                                                                                                                                                                                     |
| 11.            | Ability to split a community property settlement into separate accounts (e.g., service credit, contributions) accounting for pre-and post tax contributions, according to plan provisions and government code requirements                                                                                                                                                                        |
| 12.            | Ability to stop payments when the maximum amount has been paid                                                                                                                                                                                                                                                                                                                                    |
| 13.            | Ability to support the appropriate allocation of a benefit to multiple non-members as defined by multiple DRO’s                                                                                                                                                                                                                                                                                   |
| 14.            | Ability to stop payment of a post retirement divorce/separation pension to a non-member spouse upon the death of the member, including generating appropriate correspondence to the non-member spouse                                                                                                                                                                                             |
| 15.            | Ability to calculate and implement automatically the contribution balances and service credit entitlement for a split account for a pre-retirement divorce/separation based on the date of marriage, date of separation/divorce, and percentage dictated by the DRO, establishing a new record for the non-member spouse, according to plan specifications for regular and supplemental benefits. |
| 16.            | Ability to calculate and implement automatically the contribution balances and new pension payment for post-retirement divorce/separation DRO’s, establishing a new record for the non-member spouse according to plan specifications for regular and supplemental benefits.                                                                                                                      |
| 17.            | Ability to manually input and implement DRO account and payment specifications                                                                                                                                                                                                                                                                                                                    |
| 18.            | Ability to automatically generate correspondence to member regarding right to redeposit upon refund by non-member.                                                                                                                                                                                                                                                                                |
| 19.            | Ability to maintain separate service credit “buckets” - one for benefit eligibility purposes and one for benefit calculation purposes for the member                                                                                                                                                                                                                                              |



## B-1.1.20 Refunds

**Table 30. Functional Requirements for Refunds**

| Requirement ID | Description                                                                                                                                                                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                 |
| 1.             | Ability to automatically stop a refund from being processed if a new enrollment form is received for the member                                                                                                                                                                 |
| 2.             | Ability to confirm that there is no legal-hold on member's account before issuing a refund                                                                                                                                                                                      |
| 3.             | Ability to determine status of application for withdrawal while in process.                                                                                                                                                                                                     |
| 4.             | Ability to generate a "non-zero balance" report (i.e., negative/positive) after a refund has been processed and trigger additional refund processing if necessary                                                                                                               |
| 5.             | Ability to receive notification of an additional refund if earlier refund did not zero account                                                                                                                                                                                  |
| 6.             | Ability to capture direct rollover related information (e.g., percentage or specific amount to be rolled, financial institution information, account number, etc.)                                                                                                              |
| 7.             | Ability to capture refund related information (e.g., last day worked, termination date, un-reported salary, un-reported contributions, comments, etc.) from refund documents                                                                                                    |
| 8.             | Ability to capture the employer number and/or employer name associated with each refund application received                                                                                                                                                                    |
| 9.             | Ability to provide statistical, managerial, and demographic data for various reporting purposes, such as number of refunds generated in total, by fund, by employer, by job classification                                                                                      |
| 10.            | Ability to automatically generate an additional information correspondence from an incomplete refund record and include the appropriate application (e.g., refund application, direct rollover application, etc.) highlighting the areas that need to be completed or corrected |
| 11.            | Ability to create a system generated payment correspondence                                                                                                                                                                                                                     |
| 12.            | Ability to generate a payment acknowledgment with all IRS required information for each refund payment                                                                                                                                                                          |
| 13.            | Ability to generate a retirement eligibility correspondence to the member who is requesting a refund, if applicable, and assign appropriate status (e.g., pending, cancelled, etc.) to the refund request                                                                       |
| 14.            | Ability to generate all refund-related documents (and track their distribution, turn-around, and processing (i.e., Refund Application, General Refund Correspondence, etc.)                                                                                                     |
| 15.            | Ability to generate an overpayment correspondence where applicable                                                                                                                                                                                                              |
| 16.            | Ability to "split" the amount to be refunded between the member and one or more financial institutions (direct rollover) in one transaction                                                                                                                                     |
| 17.            | Ability to assign to a refund cancellation status, status date, and reason as a transaction in the member's account                                                                                                                                                             |
| 18.            | Ability to calculate and apply interest through the latest eligible interest period                                                                                                                                                                                             |
| 19.            | Ability to confirm that a member has an application for enrollment / membership on file, prior to processing a refund request                                                                                                                                                   |
| 20.            | Ability to confirm the member was an employee of the employer associated with the refund application submitted                                                                                                                                                                  |
| 21.            | Ability to correct/reverse a refund transaction already posted against a member's account                                                                                                                                                                                       |
| 22.            | Ability to determine direct rollover eligibility and minimum distribution amount                                                                                                                                                                                                |
| 23.            | Ability to determine retirement eligibility of member requesting a refund and print correspondence with Distribution Request Form                                                                                                                                               |
| 24.            | Ability to determine whether member is eligible for retirement benefits prior to issuing refund; if so, process either retirement or refund according to member's preference                                                                                                    |
| 25.            | Ability to display a check summary and/or a check detail pertaining to each refund payment                                                                                                                                                                                      |
| 26.            | Ability to display the member's current employer (s) information (e.g., employer name, employer number, etc.)                                                                                                                                                                   |



| Requirement ID | Description                                                                                                                                                                                                                                                                                             |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                         |
| 27.            | Ability to ensure that refunded transactions are not included in Final Average Salary calculations                                                                                                                                                                                                      |
| 28.            | Ability to make refund payments through various methods (i.e., paper checks, direct deposit, electronic transfer)                                                                                                                                                                                       |
| 29.            | Ability to post the refund of contributions and service directly against the member's account                                                                                                                                                                                                           |
| 30.            | Ability to recalculate a refund based on receipt of additional information and re-verify payment options (direct rollover versus direct payment)                                                                                                                                                        |
| 31.            | Ability to release refund for payment                                                                                                                                                                                                                                                                   |
| 32.            | Ability to retain original withdrawal/rollover distribution when original transaction is adjusted/corrected.                                                                                                                                                                                            |
| 33.            | Ability to retrieve previously identified financial institution information (e.g., name, federal identification number, routing information, etc.) to avoid re-keying common information. They system should have the ability to populate the financial institution fields based on the routing number. |
| 34.            | Ability to route the account for audit and/or review prior to issuing refund check                                                                                                                                                                                                                      |
| 35.            | Ability to save an incomplete refund record for future processing                                                                                                                                                                                                                                       |
| 36.            | Ability to support and track pre-tax and post-tax contributions in refund processing                                                                                                                                                                                                                    |
| 37.            | Ability to support both mandatory and non-mandatory fields on refund forms                                                                                                                                                                                                                              |
| 38.            | Ability to support DRO processing where there are multiple payments (multiple divorces) to be issued                                                                                                                                                                                                    |
| 39.            | Ability to suspend the payment of a refund until the final salary and service information is received from the employer; then automatically (re)calculate refund and release for payment                                                                                                                |
| 40.            | Ability to track termination date, last wage and contribution reporting date, refund request date, refund-processed date, check date, etc.                                                                                                                                                              |
| 41.            | Ability to report refunds outstanding based on a date range                                                                                                                                                                                                                                             |
| 42.            | Ability to track unclaimed funds, produce required legal notification, produce reports, and return funds to the general reserve after 5 years                                                                                                                                                           |
| 43.            | Ability to include refund amount in actuarial extract and auditor confirmation listings                                                                                                                                                                                                                 |
| 44.            | Ability to block a refund for an employee who terminated as an active member but is in Extra Help Status                                                                                                                                                                                                |
| 45.            | Ability to automatically calculate refund due including mandatory and optional Federal and State Tax Withholding                                                                                                                                                                                        |
| 46.            | Ability to generate individual completed TCERA payment vouchers and summary report for each batch of refunds processed                                                                                                                                                                                  |
| 47.            | Ability to update member demographic information while processing a refund application or direct rollover form                                                                                                                                                                                          |



## B-1.1.21 Reporting

Table 31. Functional Requirements for Reporting

| Requirement ID | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1.             | Ability to provide up to 3 performance reports for the twenty (20) functional areas, showing in both tabular and chart form the following information: Elsewhere performance reports have been identified for several functional areas.):<br><br>Current Month<br>Year to date<br>Last year - this month<br>Last year - year to date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2.             | Ability to track and report on staff performance (e.g., quantity and quality) individually and as a group on a daily, weekly, monthly, fiscal year, and calendar year basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3.             | Ability to export report information to off-the-shelf spreadsheet programs (e.g., Excel, Lotus, as appropriate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4.             | Ability to generate member management reports showing demographics of members who have attended different types of seminars.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5.             | Ability to generate member's employment history information on a single report (e.g., salary, contributions, service, payroll period, employer, system, group, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 6.             | Ability to generate, at a minimum, 150 defined and to-be defined reports, 60 defined and to-be defined forms, and 60 defined and to-be defined correspondence (for purposes of calculation, one report, form, correspondence that can be used for various plans will be counted as one report, form, correspondence)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7.             | Ability to list, generate, track and report against various types of errors made by various entities that interact with TCERA (employers, members, staff, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 8.             | Ability to produce a series of standard reports, on a periodic basis and/or on demand, all of which support "drilling down" to various levels of detail in the following areas:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 9.             | Ability to produce a series of standard reports, on a periodic basis and/or on demand, all of which support "drilling down" to various levels of detail in the following areas:<br><br>Deaths - Number of deceased active and retiree / beneficiaries during the user selected reporting period<br>Terminations - Number of members receiving refunds and forfeitures of refunded service during the user specified reporting period<br>Average Pay - Calculation of the average pay increase for employees continuously employed during the user specified period<br>Reconciliation of Demographics - Reconciliation of the current membership population by employer with the membership population from the prior period<br>Retirements - The number of retirements by type, that occurred during the user selected reporting period<br>Employees Eligible for Retirement - Number of active members who are eligible for retirement as of the report date<br>Ages at Retirement - Distribution of retirees according to age classifications at retirement<br>New Members - Number of new members added during the user selected reporting period<br>Retirement Benefit Computations - Number of estimates and/or final computations performed during the user selected reporting period<br>Disability Retirements - Number and type of disability retirements during the user selected reporting period<br>Buybacks and Re-Deposits - Number of purchases and their costs by type during the user selected reporting period<br>Reconciliation report for verifying member contribution totals to member reserve totals<br>Vested Deferred and Reciprocal age 65 and older (no further benefit enhancement)<br>Vested Deferred and Reciprocal age 70 and older (mandatory distribution notification) |



| Requirement ID | Description                                                                                                                                                                                                                                                                                               |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10.            | Ability to provide a report of counts of active members, inactive/vested members, and annuitants (including survivor annuitants) for any given date                                                                                                                                                       |
| 11.            | Ability to send output from a report to: printer, file, screen, and e-mail                                                                                                                                                                                                                                |
| 12.            | Ability for the reporting capabilities to have the same accessibility (hours of operation / access) as the online application                                                                                                                                                                             |
| 13.            | Ability for the reporting tool to support unlimited TCERA user licensing                                                                                                                                                                                                                                  |
| 14.            | Ability to access a user-friendly report writer for creating custom reports with graphics, headers, footers, totals, subtotals, sorting, and statistics                                                                                                                                                   |
| 15.            | Ability to add new reports to the report menu for easy access                                                                                                                                                                                                                                             |
| 16.            | Ability to direct printing of forms/correspondence to selected printers with an established default setting                                                                                                                                                                                               |
| 17.            | Ability to include on all reports detailed heading information, including version/release number, the date of the last modification of the software that generates the report, the name of the program that generates the report, a unique name for the report, and the date of the running of the report |
| 18.            | Ability to print customer defined watermarks on various types of outputted correspondence                                                                                                                                                                                                                 |
| 19.            | Ability to print the requesting user's user-id on all reports                                                                                                                                                                                                                                             |
| 20.            | Ability to print to existing and future industry standard TCERA printers                                                                                                                                                                                                                                  |
| 21.            | Ability to provide a development or query "Library" outside of the normal line-of-business application where users can share queries, information, etc                                                                                                                                                    |
| 22.            | Ability to provide a graphic, drag-and-drop report design environment                                                                                                                                                                                                                                     |
| 23.            | Ability to provide a report generation strategy / tool capable of integrating additional data from any other accessible relational data sources into a single report                                                                                                                                      |
| 24.            | Ability to provide various online support features ("wizard", help system, etc.) that will take a user step-by-step through a report "building" process                                                                                                                                                   |
| 25.            | Ability to query on all system data (business relevant, transaction history, log files, etc.) depending on security profiles                                                                                                                                                                              |
| 26.            | Ability to queue reports for printing destination                                                                                                                                                                                                                                                         |
| 27.            | Ability to save all queries written for future use                                                                                                                                                                                                                                                        |
| 28.            | Ability to select and block-out (redact) any portion of a record for printing and identify areas omitted from printed copy                                                                                                                                                                                |
| 29.            | Ability to select and print specific records from a listing of records matching the search criteria                                                                                                                                                                                                       |
| 30.            | Ability to support ad-hoc reporting, where custom reports can be created for single use or saved for continued use                                                                                                                                                                                        |
| 31.            | Ability to support dynamic content that incorporates drill-down, charts and graphs                                                                                                                                                                                                                        |
| 32.            | Ability to support industry standard multi-dimensional Online Analytical Processing (OLAP) data source extraction, transmission, formatting as it relates to reporting                                                                                                                                    |
| 33.            | Ability to support printing by allowing the user to determine the length of the report prior to printing (e.g., number of pages)                                                                                                                                                                          |
| 34.            | Ability to support report sorting, filtering, and summary report output                                                                                                                                                                                                                                   |
| 35.            | Ability to support the creation of reports using relational criteria and logical operators (e.g., less than, greater than, equal to or less than, wild cards, Boolean operators, and combinations of each), including searches against message text and key indexed fields                                |
| 36.            | Ability to support the development of parameter driven reports, where the report variables and format are programmatically controlled and certain values are selected (or required) by the user at the time the report is generated                                                                       |
| 37.            | Ability to support the integration of reports with existing applications using industry accepted programming and scripting languages such as: JavaScript, VBScript, COM, XML                                                                                                                              |



| Requirement ID | Description                                                                                                                                                                                                                                      |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 38.            | Ability to support the use of various font formatting (font type, font style, font size, etc.)                                                                                                                                                   |
| 39.            | Ability to support the viewing of reports that result in large volumes of data by (Providing a warning of the number of records found; Prompting the user to continue/refine/alter the query; and by Displaying a single page of data at a time) |
| 40.            | Ability to terminate a query or report while in process                                                                                                                                                                                          |
| 41.            | Ability to track accounts/folders returned from review due to error, inquiry, or need for additional information for staff performance                                                                                                           |
| 42.            | Ability to produce an actuarial extract of required active and retired member data in a format acceptable to TCERA's actuary                                                                                                                     |
| 43.            | Ability to report members approaching 30 years of service including TCERA service earned, buybacks, re-deposits, and reciprocal service to determine eligibility for special benefits                                                            |
| 44.            | Ability to report master file changes by user and date entered                                                                                                                                                                                   |
| 45.            | Ability to extract necessary data for transmission to third-party vendors for member death search (PBI, etc.)                                                                                                                                    |
| 46.            | Ability to produce standard letter associated with report extract (e.g. Vested Age 65, Bested Age 70)                                                                                                                                            |
| 47.            | Ability to calculate and report special benefits for members with 30 years of service                                                                                                                                                            |
| 48.            | Ability to produce "Board Reports" for retirement applications, member deaths, disability status and 30 year members                                                                                                                             |
| 49.            | Ability to produce a "Status Conflict Report" identifying members with difference employment status than TCERA (e.g. Employer Inactive, TCERA Active)                                                                                            |
| 50.            | Ability to produce a report of physical checks issued (refunds, pension payroll, death benefits, etc.) each day with totals for Positive Pay verification                                                                                        |
| 51.            | Ability to produce audit confirmation sample listings (including buyback date of purchase, address, and refund amount not included on current report)                                                                                            |
| 52.            | Ability to generate an extract file per TCERA specifications to provide information required for preparation of the State Controller's Report and related schedules                                                                              |
| 53.            | Ability to produce confirmation letters for auditor's selected sample for all member statuses                                                                                                                                                    |
| 54.            | Ability to update export features to keep pace with technology (e.g. upgrades to Microsoft Office, emerging technology)                                                                                                                          |
| 55.            | Ability to view requested reports on the screen prior to printing report                                                                                                                                                                         |



## B-1.1.22 Re-Hires

**Table 32. Functional Requirements for Re-Hires**

| Requirement ID | Description                                                                                                                                                                                                                                                        |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                    |
| 1.             | Ability to apply system / plan / group specific standards and conditions in event of return to work                                                                                                                                                                |
| 2.             | Ability to automatically inform users when a retiree decides to "return to work" (re-enrolls) and provide retirement information (for each group / plan / system from which member retired) to ensure that the member adheres to the "return to work" requirements |
| 3.             | Ability to create and maintain a receivable for retirement benefits that need to be returned upon re-employment                                                                                                                                                    |
| 4.             | Ability to determine, for a member, if a prior retirement exists and what the status of that retirement is at the time of re-employment or return to work                                                                                                          |
| 5.             | Ability to identify if a member is a multiple group member when returning to work to be sure to process the correct account                                                                                                                                        |
| 6.             | Ability to notify staff when a member begins to accrue benefits in the system                                                                                                                                                                                      |
| 7.             | Ability to track those retirees working under the "critical shortage" rule or other such legislation that creates a special case.                                                                                                                                  |
| 8.             | Ability to generate a correspondence to retired member returning to work to request repayment of retirement benefits previously paid                                                                                                                               |
| 9.             | Ability to generate correspondence to member confirming return to work                                                                                                                                                                                             |
| 10.            | Ability to calculate new benefit for retiree who returns to work (placing retirement on hold) and subsequently retires.                                                                                                                                            |
| 11.            | Ability to correctly determine eligibility for interest posting for rehires                                                                                                                                                                                        |
| 12.            | Ability to calculate new benefit of a TCERA retiree, who elected the temporary annuity option returns to work, stops working and returns to benefit role.                                                                                                          |



### B-1.1.23 Tax Reporting

**Table 33. Functional Requirements for Tax Reporting**

| Requirement ID | Description                                                                                                                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                               |
| 1.             | Ability to capture a payee's tax withholding changes effective on a future date                                                                                                                                                                               |
| 2.             | Ability to capture alternate address for mailing of Form 1099-R, without changing the recipient's permanent address                                                                                                                                           |
| 3.             | Ability to capture amount, start-date, and end-date associated with a tax levy for a member's benefit                                                                                                                                                         |
| 4.             | Ability to capture member's preferred distribution method (e.g., email, fax, print) for Form 1099-Rs                                                                                                                                                          |
| 5.             | Ability to capture returned / re-deposited payroll checks (either the originally issued check or a personal check submitted as repayment for the original check)                                                                                              |
| 6.             | Ability for user having appropriate 'role' (i.e., "auditor") to make corrections to Form 1099-R information on-line                                                                                                                                           |
| 7.             | Ability to accommodate both the "General Rule" and "Simplified General Rule" taxation methods                                                                                                                                                                 |
| 8.             | Ability to accommodate Safe Harbor calculations                                                                                                                                                                                                               |
| 9.             | Ability to accommodate tax levies, garnishments, bankruptcy, etc.                                                                                                                                                                                             |
| 10.            | Ability to accommodate the waiving of tax withholding                                                                                                                                                                                                         |
| 11.            | Ability to assign distribution codes according to IRS regulations. If changes are made, the ability to update history and produce corrected 1099.                                                                                                             |
| 12.            | Ability to comply with IRS regulations and reporting requirements, including content, format and timing of file transmissions                                                                                                                                 |
| 13.            | Ability to generate an accurate facsimile of any given Form 1099-R via the Web                                                                                                                                                                                |
| 14.            | Ability to handle all tax related information from all processes in which payments are issued, returned or adjusted                                                                                                                                           |
| 15.            | Ability to identify returned / re-deposited payroll checks (either the originally issued check or a personal check submitted as repayment for the original check) and automatically correct the tax records associated with the returned / re-deposited check |
| 16.            | Ability to implement a payee's tax withholding changes entered against a future date at the appropriate time                                                                                                                                                  |
| 17.            | Ability to maintain each member's pre-tax dollars, rolled-over funds, and recovered contributions                                                                                                                                                             |
| 18.            | Ability to produce reprints of Form 1099-Rs                                                                                                                                                                                                                   |
| 19.            | Ability to provide a tax withholding "scratch pad" functionality so that users / members can examine the tax implications of various tax withholding scenarios, with alert to member that TCERA does not give tax advice, etc.                                |
| 20.            | Ability to query on all types of tax information (distribution code, year, taxable vs. non-taxable, gross, net, etc.)                                                                                                                                         |
| 21.            | Ability to recognize, combine and report like distribution codes for a payee on one Form 1099-R (e.g., two rollovers, two monthly benefits, etc.)                                                                                                             |
| 22.            | Ability to correctly allocate taxes to Federal and State reporting forms for voids, reissues, reimbursements, NSF checks from members, and other member adjustments affecting taxes.                                                                          |
| 23.            | Ability to correct 1099R's pre-and post-transmission of data to the IRS                                                                                                                                                                                       |
| 24.            | Ability to produce corrected 1099's and 1099R's according to IRS regulations for changes after transmission of data to IRS                                                                                                                                    |
| 25.            | Ability to include FRA and other adjustments in 1099R reporting                                                                                                                                                                                               |
| 26.            | Ability to withhold taxes at member request, even if benefit is non-taxable.                                                                                                                                                                                  |
| 27.            | Ability to support multiple distributions methods (e.g., email, fax, print) for Form 1099-Rs                                                                                                                                                                  |



## **B-2 Technical Requirements**

As an overview to this section, TCERA has included a listing of the current Tulare County IT Equipment List in Appendix E-15. Vendors should recommend as much hardware and software from that list as is feasible and possible. For any vendor required items that are not on the list, the vendor will need to provide detailed specifications as part of their submitted proposal and TCERA will evaluate and determine the most effective means of obtaining those items. The selected vendor working in cooperation with TCERA and the County IT will unpack, install, and configure the hardware and system software. In addition, TCERA requests that the vendor respond and price separately an Option should TCERA decide to procure the hardware and software directly from the vendor (Please refer to Section B-11).

The project's technical requirements are summarized below. The vendor should also refer to "technical requirements" contained within the mandatory options, particularly Option 1, Option 2 and Option 3, for requirements related to hardware, commodity software and hosting. The vendor should keep in mind, when developing their technical and cost proposals, that they will be responsible for installation and configuration of hardware and commodity software whether the hardware and commodity software is purchased off of the county schedule or whether the options for procurement through the vendor are selected.

### **B-2.1 BROWSER-BASED SOLUTION**

TCERA requires a browser-based solution. TCERA believes such an approach provides a number of advantages, including ease of maintenance and support, readiness for remote (from TCERA offices) accessibility (when enabled with the appropriate security) – while still enabling a rich client interface as well as providing the option/alternative for telecommuting. As noted elsewhere, while TCERA is not requiring scanning functionality in this procurement it does envision this within the LOB in the future. With that in mind, the solution must have a logical and practical path to imaging and image retrieval functionality and the vendor is required to discuss and identify that path within their proposal.

### **B-2.2 TECHNICAL ARCHITECTURE**

The sections that follow provide the vendor with an overview of the required technical, architectural aspects of the desired solution. Much of the material provided is general in nature, except where TCERA's preference for a specific platform is described. The Technical Architecture section is included to set the framework within which specific platform requirements are subsequently defined.

#### **B-2.2.1 Conceptual Architecture**

The solution must support all conceptual architecture guidelines and standards as specified by the Tulare County Information Technology Division. Proposals will be reviewed by an IT representative to ensure compliance. At this time, TCERA has no bias for or against Java, .Net, SOA, or any other development platform and/or language. However, we are biased towards a solution that provides a good business fit and can be demonstrated to be a mainstream architecture.



### **B-2.2.2 Application Architecture**

Application architecture identifies criteria and techniques associated with the design of applications for TCERA's distributed computing environment that can be easily modified to respond quickly to TCERA's changing business needs, as well as to the rapidly evolving information technologies available to support those needs.

The solution must be designed along logical application boundaries that mimic the business processes they support.

The solution must make effective use of reusable components in order to improve flexibility, scalability and extensibility into applications. To improve scalability, reliability, and extensibility, the solution must separate these components into at least three layers: data, business logic, and user interface.

The solution must enable:

- Ease of integration of applications and application services
- Efficient reuse of existing application assets
- Faster deployment of new applications
- Improved responsiveness to changing business needs
- Date-effective, rules-based configuration of the changing business rules under which TCERA operates.

Given TCERA's expectations of greatly increased member self-service via Web-browsers and the like, TCERA believes that the application architecture must support member Web-based access nearly 24 hours a day, 7 days a week, except during those times specifically scheduled (by TCERA) for system maintenance, backup and downtime.

TCERA's objective with respect to multi-task, typically unattended processing is simple –all processes described in the RFP and the proposal must be able to be run concurrently while the system continues to meet response time and elapsed job processing requirements. To that end, TCERA requires:

- Response time requirements must be met independent of what other jobs, processes, or scripts are being executed.
- On-line response time requirements must be met independent of how many TCERA users are on line, how many Web-based users are on-line, and independent of what processes or scripts are being run – such as wage and contribution edits, wage and contribution posting, interest posting, payroll running, etc.
- Elapsed time performance requirements for various process-intensive activities must meet or exceed the following rates:

|                                                |                           |
|------------------------------------------------|---------------------------|
| ✓ Wage and contribution edits:                 | 5,000 members / half-hour |
| ✓ Wage and contribution posting <sup>1</sup> : | 5,000 members / half-hour |
| ✓ Interest posting:                            | 5,000 members / half-hour |
| ✓ Actuary Extract:                             | 5,000 members / half-hour |
| ✓ Pension Payroll                              | 5,000 members / half-hour |
| ✓ Member Statement                             | 5,000 members / half-hour |
| ✓ COLA processing                              | 5,000 members / half-hour |
| ✓ 1099R processing                             | 5,000 members / half-hour |

---

<sup>1</sup> Must include any processing necessary to do enrollment processing of a new member



- |                                |                           |
|--------------------------------|---------------------------|
| ✓ Data Error report processing | 5,000 members / half-hour |
| ✓ Special Report processing    | 5,000 members / half-hour |

The application must be architected such that ALL functionality can be processed on-line in real time – both editing and updating. Solutions architected that collect user input during the day and perform off-peak (typically night)-time batch jobs to update the LOB database will not be viewed most favorably. TCERA understands that some tasks such as the production of annual member statements require minimal interactive input from the TCERA staff member followed by significant processing time. Tasks such as these are the extent of what may be considered unattended processing tasks. However, they must be able to run simultaneously during normal working hours without compromising interactive system performance in any way.

### **B-2.2.3 Data Architecture**

The mission of Data Architecture is to establish and maintain an adaptable infrastructure designed to facilitate the access, definition, management, security, and integrity of data across TCERA.

The system must employ a relational database management system (RDBMS) within its data storage architecture. One of the following must be supported:

- Microsoft SQL Server (MSSQL 2008)
- Oracle Database 10+

In its use of the RDBMS, the application must take advantage of transaction processing such that any operations carried out on the database that are independent are either all completed successfully or all cancelled successfully. The application must be architected in such a way as to take advantage of:

- Rollback – that is, ensuring database integrity by recording intermediate states of the database as it is modified, then using these records to restore the database to a known state if a transaction cannot be committed. For example, copies of information on the database *prior* to its modification by a transaction might be set aside by the system before the transaction can make any modifications (this is sometimes called a *before image*). If any part of the transaction fails before it is committed, these copies would be used to restore the database to the state it was in before the transaction began
- Rollforward – that is, keeping a separate journal of all modifications to a database (sometimes called *after images*); this is not required for rollback of failed transactions, but it is useful for updating the database in the event of a database failure, so some transaction-processing systems provide it. If the database fails entirely, it would be restored from the most recent back-up. The back-up will not reflect transactions committed since the back-up was made. However, once the database is restored, the journal of after images can be applied to the database (*rollforward*) to bring the database up to date. Any transactions in progress at the time of the failure would then be rolled back. The result is a database in a consistent, known state that includes the results of all transactions committed up to the moment of failure. If the solution does not support rollforward, the Vendor is to explain how a recovery such as the one described above is accomplished
- Deadlock avoidance – in some cases, two transactions may, in the course of their processing, attempt to access the same portion of a database at the same time, in a way that prevents them from proceeding. For example, transaction A may access portion X of the database, and transaction B may access portion Y of the database. If, at that point, transaction A then tries to access portion Y of the database while transaction B tries to access portion X, a *deadlock* occurs, and neither transaction can move forward. Transaction-processing systems – and the proposed solution – must be designed to



detect these deadlocks when they occur. Typically both transactions will be cancelled and rolled back, and then they will be started again in a different order, automatically, so that the deadlock doesn't occur again.

#### **B-2.2.4 Platform Architecture**

Platform architecture identifies hardware platforms and associated operating systems supporting TCERA's business. It describes the platform requirements for building a client/server infrastructure as well as the storage architecture associated in maintaining the data generated. Technical topics to be discussed under platform architecture include client architecture and server architecture.

The solution should adhere to TCERA's preferred server environment of **Windows Server 2008** or higher; however TCERA will consider these other platforms:

- Novell/SUSE or Red Hat Linux
- Sun Solaris 10 IBS AIX 5+ Unix

Vendors may propose a different platform architecture but will have to demonstrate its interoperability with TCERA's preferred environment. TCERA requires the following capabilities of the platform the vendor chooses to specify (whatever that platform):

- The platform must support redundant capability with high availability and with at least one component capable of physical separation at the disaster recovery site as specified under the hosting services option (see B-11.3).
- The system should fully support using VM technology

The vendor's response must include a discussion of the vendor's understanding of "high availability" and how the proposed solution provides it.

#### **B-2.2.5 Integration Architecture**

Integration architecture specifies how various automated applications operating on different platforms can effectively work together. Integration techniques should be used when new application systems need to access existing application systems, while maximizing the investment in existing systems and platforms.

The solution must provide clearly defined application interfaces (APIs), such as Web Services, for the purposes of documentation and application integration.

The solution must comply with the National Automated Clearing House Association (NACHA) requirements for transactions that are performed electronically (EFTs, ACHs and others).

The system must be developed with sufficient flexibility to permit attachment to all the currently existing systems described in Section A-4.2 and provide an integration architecture that allows connection to TCERA's existing email system, Novell GroupWise.

TCERA will look favorably upon proposed solutions that provide a single point of management for all of the system interfaces within the solution environment. Such an "interface gateway" provides a single point to manage design, execution, security, performance, monitoring, documentation, etc.



### **B-2.2.6 Security and Directory Services Architecture**

Security and directory services architecture identifies criteria and techniques associated with protecting and providing access to TCERA information resources. It facilitates identification, authentication, authorization, administration, audit, and naming services. TCERA's technological resources must be available to users across the enterprise regardless of location or platform. Therefore, TCERA must implement security and directory services in such a manner that its information infrastructure is protected and accessible while, at the same time, its functionality is unimpeded and its business services are readily available.

Furthermore, the architecture must permit use of the comprehensive system required to provide public-key encryption and digital signature services also known as a public-key infrastructure (PKI). Encryption pertains as follows:

- Any member data transmitted over unsecured connections must be encrypted and comply with applicable State and Federal data privacy laws and regulations. Furthermore the encryption method used should be scalable to conform to changing standards and based on industry standard encryption protocols.
- Any security tables, the breaching of which would endanger the integrity of the system, must be encrypted
- Any passwords stored under the control of the LOB application must be encrypted
- Any other operational data (e.g., assignment of user ID to roles, assignment of roles to permissions, assignment of workflow roles), if not protected from access by a determined user, must be encrypted.

Finally, because security control impacts the entire enterprise, its implementation must be easy to administer, verify and sustain.

The vendor's solution must comply with Federal law and applicable California statutes with regard to "electronic signatures."

### **B-2.2.7 Accessibility Architecture**

The solution must support the current release and at least one previous version of Microsoft's Internet Explorer, FireFox Mozilla, and Safari.

For information presented via the Web, vendors should provide information regarding their ability to comply with the latest version of the World Wide Web Consortium Web Content Accessibility Guidelines, and Federal ADA Compliance Standards to be found at the following websites:

<http://www.usdoj.gov/crt/ada/adahom1.htm>  
<http://www.section508.gov/general>  
<http://www.w3.org/TR/WAI-WEBCONTENT>

At a minimum, information accessed via the Web must include the following:

- A text equivalent for every non-text element
- Row and column headers for data tables



- Pages designed to avoid causing the screen to flicker with a frequency greater than 2Hz and lower than 55Hz
- Links to any plug-in or applet required to interpret or display page content
- User alert when a timed response is in place, giving sufficient lead-time to indicate more time is required.

## **B-2.3 STANDARDS**

The sections that follow provide the vendor with an overview of the standards that must be applied in their provision of a new pension administration system.

### **B-2.3.1 User Interface Standards**

The vendor should provide a discussion of how its solution meets the following guidelines:

- The system interface is to be a browser-based, thin client
- The system is to be fully integrated and all subsystems are to be seamlessly interfaced
- The application shall have an intuitive look and feel and allow for easy navigation
- The application shall have a consistent style such that users encountering an operation for the first time should feel that the screen is 'familiar' with common options and capabilities available in the same geographic location on the screen. Specifically the system must demonstrate:
  - ✓ That it can be learned by all users (e.g., that it has intuitive navigation)
  - ✓ Efficient to use and that its methods for use can be retained and remembered by users

The vendor must describe in the response just how they meet the above requirements. The description should include reference to any standards incorporated in the user interface design and/or testing such as the International Organization for Standardization's Guidance on Usability (ISO 9241-11)

- All functionality exposed to members / retirees through the TCERA web-site shall have a consistent look and feel and shall conform to TCERA style standards and branding

Examples / samples demonstrating adherence to these standards are to be included in the vendor's proposal.

### **B-2.3.2 Parameterization**

Throughout the requirements that are discussed in this RFP, reference is made to various, user-administered, date-sensitive, system-wide, parametrically set numerical values and rules. A system administrator (not an IT staff member) must be able to perform their maintenance. Maintaining parameters must require **no** program or code changes. No such data is to be hard coded in the system.

Categories illustrative of such table-driven parameters include the list below:

- General data
- Application security
- Business process / menu navigation
- Customer service



- Member enrollment
- Employer reporting
- Member account and service credit
- Service credit purchases
- Refund of account balance
- Benefit estimate and retirement processing
- Final Average Salary (FAS) calculation
- Pension payroll
- Plan components.

It must be understood by the vendor that all such values must be treated as user-maintained, date-sensitive parameters (not hard coded) in the new system, regardless of whether this requirement is specifically stated in the description of features and functions provided in other sections of this RFP. The new system must include the capability to maintain all such parameters through user-friendly menus and screens or vendor-developed SQL programs not requiring IT support. TCERA staff will not be required to develop any SQL/SQR programs in order to adjust system parameters. Since these parameters will be maintained from a system administrator screen, the process must be restricted to the highest system security control level. The vendor must note the need for flexible design architecture to allow easy modification, as discussed herein.

Further, for each such parameter, it will be necessary to accommodate different values for different time periods, i.e., different effective dates. The new system must provide a report showing the effective dates of each change, who changed the value, the date the change was entered, and the change in value of the parameter. For example, the maximum annual salary level relative to IRS Revenue Code 401(a)(17) on which benefit calculations are based could be increased from, say, \$245,000 to \$250,000, effective January 1, 2010. The new system must be capable of maintaining multiple values for this parameter and the time periods to which they pertain. In this example, the system would "save" (and use appropriately in automated retirement benefit calculations) the maximum salary of \$245,000 applicable to service through December 31, 2009, and the maximum salary of \$250,000 applicable to service on or after January 1, 2010.

In addition, for many such parameters, their values and the dates to which they apply may vary from plan to plan and employer to employer. Therefore, the new system must include the capability to maintain separate values for each parameter at various logical hierarchical levels:

- Globally (system-wide)
- By plan (General, Safety, etc.)
- By tier
- By employer.

For any given parameter, the value entered for a particular plan will take precedence over the global (system-wide) value. Similarly, the value entered for a particular *employer* will take precedence over the value entered for the *plan* with which the employer is associated.

**Note: In their proposals, vendors must explicitly list those parameters (factors, values, and static data) that will not be maintainable via a system administrator interface. If such items are listed, the vendor should provide reasoning as to why they are not maintainable via this method and explain the method by which they are to be maintained. Any parameters not so identified in the**



**vendor's proposal will be required to be maintainable by the system administrator in the manner described above.**

"Rules management" capabilities (among which are the "parameter management" capabilities as described above) are required in the new solution. Pension administration rules, including but not limited to those applicable to membership eligibility, contributions, and pension eligibility, must be separate from the application code. They must be stored in tables, as stored procedures, or in a knowledge-based system (which would include a third-party "business rules engine" or "business rules management system") with rule parameters in separate, user changeable tables so that they are maintainable by plan, by employer, and globally without the need for program modifications. Different rules applying to different time periods must also be accommodated.

The system must be implemented so that a system administrator, a non-IT staff person charged with administrative responsibilities for the system (including but not limited to access permissions, system parameters, and help and error messages); or a business analyst; can maintain the rules, data, parameters, and calculations. The rules, data, and calculations must be capable of being addressed system-wide, and/or by specific plan and/or by specific employer in a hierarchical manner, i.e., rules apply "downward" until another rule intercedes. Thus, TCERA is interested in the manner in which this "expert" or "rules-based" or "decision tree logic" function is implemented, e.g., the language or package to be used. Furthermore, the rules must be capable of being defined to be effective from an input date forward, i.e., within an effective date range.

An audit trail of changes to the parameters must be maintained by the system. Also, any changes must be capable of being printed out daily or on-demand and automatically provided for review.



## B-2.4 HARDWARE

### B-2.4.1 Hardware

In general, TCERA requests offerors to take the following general approach. The offeror must provide TCERA its recommendations regarding:

- Hardware
- Servers
- Desktop and other interactive access devices
- Storage
- UPS
- Printers and peripheral equipment.

Offerors must list all components required for their solutions to meet or exceed all of the stated functional and technical requirements, as well as all stated performance requirements stated in Section B-2.6.

The offeror is required to provide in its technical proposal a List of Recommended Hardware, which is to include the specification and configuration of all of the hardware components that will be required to support the proposed solution, including appropriately sized production, development, user acceptance testing, and query environments for use during the phased project. The vendor is to include the List of Recommended Hardware in both the technical proposal and in the cost proposal. The List of Recommended Hardware in the technical proposal must list only the required hardware components (as described above) and include NO cost information. The List of Recommended Hardware in the cost proposal should be identical to this but INCLUDE cost information. Under no circumstances should cost information be listed in the technical proposal.

**Note that TCERA will purchase all hardware components in a separate procurement.** The offeror will be responsible for installing, testing, and configuring the required hardware in the TCERA data center working with TCERA staff and/or Tulare County IT personnel in a cooperative manner.

This includes the installation, testing, and configuration of:

- All recommended solution servers
- All recommended network infrastructure components
- All desktop PCs that currently exist within TCERA

TCERA also requests recommendations from the offeror with regard to upgrading or replacing the following items in order to effectively maintain the proposed solution hardware:

- Required power
- Server room cooling systems (Air Conditioning and Humidification)
- Fire suppression systems
- Server racks and cabinets
- Required space (server room space, communications closets, etc.)
- Backup hardware (Tape, Cached magnetic media, DVD, etc.)
- Backup software.



Should the proposed hardware configuration prove inadequate to support the new solution – in terms of functionality, performance, availability, or scalability – it will be the offeror's responsibility to fund such additional hardware purchases as may be necessary to bring the solution into compliance with RFP requirements. Whether the offeror itself purchases the additional hardware or reimburses TCERA for its purchase will be determined at the sole discretion of TCERA – in either case, the acquisition of any such additional hardware will result in no additional cost on the part of TCERA. The offeror (neither TCERA nor the hardware vendor) will be responsible for testing, installing, and appropriately configuring the additional hardware. Any project delays that result from the need to expand / replace the hardware environment will be the responsibility of the offeror. No change orders will be approved by TCERA relating to such a situation.

TCERA's current processing infrastructure includes workstations (desktop PCs) and associated equipment, some of which is likely to be suitable to support proposed solutions. The offeror is expected to include existing TCERA hardware components, to the degree they are suited to support the proposed solution, in the recommended hardware configuration – TCERA expects that some of the existing hardware is acceptable in the new solution, some must be upgraded, and some must be replaced and/or augmented with additional components. In providing its recommended hardware configuration, the offeror is required to clearly delineate existing hardware components that are usable as is vs. existing hardware that must be upgraded vs. new hardware components that TCERA must purchase to support the proposed solution. Since any hardware components proposed for re-use are currently in production use, any hardware components proposed for reuse must have a clearly defined migration path and timeframe defined.

In their response, offerors are cautioned to include recommendations for all ancillary equipment required by the proposed solution such as cabling, connectors, equipment racks, and backup devices.

#### **B-2.4.2 Servers**

The offeror is to provide detailed information on all servers required to effect the proposed solution, including number of servers, processor configurations, and speeds. Include number of processors, memory, and disk cache for each server. Offerors are cautioned to address all necessary routers, hubs, and other miscellaneous hardware requirements relating to servers. Recommendations should be vendor agnostic.

It is the offeror's responsibility in the proposal to recommend an appropriately sized platform to accommodate up to ten (10) concurrent sessions of TCERA staff users (whether internal or external [i.e., working from home or another remote location]), three (3) active wage and contribution transmissions occurring, and fifty (50) concurrent external users accessing the system through the Web – all while still meeting the response requirements described in Section B-2.6.1. If anytime during the project's contract, the proposed solution fails to accommodate the required number of concurrent sessions while still meeting system response time requirements, it will be the offeror's responsibility to fund such additional hardware purchases as may be necessary to bring the solution into compliance with RFP requirements.

#### **B-2.4.3 Desktop and Other Interactive Access Devices**

The offeror is to provide detailed recommendations on all desktop PCs and other devices (such as laptops) required to support the proposed solution. Include processor speeds, memory, and disk cache configuration. For each workstation, indicate whether the requirement can be satisfied by existing equipment as is, or by existing equipment suitably upgraded (include all upgrade information), or by



newly purchased equipment. Quantities and specifications of the configuration of TCERA existing desktops can be found in the TCERA Current Technical Environment documentation.

TCERA believes that its current desktop PCs are adequate to support the new system. Offerors are expected to review the TCERA Current Technical Environment documentation to confirm this belief or to recommend changes and upgrades as necessary.

#### **B-2.4.4 Storage**

The offeror must recommend the storage configurations that will support the “high-availability” proposed solution. A minimum of RAID 5 must be proposed.

Offeror must also provide solution backup strategy recommendations and their justification for the storage recommendations. This will insure appropriate understanding so the TCERA technical services organization may quickly identify any issues with business continuity, and/or impacts to their existing Disaster Recovery Plan (DRP).

#### **B-2.4.5 Backup Power**

The offeror must provide recommendations for all solution required power needs. Recommendations need to include purchase and installation of uninterruptible power supplies (UPS's) for all servers being proposed. The following capabilities must be supported in this regard:

- At least two hours of power backup in the event of a power outage for all servers, consoles, and related monitors and peripherals
- Automatic notification to the operating system of the affected platform to shut down in an orderly fashion prior to the complete loss of power
- Network-enabled capabilities so information and control can be handled remotely
- Notification of IT system administrators via automated phone, pager, and/or email of UPS sequence of events including, but not limited to:
  - Loss of incoming electricity and activation of UPS power supply
  - Resumption of external incoming electricity

#### **B-2.4.6 Surge Protectors**

Surge protectors must be provided for all PCs, printers, and other equipment not otherwise protected by a UPS.

#### **B-2.4.7 Printers and Peripheral Equipment**

Offerors must review TCERA' current printer and peripheral lists and ensure and verify the proposed solution works with existing TCERA peripheral equipment. If not, the offeror must provide recommendations to upgrade or replace existing equipment.



The solution must allow users to redirect to various local or network attached peripherals system output, including, but not limited to:

- Member Correspondence
- Reports
- Faxes

The offeror's hardware specifications must provide sufficient printing capability to support the printing of all reports and checks generated by the system, as well as other in-house, system-generated printing needs such as member correspondence. Those specifications should take advantage of the current inventory of TCERA printers and specify only those additional printers that are deemed necessary.

As a guide, TCERA suggests the offeror consider and assess the need for at least the following printing capabilities:

- High speed, duplexed, large capacity laser printer(s) for the continued, effective printing of any formerly wide-carriage and multi-part reports (to be located in the data center)
- Adequate high or medium-speed laser printers with duplexed and large capacity bins for printing of hard copy output, including but not limited to correspondence and medium size reports
- Portrait and/or landscape capabilities enabled by application software printer drivers
- The ability to print to an envelope feeder
- Print Screen from within the LOB application to include large, multi-paged screens

The successful offeror must provide the capability for user to redirect all outputs to any of the appropriate printers or other devices attached to the network in a simple one step process. In addition, users (not IT) should have the capability to change their default printer for all system output in a simple one-step process.

### **B-2.4.8 Remote Access**

TCERA believes that the community of remote access users is divided into four groups:

- **Members and Retirees** – Individuals with controlled access to their member record as well as a range of administrative functions, such as benefit estimates and address change requests
- **Employers** – Organizations who require remote access in order to complete Web-based reporting of member wages and contributions along with any administrative tasks related or unrelated to wage reporting
- **Staff Members** – TCERA employees who work from home or who log in from remote counseling and member education sites
- **IT Support** – those members of the vendor (or software or hardware support) staff who have been contracted to provide (sometimes remote) support of the system.

TCERA further believes that all groups should be given access via the Internet. Such access would mean that staff members, for example, logging into the TCERA system from outside the TCERA office would continue to have access to the same services (such as office automation, LOB application, workflow, imaging, and email, development tools, network monitoring, maintenance, etc.) that they enjoy while sitting at their desks.



In their response, offerors must provide remote access hardware and software recommendations. Offerors must describe their remote access methodology, and provide detailed discussion of:

- Current remote access industry standards and best practices
- Current remote access hardware offerings from a minimum of three different vendors, and the offeror's preferred solution
- Current remote access security technologies and standards

Offerors should also include details of remote access solutions they have implemented, and provide a sample of the documentation provided to clients which might describe areas such as:

- Remote access implementation methodology
- Hardware and software employed
- Client security requirements
- Maintenance and support procedures needed to ensure effective ongoing operations of the solution

Offerors must describe in their proposals how the solution they propose would affect the required remote access for all groups described above. The description must include discussions of:

- The particular features to which each group of users would have access
- How security would be managed for members of each group, including any hardware or software needed to enforce existing or future security policies and procedures
- The advantages and disadvantages (both technical and user-related) of such access and how the offeror has overcome the challenges posed by remote access in prior installations.



## **B-2.5 SOFTWARE**

The project's software requirements are addressed below.

### **B-2.5.1 Overall Software Requirements**

**Note that TCERA will purchase all commodity software requirements in a separate procurement.** The offeror will be responsible for installing, testing, and configuring the required software working with TCERA staff and/or Tulare County IT personnel and TCERA technology consultants in a cooperative manner.

This includes the installation, testing, and configuration of:

- All recommended commodity software
- All servers and desktop PCs with setting required to run the software

The vendor's proposed solution must include NO software or hardware locks, traps, toggle keys, or similar security measures that would in any way deny TCERA full and complete access.

The source code for any software (be it the customized line-of-business application, middleware, a code generator, a specialized I/O routine, or any similar or related item) which is developed by the contractor, or an affiliate company that is 20% or more owned by the contractor, and used in the new system must be deposited with an escrow agent with documentation of such deposit provided to TCERA prior to delivery of the modified application for each phased production cutover. TCERA's acceptance of a phase will be contingent upon this requirement being met. Any subcontractor developed source code must similarly be escrowed. The bidder should refer to Section D-10 "Ownership of Work Product and Intellectual Capital" for additional information related to delivery of source code.

In addition, the source code for any third-party software that is delivered and/or licensed to TCERA as part of the new solution must be escrowed on TCERA's behalf if, at the time of final turnover and acceptance of the new system to TCERA, that software product has ever previously been escrowed for the benefit of any other client of the third-party provider.

### **B-2.5.2 LOB Application Software**

The line-of-business (LOB) application must be described with respect to the following attributes:

- Language
- RDBMS
- Transaction sub-executive (if any)
- Development and deployment environment
- Screen generator
- Report generator
- Middleware
- Any third-party tools.

In addition to the above, for each application component proposed, the vendor must answer the following questions:



- Does the application make use of any "middleware", i.e., any proprietary, internally developed layer to permit access to and use of interchangeable relational databases? If so, what is it and is it commercially available?
- What user interface(s) is utilized?
- What application development tools are used? Do tools define the applications? Are tools used for engineering, developing, and/or maintaining the applications?
- What source languages are utilized for the application? If multiple ones are used, describe each and what percent of the entire system is each written in?
- Confirm that ALL application source code (including but not limited to any middleware, workflow software, or imaging software [assuming the imaging option is authorized by TCERA]) will be escrowed
- What data base management system is used? Is it relational? Was the system originally designed with this data base management system or was it retrofitted or back fitted to it?
- What operating system is used on the servers? Clients?
- Confirm that the solution will support Internet Explorer, Safari, and FireFox Mozilla browsers, including at least the current version and the immediately preceding version of both products
- Provide a brief history of the application. The narrative should include all major events from the original version to present, including events such as original environment, any re-engineering (and why), introduction of an RDBMS, support for a browser-based interface, etc.
- Confirm that all modifications of data on the database shall be date/time stamped along with an identifier of what logical user-id performed the modification or initiated the unattended process that actually modified the database
- Clearly describe the system architecture.

Vendors are required to include as attachments to their proposals the following:

- A comprehensive list of all documentation (including but not limited to user, system, and operational) delivered with their systems. Include samples (which will be returned if so requested) of all documentation products for evaluation
- Screen "snapshots", windows, and screens from the system they have implemented that was most similar to the one being sought by TCERA
- A list of all standard reports supplied with the system being proposed, classified as management, operational, or financial. Appropriate samples must be included in the vendor's proposal. Of particular interest is a sample of the member's annual statement produced by the proposed system.

The vendor will provide all upgrades and patches to application software over the course of the contract. In addition, TCERA technical staff will be trained in the application and installation of such patches and upgrades. Documentation and manual updates, as well as letters of transmittal, will always accompany such patches and upgrades.



### **B-2.5.3 Security and Controls**

Note that in addition to the platform security and control requirements outlined below, the vendor must also comply with the functional audit and control requirements.

The system must be designed to control and limit access via logins and/or other security mechanisms. Access control, and integrated security in general, must be managed by role rather than by authorizing a specific individual.

Throughout the system, the system administrator will provide access and restrictions based on individual user-ids; he/she must be provided with the flexibility to grant or restrict access at the menu, submenu, and discrete screen level as well as to limit access to screens to query only or to allow both query and update. The application must provide controlled access to individual screens and functions based on user login id. At a minimum, the application or security package must provide the following controls:

- Menu access
- Screen access
- Screen function access
- Transaction access
- Process access
- Transaction approval process
- Workstation location access
- Workstation time restriction.

The vendor must populate security repositories by entering the users and their assigned roles into the system using an appropriate security administration tool. The security repository must be stored in an encrypted, protected mode. The vendor must work closely with TCERA staff to define the roles necessary to perform all required business functions. The security repository must be populated, and the vendor must provide written affirmation certifying that it has done so, prior to any user testing activities.

The solution must provide support of LDAP or SSO authentication. The vendor must provide a description of the method(s) of authentication provided and how that authentication appears to the user.

The login process must establish the access rights and associate all automatic and manual transactions initiated by a user with that user. The system must provide an advisory warning message on the login screen regarding the unauthorized use of TCERA's business information and the possible consequences of violations.

Upon authorization of the login user name and password, the system must display, for that user name, the date and time either of the last successful login or the number of unsuccessful attempts to access the system since the last successful system access.

In general, the system may allow simultaneous logins with the same user name and password. If the system does not allow simultaneous logins, a warning should display if a user tries to log in more than once. The system should ask the user if the active session should be terminated. If the answer is yes, then the system must terminate the active session and establish a new session. If the response is no, the login will not be allowed.



The user will either logoff the system or be automatically logged out of the system after a user administrator defined period of idle time (the maximum idle time value must be a parameter modifiable by the system administrator). The system must provide a notification one minute prior to a time out. Whether the user logs off or the system logs the user off after the idle time threshold has been exceeded, the system must then ensure that in process work is saved and all objects created for the user at the back-end are destroyed and that the system exits cleanly.

After three (3) unsuccessful login attempts, the system must:

- Disable the user account for a period of time previously defined by the security administrator
- Record the event for audit
- Inform the user of a contact who will unlock the account – or provide another means of authenticating the user password.

Passwords must be a minimum of 8 characters in length, include both upper and lower case letters, numbers, or generally accepted symbols. Passwords must not be displayed in the application at any time. Passwords may not be reused for five (5) successive password changes. When changing a password, the user must enter the old password once and the new password twice. If the password change fails, the user must be informed that the request to change the password has failed and the reason for the failure, in plain English. Then the user should be advised to try again by logging out and logging back in. Passwords must be stored in an encrypted manner so that they cannot be obtained by TCERA systems maintenance personnel or any unauthorized intruder who gains access to the system.

If the user forgets his password, the system should supply a password Q&A to assist in remembering – and if that fails as well, the system administrator must be able to reset the password to a temporary value. The system must disable any account with a temporary password that is more than 8 days old.

The system must provide tools for the system administrator to manage user accounts. This will include such tasks as resetting a password and activating, suspending, or deleting a user account. These functions must be limited to only the system administrator or other well-defined privileged users.

The system must have the capability to suspend or activate a user account. This may occur for the following reasons:

- Account is locked out after password is entered incorrectly more than three times
- If the user temporarily is not entitled to access
- The account is suspended by a systems administrator, for example if a security breach is suspected
- The account has been inactive for an extended period of time.

The system must provide the capability to ensure that relevant information about actions performed by users can be linked to the user in question in sufficient detail so that the user can be held accountable. The system must maintain information sufficient for after-the-fact investigation of loss or impropriety and must provide individual user accountability for all security-relevant events. The system must protect this information from unauthorized access or modification.

The system must provide tools for the system administrator to monitor the activities of specific terminals or network addresses in real time.

The system level log must allow review of key security events, including:



- Logon and logoff of users, including failed logins
- Change or reset of passwords
- Creation or deletion of users
- Amendment of user rights
- Suspension or activation of user accounts
- Archiving procedures.

The system administrator must be provided the capability to independently and selectively review the actions of any one or more users, including privileged users, based on individual user identity.

The system must provide a real-time capability to monitor and log the occurrence or accumulation of security-relevant events that may indicate an imminent security violation and immediately notify the system administrator when events exceed established thresholds. If the occurrence or accumulation of these security relevant events continues, the system must take the least disruptive action necessary to terminate the event involved.

The system must provide the capability for the system administrator to generate a status report detailing the values of all configurable security parameters.

#### **B-2.5.4 Data Security and Controls**

Finally, as the proposed system is to be browser based for both internal and external users, the vendor must discuss its solution's approach to safeguarding individual member and retiree information from fraudulent efforts to gain access to such information. That discussion must include the vendor's identification of those data items that they consider personal data, to include at least the following:

- Social Security Number
- Member name
- Member address
- Member telephone number
- Birth Date
- Bank Information

Furthermore, the vendor must indicate what steps the proposed solution takes to encrypt, redact, or otherwise secure unauthorized access to that information, alert the system administrator or other person in authority of any attempted unauthorized access, etc.



## B-2.6 OPERATIONAL REQUIREMENTS

The following section should be viewed in conjunction with Option 1 – Hardware Procurement when specifying system hardware.

### B-2.6.1 System Sizing and Performance Requirements

The vendor's solution must be architected, configured, and sized so that ALL functionality can be processed on-line in real time – both editing and updating. In general, solutions that require overnight batch jobs to update the LOB database will not be looked at favorably. During system design, TCERA will consider permitting a small number of unattended process routines for very limited purposes providing the vendor can justify the proposed exceptions and can ensure that those exceptions will not in any way compromise TCERA business processes. TCERA's expectation is that unattended processing will be confined to end-of-period jobs such as the production of annual member statements. The vendor is to provide a complete and comprehensive list of all such unattended processes in its proposal, along with an explanation of why these processes have to be performed in such a manner and assurance that those unattended processes will not, in any way, compromise TCERA's real-time, interactive business processes.<sup>2</sup>

The vendor's proposed solution must provide near 24x7 availability for all Web-enabled capabilities. At a maximum, vendors may allocate eight hours per week of scheduled Web site downtime during off-peak hours (i.e. 8:00 p.m. to 5:00 a.m.). Degradation of TCERA's current system availability is not acceptable.

The platform(s) must be sufficiently sized and appropriately configured (in terms of memory, disk capacity, processor speed, and similar or related criteria) to meet the performance requirements specified and accounting for an anticipated growth in volume of 5% per year. **The vendor** will be required to provide all additional hardware and/or hardware upgrades necessary to meet the following system response time and performance criteria within thirty (30) days of being informed by TCERA that one or more of the criteria are not being satisfied:

- Vendors must ensure response time averaging two (2) seconds or better for all on-line activities. Response time is defined as the amount of time between pressing the RETURN or ENTER key or depressing a mouse button and receiving a data-driven response on the screen, i.e., not just a message or indicator that a response is forthcoming. For this purpose, response time will be measured on a PC permanently connected directly to a private LAN segment – in order to eliminate any issues that could be attributable to TCERA's LAN traffic, Web delays, or other software that may be running on users' workstations over the LAN, or other similar issues. Vendors must include this PC in the list of recommended hardware to be included as part of the project's mandatory requirements.
- The following example is excluded from the two (2) second response time requirement: Advanced search queries utilizing wild cards and Boolean logic. Example: Search for last name like "Smith%" and first name not like "Sa%".
- System uptime as specified in Section B-2.6.3, Availability Requirements.
- Batch processing as specified in Section B-2.2.2 Application Architecture.

It is the vendor's responsibility to provide an appropriately sized platform to accommodate the following user loads:

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<sup>2</sup> Such assurances must confirm that regardless of which and how many of the unattended processes or scripts are running simultaneously in the background, TCERA's interactive performance requirements of the system will continue to be met.



- 10 concurrent sessions of TCERA staff users (whether internal or external [i.e., working from home or another remote location])
- 3 active Wage and Contribution transmissions occurring (i.e., 3 employer wage and contribution reports simultaneously submitted)
- 50 concurrent external users accessing the system through the Web (see below).

Web applications that will be available to reporting units, active members, or retirees must be sized to accommodate 50 concurrent sessions initially and rising to 100 concurrent sessions within 5 years of the system's rollout.

If TCERA requires additional runtime improvements to meet performance requirements stated in this RFP, the vendor must cooperate fully and support any such requests without delay and at no cost to TCERA.

### **B-2.6.2 Scalability Requirements**

The solution must provide the ability to scale the environment beyond that necessitated by the current growth predictions through the addition of hardware (or hardware components such as CPU and RAM), further partitioning the application to scale across hardware, or other means.

As stated previously, the solution must be able to meet the projected growth in processing volume of at least 5% percent per year for a period of 5 years following the end of the warranty period with no additional cost to TCERA.

### **B-2.6.3 Availability Requirements**

The solution must be configured such that cumulative downtime per month does not exceed 120 minutes per month during normal business hours with no more than 3 such occurrences per month for all major functions proposed, excluding scheduled downtime or TCERA-initiated scheduled downtime. Downtime should be scheduled only during off-peak hours (i.e. 8:00 p.m. to 5:00 a.m.). Vendor must specify how availability is measured, under what conditions this guarantee will not be met, and the remedies available to TCERA if it is not met.

The vendor must ensure that processor and database intensive processes, such as month-end payroll production or interest application, are completed within four hours from their initiation – and that such jobs have no impact on interactive access performance even while they are executing.

### **B-2.6.4 Planned Downtime Requirements**

To explain how planned downtime issues can be minimized within the new solution, the vendor's proposal must address:

- How the solution minimizes (or removes) the need for maintenance of architectural and operational infrastructure. This includes online maintenance tools, as well as procedures and techniques to shrink scheduled maintenance windows
- Maintenance activities for hardware, operating system, software, application, database and network components



- Upgrade activities for hardware, operating system, software, application, database and network components.

Vendors should include a methodology to demonstrate the on-line maintenance techniques applicable to the planned downtime areas identified above.

### **B-2.6.5 Recoverability Requirements**

Vendors should include in their proposals information on recovering from failures if the proposed high-availability solution components or procedures fail. The response must include recovery types and levels offered by the proposed high-availability solution. Examples include:

- Services offered, such as 24×7 service contracts
- Types and levels of service provided
- How a vendor responds to failure scenarios, including how components are replaced
- Restore/recovery procedures
- Tools employed to restore the database and application to the users.

To confirm the proposed solution's ability to meet reasonable recovery requirements, vendors are required to provide recovery time estimates. Examples (to be met) include:

- Full database recovered within 24 hours
- No individual table recovery of more than 2 hours

Furthermore, provision of interim recovery is expected to be a feature of the system. For example, should a process be 95% complete when the system fails, the process should have been check-pointed and should not have to be re-run in its entirety. The vendor is to describe in its response how this capability is achieved.

### **B-2.6.6 Operational Support Requirements**

Operational support encompasses the personnel, procedures and tools for day-to-day operational support, maintenance, upgrades and monitoring of the system.

To address how operational support issues can be minimized within the new solution, the proposal must address how the proposed solution will:

- Provide an environment that leverages appropriate operations management tools, including both day-to-day systems management tools (e.g., performance monitoring) and capacity planning tools
- Include vendor-provided tools for monitoring the system and vendor assistance in setting operational standards for those tools
- Offer an environment that minimizes the cost and work effort of operations support.
- Provides access from the production environment to a "test" database that allows users to run processes and test transactions and data changes without impacting production data. This is in addition to the "Second Physical Environment" which may have been altered due to staff training or enhancement testing and therefore not viable for current environment testing.



Vendors should specifically discuss pertinent operational architecture aspects of the solution, including prevention of failures, meeting availability requirements, general keep-alive system activities, and scheduled or planned downtime.

### **B-2.6.7 Network Vulnerability Assessment**

Determining and maintaining the security of member information is critical to TCERA. The vendor is responsible for specifying a secure network environment. Providing such an environment will require the vendor to specify, provide (contingent on selected mandatory options), install, and configure suitable hardware and software tools including, but not limited to, virus protection software, patch management, firewalls, secure VLANs, and intrusion detection systems (IDS) if it is determined that TCERA's current network security systems are not appropriate for the new LOB.

TCERA intends to select a third-party organization, paid for by TCERA, to conduct periodic vulnerability assessments of the network. The initial assessment, which is included in the scope of this project, will be conducted at the beginning of the warranty period.

The scope of the vulnerability assessment will include at a minimum, a scan of external entry points into the network, a review of all devices on the network with static IP addresses and a random 10% sample of the DHCP devices and, to the extent they apply, a review of server, firewall and IDS configurations.

Upon completion of the initial assessment, the third-party organization will review all events with TCERA personnel, determine which of the identified shortcomings are false positives and which actually need repair and agree upon any remaining shortcomings. In the event there remain shortcomings in the network security configuration, the vendor will be immediately notified. The vendor will be responsible for rectifying all remaining shortcomings within ten (10) business days of being advised of them. The rectification effort may consist of any combination, or all, of the following elements: additional hardware components, additional software tools, installation services, and/or configuration services. It must include suitable testing to confirm to TCERA's satisfaction that all of the identified security shortcomings have been eliminated. All costs associated with the rectification effort will be borne by the vendor.

Once all necessary corrections are made and tested to TCERA's satisfaction, the third-party assessment organization will reassess network security. If the same or additional shortcomings are identified and additional corrective activities are required, these findings will be presented to the vendor, and the vendor will complete the corrective activities within 15 days of being advised of them. To confirm that all remaining security problems have been eliminated, the vendor will test all corrections. Again, all costs for corrective activities will be borne by the vendor.

In the event that the vendor is unable to resolve all network security issues to the satisfaction of TCERA and the third-party assessment organization in two iterations as described above, TCERA reserves the right (and will notify the vendor of its intent) to engage the services of another (different from the organization doing the security and vulnerability analysis) third-party organization to resolve all remaining network security issues. In this situation, the vendor will be required to issue a credit to TCERA for the full amount of the cost of the third-party organization's (which corrected the deficiencies) efforts to correct the situation. The credit will be applied to the first invoice issued by the vendor to TCERA following notification to the vendor of the amount expended on the third-party services.



## **B-2.7 INTERFACE REQUIREMENTS**

Solution interface requirements are discussed below.

### **B-2.7.1 Web Self-Service Access**

TCERA believes that the community of web self-service access users is divided into three groups:

- **Members and Retirees** – Individuals with controlled access to their member record as well as a range of administrative functions, such as benefit estimates and address change requests
- **Staff Members** – TCERA employees who work from home or who log in from remote counseling and member education sites
- **IT Support** – those members of the vendor (or software or hardware support) staff who have been contracted to provide (sometimes remote) support of the system.

TCERA further believes that all three groups should be given access via the Internet. Such access would mean that staff members, for example, logging into the TCERA system from outside the TCERA office would continue to have access to the same services (such as office automation, LOB application, , and email) that they enjoy while sitting at their desks.

Vendors must describe in their proposals how the solution they propose would affect the required remote access for all three groups described above. The description must include discussions of:

- The particular features to which each group of user would have access
- How security would be managed for members of each group
- The advantages and disadvantages (both technical and user-related) of such access and how the vendor has overcome the challenges posed by web self-service access in prior installations.

### **B-2.7.2 Integration with other Applications and External Entities**

The new pension solution must interface with the following external entities:

- The existing QuickBooks financial application
- Tulare County AFIN general ledger/payroll system
- Benefits Division of Tulare County for health insurance
- Tulare County Retired Employees Association (TCREA) to change voluntary deductions (e.g., dues and other deductions or expenses), as well as produce mailing labels, etc.
- Monthly payroll, refund and lump sum distribution data to BNY Mellon in the event TCERA elects to outsource pension payroll generation
- Actuarial evaluation services as selected by TCERA
- Third-Party member death monitoring (PBI, etc.)
- Employer (County of Tulare and Tulare County Superior Courts) wage and contribution reporting
- Independent external auditor with extracted data for audit sampling.



## **B-3 Project Management-Related Required Services and Deliverables**

In addition to the business and technology requirements specified, TCERA has identified several project management-related areas that are of importance in selecting a vendor. These requirements have been accumulated under a single heading — Project Management-Related Required Services and Deliverables. The intent of this section is to inform the vendor of its responsibilities and the expectations for its conduct over the duration of its relationship with TCERA in the following areas:

- Project management
- Assisting TCERA staff and users
- Standard project management deliverables.

### **B-3.1 PROJECT MANAGEMENT**

TCERA expects the vendor to be competent in project management skills. The vendor's approach to project management must ensure that:

- Project planning is part of normal daily activities
- Resource planning occurs in conjunction with TCERA management
- There is an established path for escalation of project issues
- Risk management is included as part of the normal process
- Project management is able to provide reports to TCERA business units and management on the progress against project objectives, to ensure continued project support
- The project plan is organized in a phased approach that provides achievable and demonstrable milestones and deliverables. The engagement should be managed to meet specific milestones with an established method of reporting project status.

#### **B-3.1.1 Relationship**

This engagement will be a long-term relationship; therefore, the nature of the relationship will be key to the success of the project. To address this issue, the proposed solution and approach must ensure that:

- The vendor has a demonstrated ability to understand and deliver realistic mission-critical systems
- There is a high degree of cooperation between TCERA and the vendor
- The vendor can provide technical leadership and has the courage to suggest innovative solutions and take advantage of opportunities as they present themselves
- The vendor understands the aggressive nature of the schedule and will take ownership of tasks in a proactive manner
- The vendor understands the vision for TCERA and is able to align the vendor's capabilities with TCERA's needs



- The relationship is not an opportunity to sell untried vendor offerings that may place TCERA at risk in meeting its business objectives.

### **B-3.1.2 Project Oversight**

The vendor will report to the TCERA Project Manager, who will be a TCERA staff member dedicated to this project. The vendor will report project status as described in Section B-3.3.3.

### **B-3.1.3 Three Party Relationship**

All vendors must understand and acknowledge that TCERA may elect to engage an Oversight Project Manager / Quality Assurance (OPM/QA) consultant. In the event it does so, there will be a three-party relationship within this project between TCERA, the vendor, and the OPM/QA consultant selected by TCERA. It is anticipated that the OPM/QA consultant will assist TCERA with: (1) assessing the project methodologies, planning, and execution, (2) assessing implementation quality, and (3) evaluating quality and compliance of deliverables. The selected OPM/QA consultant will also assist TCERA in developing and implementing the following project monitoring procedures:

- Project schedule monitoring
- Project scope monitoring
- Project budget monitoring
- Project quality assurance monitoring.

All written project materials (e.g., statements of work, project plans and schedules, design documents, test materials, training materials, form and letter templates) are to be provided directly to the OPM/QA consultant by the vendor, as well as to appropriate TCERA staff for review and approval. The OPM/QA consultant will review all such materials and provide suggestions and comments in the same time frame and in the same manner as will TCERA staff.

It is the vendor's responsibility, and not TCERA's, to deliver such project materials directly to the OPM/QA consultant. Nor is it the OPM/QA consultant's responsibility to access the material from an internal e-mail system. This delivery to a third-party may well require additional document preparation steps relative to the delivery to TCERA staff. The deliveries will be made electronically via (Internet) e-mail. The documents being delivered must be complete, i.e., no "embedding" of documents using "shortcuts" will be accepted unless they can be opened after being transmitted through the Internet.

Therefore, vendor staff may be required to perform some document and file manipulation in order to accommodate the delivery to the OPM/QA consultant. Further, due to e-mail transmission constraints, no files bigger than 8 MB may be sent. This limitation may require additional planning and coordination on the part of the vendor to ensure that materials are delivered for review in a timely fashion. Vendors should plan to compress or "zip" all significant files. Vendors are cautioned to factor into their project-staffing plan any additional efforts related to delivery of project materials to the OPM/QA consultant.

After contract execution at the project's inception, the vendor will be provided with e-mail addresses and distribution lists for submission of the various project materials.

Vendors must acknowledge in their proposals that it is their responsibility to provide all such written project materials to the independent, outside OPM/QA consultant via e-mail as described above (as well as to TCERA staff).



TCERA's outside OPM/QA consultant will be bound to reasonable commercial terms of confidentiality protecting the confidential or proprietary information of vendor and its subcontractors. As such, no material will be limited in its distribution and/or restricted from review and discussion with such a consultant.

### **B-3.1.4 Multiple Products, Services and Methodologies**

It is essential that the vendor understand that TCERA is seeking more than just a "software development" company. Mature software product development skills and experience are a necessary, but far from sufficient, qualification. TCERA understands that each vendor has (or should have) a methodology for developing and deploying its particular (retirement) solution, but TCERA is seeking a solution comprised of more than just those tasks and items identified in the vendor's development methodology. In order to deliver the broad, integrated solution that TCERA seeks, the vendor must have experience with, and methodologies to address, numerous other disciplines such as Business Process Reengineering, procedure document development, training, and workflow analysis, in addition to retirement industry knowledge. Vendor proposals must provide evidence of a mature, proven methodology in each of these other critical areas of the project.

Therefore, the vendor's proposal must address the methodology that will be employed in each of the following areas:

- **Project management** – Vendor's project management structure, procedures, roles and responsibilities, client reporting, meetings, and provisions for replacement of personnel.
- **Project scheduling** – Scheduling tools and procedures, schedule updating, reporting against the project schedule, and responding to change orders.
- **Data conversion and bridging** – Conversion and bridging planning, data mapping from the existing to the new environment, identification of data errors, alignment of data conversion / bridging with project phases, identification of data to be bridged vs. dual entry, techniques for bridging new system data to existing system and vice-versa, identification of data fields that need to be balanced and/or within acceptable tolerances as agreed to with TCERA, and reporting on reconciliation and balancing of converted / bridged data.
- **Configuration management** – Version control
- **Risk management** – Identification and mitigation strategies related to all facets of risks associated with the project, including a discussion of the methodology for designing and implementing information and infrastructure security
- **Project Communication** – Experienced-based identification of all the project stakeholders and their specific communication needs, including any innovative approaches to communications that the vendor has encountered or employed on previous projects
- **Project change control** – Defining new / changed requirements, developing an estimate, evaluating schedule effects, TCERA approval, integrating requested changes into the project, and testing
- **Problem incident reporting** – How to report a problem, how the problem is assigned for resolution, integrating the "fix" into the project, regression testing, TCERA acceptance, and analysis and trend tracking
- **System operation** – Configuration control, job scheduling, equipment maintenance, written documentation and procedures, personnel scheduling, and problem resolution



- **Infrastructure and information security** – Defining security requirements for enterprise information and applications and developing a security plan to address the requirements
- **Training** – Determining training needs, developing training materials, scheduling training appropriately within the overall project, assigning trainers, providing training facilities as necessary, and gauging the effectiveness of training; training methodology must address training not only in navigation, screens, data entry, and the like, but also in the use of the new solution to perform various job functions, processes, and sub-processes
- **Testing** – Preparing test plans, test schedules, test variants, test scenarios, test cases, test data, expected results; executing tests; reporting test results; referring problems identified in testing for resolution; integration with problem incident report methodology, and re-testing after the problem has been resolved.

During the course of the project, the vendor will be expected to deliver and support all products and services described in the RFP – not just those steps described in its standard system development and deployment process.

### **B-3.1.5 Project Management and Control Methodology**

Vendors are required to address in their proposals the following minimum requirements in the areas of project management and control.

The vendor must describe in detail the methodology it will utilize to manage and control the project including its change control methodology.

Due to the magnitude and complexity of the effort, it is essential that an automated project management tool be utilized for this purpose; Microsoft Project is the required tool. The vendor will deliver to TCERA the Microsoft Project files at various points in the project.

The vendor is to provide examples of its use in previous efforts on behalf of other clients.

The vendor is expected to use the tool to automatically reflect the effect on the overall project of changes in various parameters, e.g.:

- Changes in project scope / requirements
- Changes in project schedule
- Changes in resource availability.

The vendor must be prepared to automatically generate various reports to reflect the project's status at any point in time, e.g.:

- Gantt charts depicting start date, end date, and duration of individual tasks
- PERT charts depicting task interdependencies
- Graphical display of the project's critical path
- Percent complete status of individual tasks
- Calendar driven, manpower loading charts, by individual task, for both vendor and TCERA staff including variable man-hours per work day
- Calendar driven manpower loading charts, by month/week, for both vendor and TCERA staff including variable man-hours per work day.



The vendor must describe in its proposal the control methodology that it will utilize to ensure that any problems that may develop in the course of the project (including but not limited to schedule slippages or resource constraints) will be quickly identified and resolved. The vendor must provide examples of how this project control technique, i.e., issue resolution, has been utilized successfully in previous similar engagements on behalf of other clients.

### **B-3.1.6 System Development Life Cycle (SDLC)**

Out of consideration for the demands that will be placed on TCERA staff members during the course of the project, in addition to the demands of their day-to-day duties, vendors must state their commitment to utilize a single system life cycle methodology and terminology for all portions of the project. For example, if the vendor proposes to procure, customize, and integrate a third-party “payroll generation package” into the overall solution, then all activities relating to the payroll package must observe the same system life cycle methodology that will be utilized in developing the rest of the line-of-business solution. TCERA staff members are to be educated in and expected to utilize only one (not several) life cycle methodology and terminology set for the duration of the project.

TCERA prefers methodologies that allow TCERA staff multiple opportunities to validate requirements and design. For this reason, an iterative development methodology is favored for use in the development of the pension application. Ideally, this includes an opportunity to view rapid prototypes of requirements and design concepts, screens, content, and application flow. (Such prototypes do not necessarily need to become operational nor be reused during development.) Simulation of actual workflow and performance measurement within the design effort is also desirable. Proposals that include in the development period a conference room pilot – wherein users see the full member life cycle from enrollment, through withdrawal and refunds, re-enrollment, refund buy back, retirement, return to work, change of address, beneficiary, plan, etc. – would be viewed favorably by TCERA.

TCERA has a high level of concern with regard to the system development life cycle and configuration control. The project will, of necessity, be divided into multiple functional rollout phases, each including numerous activities / tasks which will be implemented sequentially or on an overlapping basis. Each rollout phase will involve numerous deliverables (documents and software), which will be submitted to various TCERA staff members for review and revision over multiple iterations. Active participants will include not only TCERA staff, but also the vendor's staff; possibly working from multiple locations, as well as other contractors to TCERA whose activities must be coordinated with the new system development effort. This may include quality assurance consultants, oversight project management consultants, process change consultants, and others.

TCERA currently has the following preference regarding the implementation order of phases within the overall engagement. The capability described in Phases 1, 2, and 3 below must be provided first; others are open to discussion. The vendor should provide information regarding its preference if different from the following order (see also Section B-3.1.7 Phasing the Project):

1. Project Administration: Detailed work plan, Risk Management Plan, Requirements Traceability Matrix, Statements of Work, etc.
2. Detailed Requirements document, a revised detailed work plan, etc
3. Installation and configuration of all new / upgraded hardware and software
4. System implementation and rollout of solution of which the successful vendor will be responsible for the execution of its solution development methodology (final requirements sign-off, configuration



and development, data conversion (described in Section B-4.2), unit, system, life-cycle, etc., testing (described in Section B-8), training of TCERA personnel (described in Section B-7), documentation, etc.)

5. Warranty Support (described in Section B-10.1)
6. Post Implementation Support (described in Section B-10.2.5)

See Section B-3.1.7 for additional details.

TCERA's objective is to be assured that an appropriate control scheme is put in place and rigorously applied to all project activities such that all project participants understand what they are working on, what is expected of them, and how it fits into the overall project. Specifically, TCERA wants to ensure that, without exception, all project participants – the vendor's staff, TCERA staff, and all concerned third parties – when approaching a task (whether it is developing software, drafting / updating written documents, or reviewing a deliverable), clearly understand:

- The phase of the project to which the task relates
- Which revision / release they are working on (and that it is the current revision / release)
- The date of the revision / release
- How many previous versions were developed and reviewed
- What has been changed, added, or deleted relative to the previous release
- What functions or features the delivery should contain and what it should not contain
- If it is a written deliverable, how many pages it should contain
- The e-mailed documents or the CD-ROMs that accompany the delivery (if applicable) and precisely what those e-mails or CD-ROMs contain
- When a response is required
- When the next release can be expected.

Below are compiled TCERA's minimum requirements for maintaining control throughout the project to its successful conclusion. The vendor is required to include in its proposal a detailed description of the control procedures and methodologies it plans to employ to ensure adequate project control as described below.

#### **B-3.1.6.1 WRITTEN DELIVERABLES**

In its proposal, the vendor must confirm that (unless otherwise specifically agreed to by TCERA, on a per-document basis) all documents (both hard and soft copy) to be delivered during the project will include the following “history” of generation:

- Submittal of an outline for review and approval
- Submittal of the final, complete draft for review and approval
- Submittal of the final, complete document for final review and acceptance.

Note that TCERA expects quality in the Written Deliverables provided by the vendor. In addition, due to the staff size of TCERA, multiple iterations of user-review on documents will not be accepted. Thus if a document upon first review appears to be lacking sufficient quality, the document will be returned immediately to the vendor for their update without TCERA having to dedicate any resources / effort in providing any specific content level review or feedback.



Furthermore, all documents, starting with the response to this RFP (i.e., the proposal), must be delivered in a current or immediately previous version of MS Office Suite (Excel, PowerPoint, Word, Visio) or MS Project. These files must be in an “unlocked” form such that TCERA can use revisions and comments in reviewing them.

For any well-defined class of documents (e.g., business process models) TCERA may require the vendor to supply a single outline, a single sample section, and a single draft sample pertaining to all documents in that class. Also, it is understood that, in most cases, multiple drafts will be submitted for review before the final document can be submitted for acceptance. The vendor will be required to supply to the designated TCERA Project Manager both (a single) hardcopy and WORD and/or Excel file(s) and/or graphical representation software file(s). In most instances, the electronic copy is to be submitted via e-mail. Unless otherwise agreed between TCERA and the vendor, it will be the vendor's responsibility to distribute via e-mail the delivered documents to all reviewers including TCERA's Oversight Project Management / Quality Assurance consultant.

The vendor is required to detail its proposed control methodology pertaining to written deliverables, taking care that the following minimum requirements are explicitly included:

- Each deliverable must include a cover page identifying:
  - ✓ The title of the deliverable and the unique document number (e.g., a Test Plan might have an identifier of '999'; later revisions of the Test Plan would bear the same identifier but different revision numbers)
  - ✓ The associated Work Breakdown Structure (WBS) number from the project plan
  - ✓ The phase to which it pertains (if applicable)
  - ✓ The issue date (distribution date)
  - ✓ The effective date (last update)
  - ✓ The revision number
- Each page must contain a footer (or header) identifying:
  - ✓ The deliverable title (possibly abbreviated)
  - ✓ The effective date
  - ✓ The revision number
- Every hard or soft copy deliverable must be page numbered (continuously from first page to last) and, except in trivial cases, must include a table of contents
- Every deliverable must be delivered in hard copy form and electronic form via e-mail. Submitting one or more files in one or more ZIP files is acceptable as is submitting large files via File Transfer Protocol (FTP) or CD-ROM. Win-Zip 11.2 Encryption software with password protection must be used for all confidential or proprietary data.
- Every deliverable must be fully integrated in the sense that all diagrams, screen images, report layouts, spreadsheets, and similar or related items must be inserted in the appropriate place. References to external files are to be avoided
- If the document was initially drafted in several small files which were then assembled into a master document (to enable meaningful page numbering), the master document must be provided on the CD-ROM or e-mail
- All CD-ROMs must be clearly labeled (title, identifier, and revision number) and dated
- All hard copy deliverables must be suitably bound both for the convenience of the reader and to prevent the loss of pages. Documents of fewer than 40 pages can simply be stapled.



- ✓ Larger documents must be delivered in some sort of binder, and if they exceed 100 -150 pages, they must be delivered in a three-ring binder with dividers separating major sections
- ✓ If a binder is used, the document title, identifier, revision number, effective date, and issue date must appear on the cover and the spine of the binder
- Every deliverable, without any exceptions, must be accompanied by a professionally prepared letter of transmittal (e-mail message is acceptable), which indicates:
  - ✓ The issue (distribution) date
  - ✓ The title and identifier of the deliverable
  - ✓ The revision number
  - ✓ The effective date (last update)
  - ✓ A summary of how this version has changed relative to the last revision (e.g., referring to a review meeting where the previous version was discussed). Other than this high level written summary, detailed changes may be shown in WORD “revisions” for ease of understanding
  - ✓ Any sections that are missing (remain to be developed) and an estimate of when they will be available
  - ✓ The date by which comments must be returned and to whom they must be forwarded; other actions may be requested, such as requesting TCERA to set up a review meeting

**Note: TCERA staff must always be allocated a minimum of five (5) business days (not including verified sick, vacation and conference attendance days) to turn around a deliverable under review. In addition, all deliverables must be reasonable in volume in order to permit the review to be completed within five (5) business days. A deliverable which would require the average person more than eight (8) applied hours to review would not be considered reasonable in volume given the five-day turnaround cycle. Deliverables requiring more than eight (8) hours of review must be allocated a proportionately longer review cycle. Also, the vendor shall not be permitted to deliver an unusually large quantity of deliverables in a short time period (i.e., NO “PILING ON”) that would preclude TCERA staff from meeting their review timeframes.**

- ✓ If applicable, notice that this is the last revision cycle and the next release will be the final document – or, alternatively, an indication of when the next release can be expected to be delivered
- ✓ The name of the person making the delivery.

#### **B-3.1.6.2 SOFTWARE DELIVERABLES**

The vendor is required to detail its proposed control methodology pertaining to software deliverables, taking care that the following minimum requirements are explicitly included:

- Installation of the application software on the appropriate hardware platform(s); each screen and report in the application must indicate the release number of the software and the date of issue of that release, so there will never be any question as to what is being tested and whether it is the current version. Ideally, software release numbers should correspond to the revision numbers of any accompanying written deliverables
- All GUIs, screens, menus, and similar or related items must have the version/release number of the software shown as well as the date of last modification of the software; this can either be present all of the time, or it can be displayed based upon a user request (including but not limited to icon activation or pull down menu)



- Similarly all reports must display in their heading the version/release number, the date of last modification of the software (not simply the report print date) that generates the report, as well as the name of the program that generates the report. All reports shall have unique names, as well as the date of the report run, printed in the heading
- Delivery of media, or identification of directories, containing both source code (if applicable) and object code; media must be clearly labeled with the title of the delivery, the date of issue, and the release number
- Delivery of all appropriate accompanying documents (for example, user documentation and test plans / scenarios); these documents must be prepared in a timely fashion and delivered in accordance with the procedures for written deliverables outlined above
- Attached to the letter of transmittal must be a listing of all media included in the delivery, indicating all folders, subfolders, and files.

### **B-3.1.6.3 TRACKING OF DELIVERABLES**

It is TCERA's intention that both the vendor and TCERA will make a concerted effort to track all deliverables, both written deliverables and software deliverables. Absent a detailed procedure for tracking deliverables, there is great concern that serious problems including but not limited to the following will arise: some people who should review a deliverable will not receive a copy, some people will find themselves reviewing an outdated (non-current) version, or feedback from some people on a particular deliverable will be overlooked.

The vendor is required to detail its proposed control methodology pertaining to tracking written and software deliverables, taking care that the following minimum requirements are explicitly included:

- The vendor will maintain a computerized deliverables control file (readily available to the TCERA Project Manager to review on-line or in printed form) which will always provide the current status of any particular deliverable (written or software); this tracking control file must contain a separate tracking form / record for each revision / release of each deliverable, indicating:
  - ✓ Title and identifier of deliverable
  - ✓ Revision / release number
  - ✓ Date of issue
  - ✓ Effective date
  - ✓ Location of the deliverable if delivered "online"
  - ✓ Project phase to which the deliverable pertains
  - ✓ Narrative description of the deliverable, indicating what is included and what is not included
  - ✓ Date that the response is due from the TCERA Project Manager
- Attached to the tracking form must be a copy of the vendor's letter of transmittal / e-mail message that accompanied the delivery. These forms / records must be sorted by revision / release within deliverable identifier
- Whenever a deliverable is issued, a complete copy (including but not limited to transmittal letter and CD-ROMs) must be forwarded to the TCERA Project Manager. There may be instances in which the vendor is asked to present "draft" versions to the Quality Assurance consultant for comment prior to releasing the "final draft" to TCERA
- The TCERA Project Manager will maintain a deliverables control file containing the same information (listed above) for each deliverable received from the vendor



- In general, responses to deliverables will be channeled through the TCERA Project Manager, who will record the receipt of the responses in TCERA's deliverables control file, prepare a single consolidated response, and forward it to the vendor
- At the project management status meetings, the vendor must formally report all of the deliverables issued during the status reporting period in a cumulative table format showing the delivery and anticipated turnaround dates. The TCERA Project Manager will confirm that all deliverables reported by the vendor were received based on TCERA's deliverables control file. To avoid deliverables "slipping through the cracks", the vendor will submit a weekly report of deliverables' status, e.g., those awaiting review, in revision, in test, in rework. Refer to Section B-3.3.3 for additional status reporting requirements.

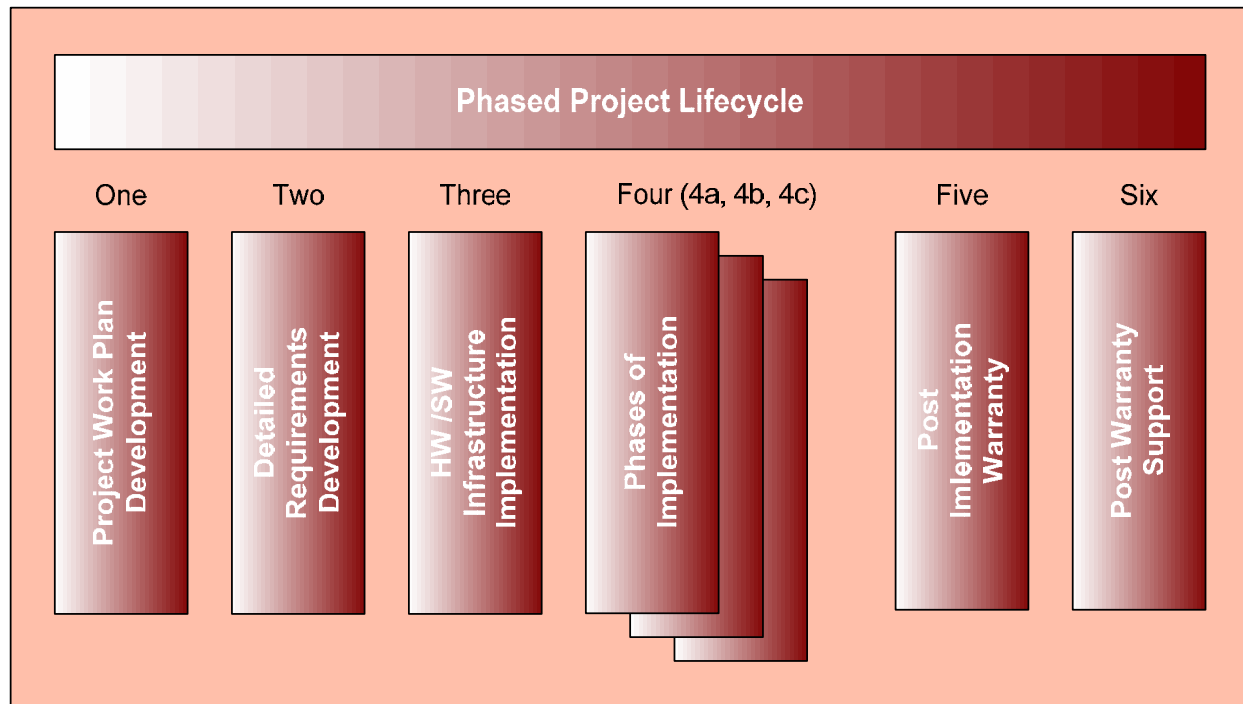
The vendor must describe in its proposal its approach to the above, including providing samples. If the vendor takes exception to the above, the vendor must describe an alternate methodology that will satisfy the same objectives.

### **B-3.1.7 Phasing the Project**

TCERA is seeking proposed solutions that embrace a phased rollout approach. TCERA may want to pursue a "big bang" approach in which the entire solution is brought on-line in one cutover (Please refer to Option 5). By requiring the vendor to deliver the solution in phases, the amount of change that must be absorbed by the organization, particularly the system end-users, at any one time can be reduced to manageable levels. TCERA recognizes that such a phased approach may incur the added cost of data bridging efforts in the form of temporary bridging routines needed to keep the legacy system and the new solution synchronized during the period when both systems will be in use.

Therefore, vendors will provide proposals that will structure the implementation to have several phases. The required Phases are defined by TCERA in Figure 1 below:

**Figure 1. Required Project Phasing**



**Phase 1** - Delivery of a detailed work plan within the period specified in Table 3. in Section A-3.2. The detailed work plan must include an Integration Plan, a Data Migration / Conversion Plan, a preliminary Data Bridging Plan, a Rollout plan, a Training Plan, and a Work Breakdown Structure Plan, including but not limited to narratives, task definitions, schedules, Gantt charts, dependencies, TCERA and vendor manpower loading, payment points tied to deliverables tied to the work plan, and monthly cash flow projections. This plan will encompass all mandatory project elements and all options authorized to date at that time.

**Phase 2** - Delivery of a detailed requirements document, a revised detailed work plan, etc. This phase will be completed within the period specified in Table 3. in Section A-3.2.

**Phase 3** - Including but not limited to implementation of proposed hardware and software infrastructure, i.e., installation and configuration of a network, removal of current desk top PCs and replacement with more-robust standard client PCs (if necessary), upgrade to existing network components and PCs (if they are suitable for re-use), and upgrade/installation of office automation, internal and external e-mail, ECM System and network printers as necessary. This phase will be completed within the period specified in Table 3. in Section A-3.2.

**Phase 4 (comprising at least 4a, 4b and 4c)** - is left to the vendor to define the timeframes in its proposal. These later project phases will consist of the functional rollouts (including, but not necessarily limited to, Membership, Benefits, and Self-Service) of the new line-of-business system, thus replacing all of TCERA's current legacy pension systems.

TCERA is envisioning the following; however the vendors may offer alternate strategies:

- Phase 4a – Membership
- Phase 4b – Pension / Benefits



- Phase 4c – Member / Retiree Self-Service

The vendor must discuss how it plans to phase or roll out the remainder of the effort. This discussion must address the rationale for the recommended breakdown of the functional rollout into phases, the reasons for the recommended sequence of the functional rollout, and a top-level schedule indicating expected start and completion dates for each phase. The proposal provided by the vendor and the ensuing contract shall clearly define all of the elements of each phase and the relationship among phases in terms of schedule and deliverables. Finally, TCERA points out that incorporating a “parallel” phasing strategy (e.g., cutting over and operating under the active member component of the new LOB while still maintaining the same information and conducting the same tasks under the active member component of the legacy system) is not acceptable.

TCERA requires that Phase 4a (i.e., the first functional rollout of the new pension application) include delivery of the required ad hoc query and reporting capability. In this way, “super users” will have the early capability to run ad hoc queries, generate reports, and perform all “balancing and reconciliation” activities, thereby achieving a level of self-sufficiency well before final system rollout.

Finally, TCERA requires that the electronic employer contribution and payroll reporting capability be included in the first functional rollout phase (Phase 4a).

**Phases 5 and 6** – Are the Warranty Support and Post Implementation Support periods as they are described in Sections B-10.1 and B-10.2.5.

### **B-3.1.8 Project Work Plan**

The vendor assumes full responsibility for planning, scheduling, and completing all project tasks. The table below provides a summary of the specific work plans the vendor is to provide at particular times in the project. The components of the specific plans are described below the table:

**Table 34. Required Project Plans**

| <b>Plan Name</b>                  | <b>Delivery</b>                                                                | <b>Contents</b>                                                                    |
|-----------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Initial Plan, Version 1           | As part of proposal                                                            | High-level plan including options                                                  |
| Initial Plan, Version 2           | As part of proposal                                                            | High-level plan without options                                                    |
| Phase 1 Detailed Plan             | Within 14-days of contract signing (as indicated in Table 3. in Section A-3.2) | Initial Plan expanded to include detailed plan of first Phase of the project.      |
| Complete Detailed Plan, Version 1 | As indicated in Table 3. in Section A-3.2                                      | Phase 1 Detailed Plan expanded to include same level of detail for entire project. |
| Complete Detailed Plan, Version N | Workplan must be updated on a rolling quarterly basis                          | Workplan must be updated on a rolling quarterly basis                              |

#### **B-3.1.8.1 INITIAL PLAN**

The vendor must include an initial high level project work plan in its proposal. It must be understood that the high-level plan will subsequently be expanded into a revised, more detailed version of the above work plan to be delivered in two parts that make up the first two contractually required deliverables of the project. Within 14-days of contract execution, the selected vendor must deliver a completed work plan for the first phase of the project; the detailed plan for the remaining phases of the project must be



delivered within the period specified in Table 3. in Section A-3.2. The total work plan will be subject to on-going modification, periodic updating, and "explosion" into greater detail as the project progresses.

In developing their work plans, vendors must be sensitive to the fact that the months of February, March, and April are periods of high levels of business activity for TCERA.

The high level work plan must include, at a minimum:

1. A Work Breakdown Structure (WBS):

- Phase 1 – **detailed plan for this Phase must be delivered at time of contract execution**

- ✓ Activity 1
  - » Task/Milestone 1
  - » Task/Milestone 2
  - » ...
  - » Task/Milestone n
- ✓ Activity 2
- ✓ ...
- ✓ Activity n

- Phase 2
- ...
- Phase n

2. Definition of project phases (see Section B-3.1.7 and B-3.1.8) to include description of the activities within the phase.

3. Definition of tasks that comprise each project activity within a phase, including:

- Task title
- Task description/narrative
- Task start and end dates
- Effort required in work hours
- personnel assigned

4. Identification of major project milestones, e.g.:

- Requirements analysis
- Hardware installation
- Software modification
- Software installation
- Data conversion
- Testing
- Training
- Acceptance
- Cutover
- Description of deliverables, including at a minimum all deliverables called for in Section A-3.2.

The work plan must clearly identify that the implementation is phased according to the requirements stated in Section B-3.1.7 and indicate the elements included in each project phase. A high-level project schedule, based on the target dates stipulated in the RFP (see Section A-3.2), must be included and presented in a Gantt chart or other suitable format. Two versions of the completed high-level work plan are required. In the first, the vendor must include both the mandatory elements of the procurement as



well as the options. In the second, the vendor must include only the mandatory portions and none of the options may be present.

#### **B-3.1.8.2 PHASE I, DETAILED PLAN**

At the time of contract signing, the vendor shall provide a detailed work plan for the first phase of the project (see Section B-3.1.7), covering all tasks to be accomplished during that phase. The detailed work plan shall be based on the high-level work plan included in the vendor's proposal, including any modifications made during contract negotiations. TCERA will review the plan and provide the vendor with written comments within five (5) business days of the receipt of the plan. The vendor will revise the plan to reflect the review and republish the plan within five (5) business days. This first portion of the complete detailed plan shall guide the execution of project-related work during the first sixty-day phase.

#### **B-3.1.8.3 COMPLETE DETAILED PLAN**

The vendor must provide a complete, high-level summary plan for the entire project. In addition, the vendor must provide a detailed plan for the first six months of all activities required to meet all of the project requirements including: system design; development (to meet custom requirements); user, administrator and developer training; testing; conversion; and post-installation warranty. The detailed plan must be updated on a rolling quarterly basis. This plan will build upon the initial Sixty-Day Work Plan - including Gantt Charts, schedules, and narrative descriptions, the plan must include all project deliverables, all detailed tasks with start dates, completion dates, hours to complete, dependencies, vendor and TCERA resources assigned and project milestones. The work plan must reflect the desired phasing of the project as described in Section B-3.1.7. This plan must be established and maintained by the vendor throughout the life of the project using Microsoft Project. It will be reviewed at weekly meetings between TCERA and the vendor. The detailed plan must be presented to TCERA within the time period indicated in Table 3. It is to be updated whenever any major changes are made to the plan but no less frequently than quarterly.



## **B-3.2 ASSISTING TCERA STAFF AND USERS**

The following sections discuss the successful vendor's responsibilities for assisting TCERA staff and users throughout the project.

### **B-3.2.1 Vendor Activities Before and After Meetings with TCERA Staff**

TCERA's ability to support the project is directly related to the amount of time available for TCERA staff to dedicate to it in addition to their normal duties. TCERA understands that the project cannot be completed without extensive input from our staff. Yet, other demands on their time and energy dictate that their project participation be highly efficient and productive. Therefore, certain procedures and guidelines must be observed when scheduling TCERA staff to attend meetings and other project work sessions.

Prior to scheduling formal meetings with TCERA staff, the vendor must fulfill the following requirements:

- Ensure that all vendor staff, no matter when they are introduced into the project, who will participate, have read this RFP and reviewed all of its appendices as well as the vendor's proposal. Meetings with TCERA staff should be used to clarify and expand upon the information contained in the RFP, NOT for a general review of its contents. No meeting time should be "wasted" in collecting and reviewing forms and letters, for example, since current forms, letters, and reports have been included in the RFP (see Appendices E-7, E-8 and E-9). Other pertinent reports are available in Appendix E-18.
- Prepare a specific, detailed meeting agenda and distribute it to all participants at least three business days prior to the meeting. By providing advance notice of what is to be covered, participants can be better prepared to bring appropriate resource materials and to provide necessary input in an efficient manner. In addition, the need for follow-up meetings will be minimized.
- Attach to the agenda a description of the products and/or objectives that are expected to result from the meeting (e.g., design of a particular new system output, clarification of requirements in RFP Section). By thus defining the meeting's objectives in advance, discussions should be better focused with less temptation to wander into time-consuming digressions.

The vendor is required to provide minutes of all meetings held with TCERA staff. They are to be published within two business days of each meeting.

Further, when legitimate digressions do occur – e.g., discovery of an ambiguity in an RFP requirement that requires resolution – they should be added to the agenda of a subsequent meeting, rather than addressed in an *ad hoc* fashion at the original meeting. In other words, decisions that should be confined to one or two persons should not occupy a roomful of staff simply because they happen to be convened at the time the issue arose. The vendor will be responsible, via its planning and preparation activities, for ensuring that TCERA staff time devoted to the project is utilized in the most efficient and productive manner possible.

### **B-3.2.2 High Level Demonstration of Base Functionality – Conference Room Pilot**

The vendor is required to provide a demonstration (or "conference room pilot" {CRP}) of LOB functionality during the development of the new pension solution. The demonstration is intended to



provide the users with an opportunity to see the full member life cycle from enrollment, through withdrawal and refunds, re-enrollment, refund buy back, retirement, return to work, change of address, beneficiary, plan, etc. The objective is to develop user familiarity and comfort with the new solution – its look and feel, menu and screen navigation, and data entry features (pull-down lists, radio buttons, wizards, etc.) – as early as possible in the project. By doing so, TCERA anticipates that users will be better able to provide reliable decisions and input relating to system design alternatives.

The initial demonstration need not reflect TCERA-specific functionality. A hands-on presentation of the vendor's base solution will suffice. Note that this means more than showing a series of screens pre-populated with data – the intent is to have a live demonstration from which users can draw inferences about operations, performance, etc. The presentation must include end-to-end transactions showing entry of new data, use of workflow tools, performance of relative calculations, and printed output if applicable. For that reason, the demonstration will be on the production equipment and the database and all transaction files will be of the same size as those with which TCERA works in its current operations. The vendor should include a suggested set of scenarios for the initial, overall CRP as an attachment to their proposal. If selected, the vendor will work with TCERA's Project Manager to refine the proposed CRP scenario before the completion of Phase 3 of the project. The agreed upon scenario must be executed successfully. In the event the system fails to complete the scenario; the issues must be resolved and the scenario re-demonstrated successfully within five business days.

The initial demonstration should be scheduled as soon as possible in the project, but no later than Phase 3, i.e., the implementation of proposed hardware and software infrastructure. The vendor will facilitate each session, ensuring that all system users attend the conference room pilot in groups of manageable size.

The demonstration should be repeated during the design / development effort for each functional rollout phase of the new solution. For each phase-related demonstration, the focus must be on the end-to-end business functionality that is to be delivered as part of that project phase. TCERA requires the vendor to conduct multiple conference room pilots throughout the project.



## **B-3.3 STANDARD PROJECT MANAGEMENT DELIVERABLES**

TCERA understands that vendors will bring to the project their own project methodologies and standard deliverables. However, TCERA has identified a set of project deliverables that the vendor must provide. They are described and defined in detail in the following subsections.

### **B-3.3.1 Requirements Traceability Matrix**

To assist TCERA in tracking all project requirements and deliverables, a Requirements Traceability Matrix will be initially prepared by TCERA, then completed and regularly maintained by the vendor. This section discusses the purpose of and detailed requirements for the Requirements Traceability Matrix.

In developing the new integrated retirement system for TCERA, requirements will be defined in further detail at every step in the process. Prior to beginning work with the vendor, a number of steps will have occurred:

- Development of the Request for Proposal
- Issuance of questions by vendors and preparation of responses by TCERA
- Receipt of the proposal from vendor by TCERA
- Issuance of questions by TCERA and preparation of responses by vendor.
- Cost and / or scope negotiations, if appropriate
- Execution of the contract.

The first two phases of the ensuing effort typically constitute project start up and planning, followed by the development of a detailed Requirements Definition. The third phase consists of the implementation of the project's hardware and software infrastructure. (Subsequent phases will include the rollout of user-oriented functionality and enabling technologies.) The vendor's proposal will have defined a number of processes, activities, and deliverables. Described in this section is a process and product (document) that will be prepared by TCERA and the vendor as part of the effort to:

- Further, more-precisely define the requirements.
- Provide a trail or "traceability" of requirements to be met – starting from the RFP, going through the proposal, the question-and-answer cycle, and contract negotiations, and culminating with the preparation of the requirements document.
- Provide a common understanding for the "go-forward" activities of subsequent phases, including "what" will be delivered and "when" in the project's evolution it will be delivered.

The product that will be prepared by TCERA and the vendor to achieve TCERA's objectives will consist of a Requirements Traceability Matrix in the format of a Microsoft Excel spreadsheet. The Excel spreadsheet will be divided into categories corresponding to requirements areas, such as LOB, Technical, Miscellaneous, Software, Option 1, Option 2, etc. The matrix will include eleven columns, the contents of which are described below (and which may be re-sequenced or modified if TCERA so desires):

1. **No.** – Sequential unique number, identifying the requirement. They are aggregated by major category (e.g., LOB requirements may be numbered L-1, L-2, etc., technical requirements may be numbered T-1, T-2, etc.). The unique identifier will follow each line item through the project, regardless of how the line items may be reorganized or "shuffled" within the spreadsheet.



2. **Requirement (Description) per Contract Exhibits / RFP** – A summarized description of the requirement.
3. **Source** – Identification of the source of the requirement. The source may be the RFP, the vendor's proposal, Q&A, BAFO, contract, contract exhibits, etc.; in some cases only one reference is made back to the RFP / proposal / contract, etc.; in others, multiple references are made.
4. **Page / Section** – The location of the requirement in the source.
5. **Phase** – The phase of the project in which the requirement will be delivered per the project plan.
6. **SOW** – The vendor's Statement of Work which includes the requirement, if applicable.
7. **Received Date / Who** – The date that the requirement was delivered to TCERA, and to whom it was delivered.
8. **Accepted Date / Who** – The date that the requirement delivery was accepted by TCERA and by whom it was accepted.
9. **Comments** – Any comments relating to the requirement. Comments will include, among other things, an explanation of what caused a requirement to be removed or added. This must be specific, citing specific conversations which have previously occurred between TCERA and the vendor, the date and attendees, and the prior document which transmitted this information (including but not limited to meeting minutes, status report, and specific correspondence) to TCERA. As stated elsewhere in this RFP, any agreement between TCERA and the vendor to eliminate project requirements stated in the RFP, the vendor's proposal, or the contract must be in writing, executed by both parties.
10. **Test Case** – If applicable, identification of the test case that confirms that the requirement has been satisfied.

Activities on the part of both TCERA and the vendor related to the traceability issue will include:

- First, TCERA will prepare the matrix that codifies and organizes the requirements of the RFP and negotiated contract. An example of the matrix as it will be delivered to the vendor by TCERA is shown in Exhibit 1 herein. TCERA will complete columns 1 (No.), 2 (Requirement Description), 3 (Source) and 4 (Page / Section) and deliver it to the vendor for review.
- Next the vendor will review the matrix and verify its accuracy. Any discrepancies or differences in interpretation will be mutually resolved before the next step.
- Then the vendor will complete columns 5 (Phase of the project in which the vendor will implement the requirement) and 6 (SOW, the Statement of Work to be prepared by the vendor which will include the requirement).
- In cases where a function described in the RFP is not “carried” forward, the vendor will note this by providing a written explanation in the comments column (9) for that function. Further, if there are any new functions that have evolved during the requirements analysis, the vendor will add them as appropriate entries at the end of the matrix. An example of the matrix as it is to be completed by the vendor is provided in Exhibit 2.
- The vendor will then provide the matrix to TCERA for review.
- TCERA staff will review the matrix – annotating any differences of opinion with respect to the vendor's completion of the matrix. The annotated matrix will be returned to the vendor.



- Next, a meeting or series of meetings will be held at which discussions will occur to resolve any differences.
- Then TCERA and the vendor will update the matrix so that it reflects the agreed upon changes, and it will become part of the deliverables from the Requirements Definition. If appropriate, any changes to schedule and cost will be identified at this time.
- TCERA will provide the matrix to the vendor within the period specified in Table 3. in Section A-3.2. The revised, updated, completed matrix will be provided to TCERA by the vendor within the period specified in Table 3. in Section A-3.2. The matrix will provide a more precise reference point for the “go-forward” strategy for the implementation phases.

Columns 7 and 8 will be filled in as portions of the project are completed by the vendor and delivered to TCERA for review and acceptance. Column 10 will be filled in by the vendor as test plans, test scenarios, test cases, etc. are developed during the course of the project. Exhibits 1, 2 and 3 on the following pages show three stages in the development of a small portion of a sample RTM

Furthermore, the vendor will be responsible for tracking and matching project requirements, not only from the RFP (and associated amendments, questions and answers, vendor’s proposal and any amendments thereto) to the design definition, but also through the requirement definition, design, and implementation activities. At any time, should TCERA question how a particular requirement expressed in the RFP / procurement cycle will be addressed in the new system, the vendor must be able to demonstrate how that requirement was carried forward from the RFP into the proposal, the requirements definition, the system design, and eventually the final implementation.



**Exhibit 1. Requirements Traceability Matrix Example**

| 1   | 2                                                                                                                                                                                                                                 | 3      | 4              | 5     | 6   | 7                   | 8                   | 9        | 10           |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------|-------|-----|---------------------|---------------------|----------|--------------|
| No. | Requirement per Contract Exhibits / RFP                                                                                                                                                                                           | Source | Page / Section | Phase | SOW | Received Date / Who | Accepted Date / Who | Comments | Test Case(s) |
| 1   | Ability to match employer report to employer remittances and alert user of mismatches                                                                                                                                             | RFP    | B-1.1.8        |       |     |                     |                     |          |              |
| 2   | Ability to notify user whenever Employer Contribution and Payroll Reporting information is received for a person who has applied for retirement, received an initial benefit, or has had a final calculation of benefit performed | RFP    | B-1.1.8        |       |     |                     |                     |          |              |
| 3   | Ability to prevent invalid or duplicate data from posting to the member's account                                                                                                                                                 | RFP    | B-1.1.8        |       |     |                     |                     |          |              |

**Exhibit 2. Requirements Traceability Matrix Example with Vendor Entries**

| 1   | 2                                                                                                                                                                                                                                 | 3      | 4              | 5     | 6   | 7                   | 8                   | 9        | 10           |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------|-------|-----|---------------------|---------------------|----------|--------------|
| No. | Requirement per Contract Exhibits / RFP                                                                                                                                                                                           | Source | Page / Section | Phase | SOW | Received Date / Who | Accepted Date / Who | Comments | Test Case(s) |
| 1   | Ability to match employer report to employer remittances and alert user of mismatches                                                                                                                                             | RFP    | B-1.1.8        | 4     | 6   |                     |                     |          |              |
| 2   | Ability to notify user whenever Employer Contribution and Payroll Reporting information is received for a person who has applied for retirement, received an initial benefit, or has had a final calculation of benefit performed | RFP    | B-1.1.8        | 4     | 6   |                     |                     |          |              |
| 3   | Ability to prevent invalid or duplicate data from posting to the member's account                                                                                                                                                 | RFP    | B-1.1.8        | 4     | 6   |                     |                     |          |              |



**Exhibit 3. Completed Requirements Traceability Matrix Example**

| 1   | 2                                                                                                                                                                                                                                 | 3      | 4              | 5     | 6   | 7                   | 8                   | 9                                                     | 10                   |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------|-------|-----|---------------------|---------------------|-------------------------------------------------------|----------------------|
| No. | Requirement per Contract Exhibits / RFP                                                                                                                                                                                           | Source | Page / Section | Phase | SOW | Received Date / Who | Accepted Date / Who | Comments                                              | Test Case(s)         |
| 1   | Ability to match employer report to employer remittances and alert user of mismatches                                                                                                                                             | RFP    | B-1.1.8        | 4     | 6   | 20100502<br>PPC     | 20100516<br>RK      | None                                                  | CALC-1, -2, -3, & -8 |
| 2   | Ability to notify user whenever Employer Contribution and Payroll Reporting information is received for a person who has applied for retirement, received an initial benefit, or has had a final calculation of benefit performed | RFP    | B-1.1.8        | 4     | 6   | 20100502<br>PPC     | 20100516<br>RK      | None                                                  | CALC-4 & -5          |
| 3   | Ability to prevent invalid or duplicate data from posting to the member's account                                                                                                                                                 | RFP    | B-1.1.8        | 4     | 6   | 20100502<br>PPC     | 20100516<br>RK      | Requires collaboration on format of transferred data. | CALC-6, -7, & -8     |



### **B-3.3.2 Statements of Work**

All work to be done under the contract to be awarded will be covered by written Statements of Work (SOW) authorized by TCERA, which define reasonable components of work. Thus, manageable “chunks” of work will be defined, executed, and managed. When viewed in the aggregate, these “chunks” comprise the entire project.

The vendor will submit detailed written SOWs to the TCERA Project Manager for review, possible revision, and acceptance. TCERA will require up to ten (10) days to review and authorize a SOW. Therefore, the vendor must factor in this review period when scheduling its activities under the contract. Under no circumstances, will any work be done absent a SOW duly authorized by the TCERA Project Manager.

Conversely, the vendor will not issue SOWs for work to be done in the distant future – i.e., “banking” of SOWs will not be permitted. While TCERA understands the vendor’s desire to be able to schedule its personnel as far in advance as possible, TCERA’s objective is to ensure that SOWs are developed in a “just-in-time” fashion in order that they reflect the project’s most recent developments – and ‘downstream’ SOWs benefit from the experiences of the upstream SOWs. TCERA wishes to avoid having work conducted under “stale” SOWs. Therefore, the vendor will deliver each SOW no sooner than the period specified in Table 3. in Section A-3.2 prior to the date that work under that SOW is scheduled to begin. If work on a particular SOW does not begin within that same period after TCERA’s authorization of the SOW, then TCERA reserves the right to require that the SOW be re-issued and re-authorized prior to commencing work there under.

This provision provides the vendor with a “grace period” equivalent to the period elapsed between delivery of the SOW and TCERA’s authorization of it. For example, if the period specified in Table 3. is 30 days, the vendor may deliver an SOW on day 0 for work scheduled to begin on day 30. If TCERA takes the full ten days to authorize the SOW, then the vendor may begin work at any time between day 10 (when the SOW is authorized) and day 40 (30 days after authorization). If work under the SOW does not begin by day 40, however, TCERA may require that the SOW be re-issued and re-authorized prior to commencing work.

In their proposals, vendors are to confirm their understanding of the above stated requirements relating to SOWs and their timing.

For the total project, the vendor will develop, submit, and receive approval from TCERA for no more than ten [10] SOWs addressing the activities within the project. TCERA and the vendor will mutually agree on the format of the SOW within thirty (30) days of the start of the project. In concept, SOWs will contain:

#### Statements of Work

- Number
- Title
- Overview
- Objectives
- Scope
  - Within SOW
  - Outside of SOW
- TCERA manpower
- Start criteria



Acceptance criteria

Quality Assurance

Roles

Vendor

Subcontractors

TCERA Users

TCERA IT

OPM/QA

Other

Assumptions

Reference to RFP and Proposal

Extracts From Requirements Traceability Matrix Schedule

Payment schedule

Cost

Original

Current

Explanation of Deviation

Critical Success Factors

Signatures

### **B-3.3.3 Bi-Weekly Status Reports and Project Status Meetings**

The vendor will be required to submit written bi-weekly status reports and to facilitate weekly project status meetings. The status reports must include separate sections that cover all parallel parts, phases, or aspects that were in progress or had been completed during the reporting period or that will be begun during the next reporting period. TCERA reserves the right to request weekly status reports if project activity so warrants.

The status reports must be available to the TCERA Project Manager by 5:00 PM Monday of the week following the reporting period. The bi-weekly reporting period ends at close of business on every other Friday. Ad hoc status reports will also be required if TCERA Project Manager feels they are needed. Four (4) types of reporting are to be included:

1. Project phase and task status / progress reports in which:
  - Overall project status is shown in a chart form with sub-phases identified
  - Analysis of current status relative to work plan is graphically shown by chart overlays or a similar technique in the weekly status reports; the vendor shall use an automated tool such as Microsoft Project
  - Hours expended and hours-to-go are shown for each work task
  - Schedules and work plans are updated if necessary, showing both the old and new versions.
2. Narrative status / progress reports outlining:
  - Work completed to date
  - Problems encountered and proposed solutions
  - Problems anticipated in coming reporting periods and proposed solutions (alternatives)



- Work estimated to be accomplished during the subsequent period
  - Any other points of significance relating to schedule or other aspects of the project.
  - Overall project status is shown in a chart form with sub-phases identified
  - Analysis of current status relative to work plan is graphically shown by chart overlays or a similar technique in the weekly status reports; the vendor shall use an automated tool such as Microsoft Project
  - Hours expended and hours-to-go are shown for each work task
  - Schedules and work plans are updated if necessary, showing both the old and new versions.
3. Ad hoc status / progress information.
4. Project metrics – during various project phases:
- Deliverable status, with percentage of completion and time ahead or behind schedule for particular tasks
  - An analysis of risk anticipated, proposed mitigation strategies and resolved risks
  - Proposed changes to the project schedule, if any
  - Specification development – in process, in review, rejected, accepted, in rework
  - Test – available for test, in test, accepted, rejected, in rework, in retest
  - Other.

TCERA understands that, given the project's magnitude, comprehensive weekly status reports may be lengthy and highly detailed. Any status report that exceeds ten (10) pages in length must be accompanied by a one to two-page management summary.

The final format of the status report will be mutually agreed upon between TCERA and the vendor within thirty (30) days of the project start date. Vendors should include samples of previously used status reports on other similar projects.

### **B-3.3.4 Executive Level Reporting**

In addition to detailed project status reports, the vendor will be required to produce a monthly executive level report presenting project summary information targeted at an executive audience (e.g., project sponsors, the Board of Retirement). This report should provide a succinct monthly summary of the project's status against key indicators and furnish decision makers with an analysis tool and communication vehicle for proactive planning and risk mitigation. The objective is to keep executives and sponsors aware of the project's status in order to enable prompt decision making aimed at restoring the project's health when problems develop – e.g., decisions to enlist additional resources, appropriate additional funds, and/or adjust the project's scope.

The report should provide information for each of the key project indicators, i.e.

- Milestones (schedule)



- Budget
- Scope
- Risk
- Quality (test results).

Such reports are frequently characterized as ‘dashboard’ or ‘critical success factor’ reports. Samples should be included in the vendor’s proposal.

### **B-3.3.5 Information Technology (IT) Committee Meetings**

Successful projects require constant communication among all parties and well defined structures for maintaining control, reviewing progress, settling disagreements or amending the project based on exigent circumstances. The IT Committee meeting represents an opportunity to bring together the major stakeholders on a regular basis to accomplish, among other things, the following:

- To monitor the progress of the project as it relates to the overall project work plan
- To facilitate the resolution of disputes or provide additional clarification of issues at the highest level
- To encourage collaboration among all of the participants by reminding them that the project enjoys support at the highest levels within the organization.

Meetings of the TCERA IT Committee will be scheduled periodically on a mutually agreeable schedule. The vendor’s Project Manager, and other vendor senior staff as appropriate, will be required to attend each of these meetings.

As requested by the TCERA Project Manager, the vendor’s Project Manager may occasionally be required to deliver a presentation on pertinent topics at the IT Committee meeting.

Prior to each IT Committee meeting, the vendor’s Project Manager will meet with the TCERA Project Manager and others as deemed appropriate by the TCERA Project Manager in order to develop the meeting agenda.

No later than two business days after each IT Committee meeting, minutes of the meeting will be prepared and distributed to all meeting participants and all other project participants who are affected by the meeting’s outcome.

### **B-3.3.6 Requirements Analysis**

It is anticipated that the vendor’s early efforts in developing the LOB solution will consist of collaborative efforts between vendor staff, TCERA users, and TCERA IT staff to identify the differences between the vendor’s template solution and TCERA’s specific requirements. This portion of the project may be termed GAP analysis, requirements definition, etc. depending upon the vendor’s development methodology. For the purposes of this discussion, it will be called GAP analysis.

Vendors are to take note that TCERA considers it essential that client IT staff who support the legacy system will be actively engaged in the GAP analysis – since they are often, in many areas, equally knowledgeable (but with a different perspective) about both the “as is” current



environment and the desired “to be” environment than are the users. This participation must be carefully scheduled.

During the first GAP analysis session on a given topic, the vendor must excerpt from the Requirements Traceability Matrix / RFP and review with the users and TCERA IT staff what the Requirements Traceability Matrix / RFP expressed for requirements on that topic.

**The RFP requirements will ALWAYS pertain unless, during GAP analysis, the users agree to eliminate an RFP requirement AND a written agreement to that effect is prepared by the vendor and signed by the TCERA Project Manager. If TCERA agrees to such a “reduction” in requirements during GAP analysis, the vendor will not be expected to reduce its fixed price. However, the vendor will, as part of the written agreement to eliminate the requirement, issue TCERA a “credit memo” which estimates the dollar value of the effort that is avoided by virtue of eliminating the requirement. TCERA will be able to apply all such credit memos to offset the cost of future Change Control Requests (CCRs). The vendor must describe in its proposal how the “credit” would be determined based on the effort avoided due to the reduction in requirements.**

If at a later date, TCERA wishes to restore a requirement that it had agreed in writing to eliminate, then that requirement is subject to a CCR. In that event, however, the cost of the CCR cannot exceed the value of the credit memo that was earlier issued by the vendor for eliminating that requirement.

Vendors must take note of, and confirm in their proposals, the following: **under no circumstances will TCERA’s approval of system design and/or specifications abrogate the RFP requirements.** TCERA staff invested a great deal of time in developing the RFP requirements. The vendor, not TCERA staff, is responsible for ensuring that all RFP requirements are correctly reflected in vendor design and/or specification documents. Absent a specific written agreement to eliminate or modify an RFP requirement, signed by the TCERA Project Manager, that RFP requirement will remain operative.

The vendor will provide a sample GAP document template for review and modification by TCERA prior to starting the first GAP session. The GAP document will clearly identify what required functionality exists in the base-LOB application and what functionality has to be added or modified to conform to or satisfy TCERA’s requirements. If the GAP documents are silent on a requirement and no written agreement pertaining to eliminating it is authorized, then ALL RFP provisions pertaining to that requirement will stand.

Vendors are required, as a part of their proposal, to provide a written description of the methodology they use in accomplishing the GAP analysis discussed above. The description should be accompanied by appropriate supporting sample documents (e.g., sample GAP meeting schedule, sample meeting agenda, sample meeting summary). TCERA is particularly interested in understanding the “How To” training given to vendor’s GAP analysis meeting facilitators, providing instructions on issue “parking,” issue resolution, etc.

TCERA is also very interested in understanding how during the determination of requirements, the vendor plans to communicate to TCERA staff the details of “How?” a requirement will be met (in addition to the “Yes, it’s in there,” response which leaves the “What it looks like” question unanswered.) What TCERA wishes to avoid is agreement and sign-off on the existence of a function, only to find later that there was great misunderstanding on the part of TCERA staff as to **how** the function will be provided. To this end, TCERA staff will be instructed not to sign



off on requirements and specifications that they do not understand. Vendors must discuss this topic in detail in their proposals.

### **B-3.3.7 Change Orders, Change Control and Reporting**

This section includes requirements pertaining to change control, change reporting and the management of the integration of changes over the course of the project.

#### **B-3.3.7.1 CHANGE ORDERS**

It is to be anticipated in a project of such magnitude that TCERA will make periodic requests for changes in the new solution. Such changes will typically incur additional costs and possibly delays relative to the project schedule. The TCERA Project Manager will provide all such change requests in writing to the vendor's Project Manager. The vendor's Project Manager will respond to such change requests with a written proposal for completing the change. The vendor's proposal for implementing the change – i.e., the change order – must be delivered to TCERA by the vendor within ten (10) business days of the vendor's receipt of the written request for the change. The change order must define the effort involved in implementing the change, the total cost of implementing the change, and the effect, if any, of implementing the change on all pertinent project schedules.

It must be understood by the vendor that TCERA will not pay for the effort involved in developing the change order. Just as the vendor bears the cost of developing its proposals in response to this RFP, the vendor will bear the cost of estimating the cost, time, and manpower required to implement all change requests forthcoming from TCERA during the course of the project. Vendors are cautioned to factor into their proposed approach, cost, and manpower estimates sufficient resources to respond to TCERA's change requests as they arise throughout the project.

Further, it is pointed out to the vendor that the responses are to describe the completion of the work requested; a response that describes the cost for an analysis and plan will not be acceptable.

#### **B-3.3.7.2 MISCELLANEOUS CHANGE ITEMS**

TCERA understands that the vendor must be aware of the entire "scope" of the engagement in order to respond to this RFP accurately. However, vendors must recognize that certain **predictable** (change) items will arise during the course of the engagement – items over which TCERA has no control. These items fall into two classes: (1) those relating to tax calculations and reporting formats, which would apply to all of the vendor's clients; and (2) those relating to retirement system calculations and business rules which, while outside TCERA's control, would be unique to TCERA. Following is a representative, though not all-inclusive, list of typical, predictable items that need to be addressed over the course of any retirement system implementation:

- Tax-related
  - ✓ Changes to calculation rules and tax tables
  - ✓ Changes to 1099 format
  - ✓ Changes related to meeting IRS plan qualification requirements
  - ✓ Changes to IRS 415 and 401(a)(17) limits
- Retirement system-related



- ✓ COLA: changes to calculation rates or rules for regular and supplemental COLA
- ✓ Member and employer contribution rates
- ✓ Semi-annual interest rates as adopted by the Board of Retirement
- ✓ Assumed rate of return as adopted by the Board of Retirement
- ✓ Employment codes or classifications as changed or added by the employer
- ✓ Member statement of account: change in extract criteria
- ✓ Member statement of account: changes to format
- ✓ Checks: changes in extract criteria
- ✓ Checks: changes in format
- ✓ Banks: changes in bank(s) or routing number(s)

In summary, it is the vendor's responsibility to maintain the "currency" of the LOB application software through the end of the warranty period.

For tax-related changes, the vendor is required to incorporate into its solution all known changes to tax calculations, tax brackets, and reporting formats from the time the LOB application is first installed through the end of the warranty period. This requirement includes setting up tax calculations and factors for future effective dates (beyond the warranty period) to the extent that the changes are known prior to the end of the warranty period. These changes must be implemented at no additional cost to TCERA.

The vendor is also responsible for incorporating into its solution all retirement system-related changes such as those listed above from the time the LOB application is first installed through the end of the warranty period. This requirement includes setting up changes applicable to future effective dates (beyond the warranty period) to the extent that the changes are known prior to the end of the warranty period. Vendors must factor this additional effort into their cost proposals. However, to assist the vendor in scoping the effort for "worst case" scenarios, the vendor may assume that no more than two changes per calendar year will be required in any one "parameter." The first two changes to any one "parameter" in a calendar year must be implemented at no additional cost to TCERA. Any additional changes (above two) to the "parameter" in a given calendar year will be subject to a change request from the vendor. The vendor is reminded that the most effective manner in which to control costs and issues related to parameter changes is to design the system such that these changes can be easily accommodated.

### **B-3.3.7.3 CHANGE REQUEST REPORTING**

Vendors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable Change Request Reporting (CRR) system for managing and facilitating change requests.

The desired summary / reporting mechanism should be in a spreadsheet format. It should summarize current and "phase-to-date" change requests and include graphics capabilities showing trends in change requests received and satisfied, as well as the existing backlog of authorized change requests at any point in time. Examples of the summary / trend information of interest to TCERA include (at both the individual functional or business area level and the delivery phase level, as well as for the project in total):

- Number of change requests received at any point in time
- Number of change requests analyzed by the vendor (and estimates provided to TCERA) at any point in time
- Number of change requests authorized / rejected by TCERA at any point in time



- Number of closed (i.e., completed) change requests since the beginning of the project and the beginning of the current phase
- Number of change requests opened / closed in the last month.

The CRR system can be custom developed or a package. The vendor is required to describe the proposed CRR system in its proposal. After contract award, the proposed CRR system will be presented to TCERA in detail. The vendor will provide training to appropriate TCERA staff as necessary to facilitate their use and understanding of the CRR system.

The vendor will provide, on a no less frequent than monthly basis, copies of the CRR status report to TCERA for review.

The vendor must deliver a detailed Change Control Plan / Methodology for use throughout the project within the period specified in Table 3. in Section A-3.2.

Over the course of the effort, the successful vendor will be required, from time to time, to conduct various analysis tasks. These tasks would be directed at potential, new / revised project requirements. For the purposes of discussion, examples include: assessing the feasibility of speeding up processing times, accommodating a new data interface with another agency or financial institution, and adding a new form letter to be generated by the system.

When TCERA requests that such an analysis task be undertaken, the vendor will be required to:

- Consult with TCERA staff to develop an unambiguous definition of the new / revised requirement
- Analyze the alternatives for satisfying the new / revised requirement, addressing the advantages and disadvantages of each
- Identify any problems that will arise as a result of satisfying the new requirement
- Propose the “best” (generally, least costly / disruptive or most expedient) alternative for satisfying the new requirement
- Prepare a schedule and cost proposal for satisfying the new requirement, including an indication of where in the project work plan the new requirement will be addressed
- Present the written analysis to TCERA for authorization.

If TCERA chooses not to authorize the implementation of the new requirement, the vendor's effort will end at that point. However, if a particular requirement is not immediately authorized, TCERA may wish to reconsider its position at some future point in the project. In this event, the vendor would be given the opportunity to revise its analysis, since it is understood that interjecting a new requirement later in the project generally will involve greater expense and/or effort than would have been the case had it been authorized when originally proposed.

If / when TCERA authorizes implementation of the new requirement, the vendor will be responsible for integrating the effort into the overall project and for satisfying the new, authorized requirement for the price proposed in the analysis (as possibly revised per the above discussion).

Although TCERA would expect to pay for the implementation of the new requirement at the cost estimated by the vendor, the analysis effort itself will not be billed for separately. Vendors are



cautioned to include in their cost bids (in response to this RFP) sufficient resources to conduct such analysis tasks as requested by TCERA.

In their technical proposals, vendors must state their commitment to provide such analysis services within their fixed price bids.

TCERA wishes to convey that the scope of such analysis tasks would be “reasonable” in magnitude, as indicated by the examples provided in the introductory paragraph above. TCERA does not expect the successful vendor to provide analysis services relating to major new requirements at no additional cost.

### **B-3.3.8 Problem Incident Reports**

Vendors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable problem incident reporting (PIR) system for managing and facilitating test-related activities as well as production problems. The PIR system must offer, at a minimum, the following attributes:

- It must define how PIRs will be initiated, uniquely identified, and logged, and by whom.
- It must relate each PIR to the particular functional area (e.g., employer reporting, benefit estimates) or appropriate area, e.g., training, documentation, etc.
- It must relate each PIR to the appropriate test variant / scenario / case / data set.
- It must record both the expected and actual test result as alphanumeric, numeric or date as appropriate to the PIR.
- It must track the status of, complexity of, and priority accorded to each PIR.
- It must provide for relating PIRs to change orders when appropriate (in those cases where what was originally thought to be a problem incident is actually determined to be a request for a design change).
- It must track the scheduled fix delivery date.
- It must track the fix release number through which the PIR was addressed.
- It must provide for tracking efforts to correct the problem and the eventual resolution of the problem incident.
- It must include a summary / reporting mechanism as described below.
- Though a manual approach of Word, email, or Excel documents is not acceptable, the system must be capable of exporting information to those systems.

The desired summary / reporting mechanism should be in a row-and-column format. It should summarize current and “phase-to-date” PIRs and include graphics capabilities showing trends in problem incident reporting and resolution, as well as the existing backlog of PIRs at any point in time and amount of time (maximum, minimum, average) to close out and correct PIRs. Examples of the summary / trend information of interest to TCERA include (at both individual functional or business area levels, delivery phases, as well as the project in total):



- Number of test cases for the phase, cases to execute and cases executed – for the phase and for each LOB area.
- Number of test case data sets for each executed test case.
- Number of executed test cases with one or more PIRs (opened or closed).
- Number of test cases undergoing rework.
- Number of test cases awaiting or undergoing retesting.
- Number of open PIRs at any point in time.
- Number of closed PIRs since the beginning of the project and the beginning of the current phase.
- Number of PIRs opened / closed in the last week/last month.

A detailed listing of the information of interest (not just a summary total), as outlined above, must be made available in printed format. For example, referring to the first item in the list, the PIR system must provide a list of the test cases for the phase, a list of the case to execute and a list of the cases executed.

An example report, illustrating how some of this information could be presented, is provided in Figure 2 below:

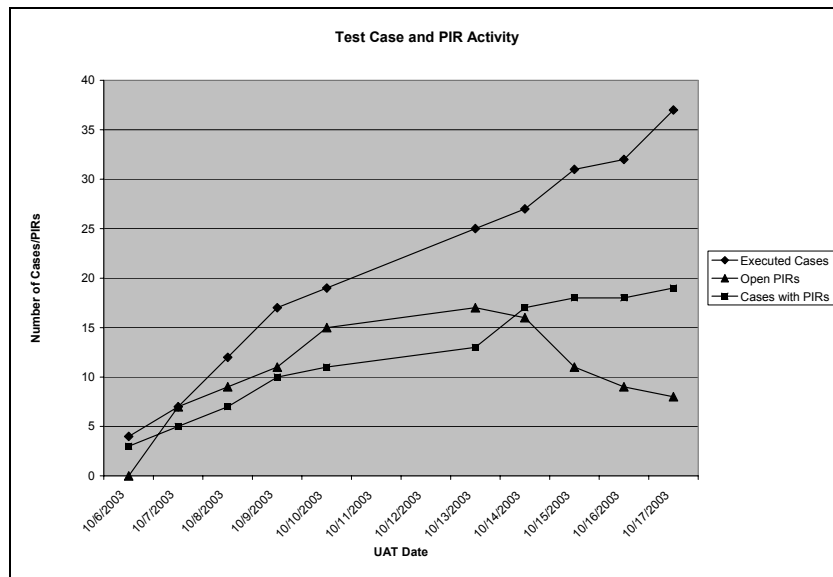
**Figure 2. Sample Detailed PIR Report**



| <b>UAT Statistics for Active</b> |      |      |      |      |       |       |       |       |       |       |
|----------------------------------|------|------|------|------|-------|-------|-------|-------|-------|-------|
| As of                            | 10/6 | 10/7 | 10/8 | 10/9 | 10/10 | 10/13 | 10/14 | 10/15 | 10/16 | 10/17 |
| <b>Test Case Breakdown</b>       |      |      |      |      |       |       |       |       |       |       |
| Total Test Cases                 | 83   | 83   | 83   | 83   | 83    | 83    | 83    | 83    | 83    | 83    |
| Total Test Cases Executed        | 4    | 7    | 12   | 17   | 19    | 25    | 27    | 31    | 32    | 37    |
| Total Cases Remaining            | 79   | 76   | 71   | 66   | 64    | 58    | 56    | 52    | 51    | 46    |
| Total Data Sets                  | 44   | 47   | 57   | 62   | 66    | 78    | 83    | 78    | 78    | 78    |
| <b>Executed Cases</b>            |      |      |      |      |       |       |       |       |       |       |
| With PIRs                        | 3    | 5    | 7    | 10   | 11    | 13    | 17    | 18    | 18    | 19    |
| In Rework                        | 3    | 3    | 3    | 3    | 2     | 3     | 4     | 4     | 3     | 1     |
| In Retest                        | 0    | 2    | 4    | 5    | 3     | 2     | 3     | 2     | 2     | 2     |
| Completed                        | 1    | 2    | 5    | 9    | 14    | 20    | 20    | 25    | 27    | 34    |
| <b>PIR Breakdown</b>             |      |      |      |      |       |       |       |       |       |       |
| Total Open PIRs                  | 0    | 7    | 9    | 11   | 15    | 17    | 16    | 11    | 9     | 8     |
| S/W Defects                      | 0    | 3    | 5    | 6    | 8     | 8     | 6     | 2     | 3     | 2     |
| Data Conversion                  | 0    | 4    | 4    | 5    | 7     | 9     | 10    | 9     | 6     | 6     |
| <b>New PIRs</b>                  |      |      |      |      |       |       |       |       |       |       |
| S/W Defects                      | 3    | 2    | 1    | 2    | 0     | 3     | 1     | 3     | 1     | 2     |
| Data Conversion                  | 4    | 0    | 1    | 2    | 2     | 3     | 1     | 0     | 0     | 0     |
| <b>Closed PIRs</b>               |      |      |      |      |       |       |       |       |       |       |
| S/W Defects                      | 0    | 0    | 0    | 0    | 0     | 5     | 5     | 2     | 2     | 5     |
| Data Conversion                  | 0    | 0    | 0    | 0    | 0     | 2     | 2     | 3     | 0     | 0     |
| Total Open PIRs                  | 7    | 9    | 11   | 15   | 17    | 16    | 11    | 9     | 8     | 5     |

Graphics illustrating the progression of testing and PIR activity over time must also be provided showing trends. An example is provided in Figure 3 below:

**Figure 3. Sample PIR Progress Graph**



The PIR system can be custom developed or a package – although a commercial-off-the-shelf (COTS) approach is more desirable. A manual approach using a word-processor, e-mail, or electronic spreadsheet document is not acceptable. The vendor is required to describe the proposed PIR system in its proposal.

After contract award, the proposed PIR system will be presented to TCERA in detail within the period specified in Table 3. in Section A-3.2.

The vendor will provide training to appropriate TCERA staff as necessary to facilitate their use and understanding of the PIR system. No user testing will proceed until the PIR approach has been presented to, reviewed by, and accepted by TCERA.

In addition, the vendor will be required to implement a methodology for classifying PIRs. Such methodology should include conducting joint meetings with TCERA (at mutually agreed to intervals) to determine the classification of PIRs. Classifications may be either warranty related, where the vendor bears the cost of the modification, or non-warranty (i.e., system enhancement, design change, out of scope) related, where the vendor will provide a cost estimate to TCERA. Vendors must fully describe their methodology for classifying PIRs in their proposals.

At the conclusion of the project, the vendor must leave with the client a copy of the PIR system and the complete database of reported problem incidents for the project. In addition, as part of the leave-behind, vendor will provide documentation and training for TCERA administration and IT personnel as appropriate.

### **B-3.3.9 Risk Management**

Risk management includes identification, analysis, planning, tracking, control, and communication of risk areas associated with all project phases. Risk assessment and management are on-going tasks in any project. The vendor must demonstrate that it can provide a risk management (analysis and mitigation) strategy and methodology that can be used throughout the project to monitor potential risks and to develop mitigation strategies in anticipation of any problems that may arise. Then, based on feedback, assessments can be updated on a continuing



basis for the duration of the project. While some risks can be identified from the outset of a project, others will emerge in the course of the project's life cycle.

The risk management strategy and methodology should address how the vendor proposes to accomplish the following:

- Define measures of success and set targets
- Identify key assumptions
- Identify, analyze, and document risks that threaten the ability to achieve the success targets
- Develop and document mitigation strategies for each identified risk
- Specify tasks to implement the mitigation strategy
- Build consensus on appropriate mitigation strategies
- Establish criteria for escalating risks
- Enlist support for mitigation steps that are outside of the project's direct control
- Monitor and report on risks.

Further, as a part of their response, the vendor is required to provide a list of the top ten risks they currently foresee with this project, their assessment of the probability of their occurrence, and the steps they will take to avoid or mitigate those risks.

At key points in the project cycle and no less frequently than quarterly, the successful vendor will be required to conduct formal risk assessments, to review the status of project risks to ensure that appropriate mitigation strategies are in place and to report on the project's risk status.

### **B-3.3.10 Deliverables Repository**

During the course of the implementation of the new system, numerous written deliverables will be provided to TCERA by the vendor. These deliverables can be expected to range from requirements meeting notes, to vendor's status reports, to operations manuals, etc. Many of these items will be delivered in multiple versions.

The vendor may choose to deliver project documents in PDF format. However, TCERA requires that all documents also be delivered in the appropriate Microsoft Office suite (current or immediately previous revision) document format with no locks, inhibitors, etc. that restrict the use of track changes or comments. Starting with the response to the RFP and continuing through the last written deliverable on the project, the vendor is to use MS Project, MS Visio, MS Excel, MS Word, or MS PowerPoint as the file format for all written deliverables.

It is imperative that all versions of all documents delivered at any point in the project and at the end of the project can be identified, located, and accessed by both vendor and TCERA staff as needed. Therefore, the vendor must maintain for the life of the project (and leave behind upon the completion of the contract) a repository of all written project deliverables in electronic form residing on one of the system servers. The deliverables must be accessible to all project participants, including via remote dial-up or through the Internet.

The deliverables repository must be designed and organized, with appropriate training provided, such that TCERA staff can efficiently locate and retrieve any document of interest. Write permission to the repository must be suitably restricted. While anyone involved in the project should be able to access all repository items, the ability to add to, delete from, or modify the



repository's contents is to be strictly controlled and restricted to authorized vendor personnel. It will be the vendor's responsibility, throughout the project until final turnover, to guarantee the continuous correctness and completeness of the repository's contents.

Vendors are to describe in their proposals:

- Their commitment to satisfying the requirements for the deliverables repository
- Where the repository will be located, how it will be backed up, and how it will be recovered in the event of an equipment failure
- How they propose to organize the repository for ease of use and access
- How they will control the repository to guarantee, on a continuous basis, the correctness and completeness of the repository at any point in time
- Their commitment to produce a document (which itself must be included in the repository) describing the deliverables repository, how it is organized, how items from it can be accessed, and how to recover the repository if necessary
- Their commitment to train TCERA staff in the use of the repository (including an administrator, managers, and end-users)
- Whether third-party tools are utilized (if so, they are to be provided by the vendor – and their price included in the vendor's cost proposal).



## **B-4 Data**

The following sections set forth the vendor's responsibilities relating to the migration of data from the legacy environment to the new solution, as well as the precautions the vendor is expected to take to ensure the security of TCERA's member and retiree data.

### **B-4.1 DATA SECURITY**

The security of TCERA's member and retiree data must be paramount throughout the execution of this project. TCERA recognizes that access to the real data will be necessary for both data conversion and for debugging of any problematic calculations. However, the risk of loss or inappropriate use of personal data, possibly leading to identity theft or other such abuses, is high. Therefore, we require that the vendor provide a discussion in its response regarding how it proposes to manage the security of TCERA's data during the project implementation. That response should eventually be incorporated into the Security Plan discussed in Section B-10.2.4.

The response should include at least the following information:

- A complete list of which data the vendor considers to be Personally Identifiable Information (PII)
- A written commitment that all of the PII will be encrypted when sent off-site, even when sent in email correspondence
- A written commitment that none of the PII will be stored on any local PCs (including vendor laptops) without specific permission from the TCERA Project Manager – and should that permission be forthcoming, stored only in encrypted format
- A description of just which vendor staff need (and will be provided) access to PII and why.

In addition, while the properly constrained and controlled use of member data outside of TCERA's site (as long as it stays within the United States and Canada) is permitted, no member data is to appear in unencrypted emails under any circumstances. The vendor must describe in detail the processes and safeguards that will be utilized prior to TCERA's data leaving the premises.

### **B-4.2 DATA CONVERSION AND BRIDGING**

TCERA understands that a critical component of the project is the accurate and complete conversion of legacy system data to the new environment.

#### **B-4.2.1 Data Conversion Plan**

The vendor must create a data conversion plan that establishes the conversion environment and outlines strategies for both the automated and manual conversion of data for the new solution. The data conversion plan at a minimum must:

- Identify how the conversion requirements will be confirmed and refined



- Identify the roles and responsibilities of TCERA and the vendor. Discuss options for satisfying data required of the LOB solution data model that is not present in the data to be converted (e.g., termination dates that only the employer has)
- Develop data conversion test scripts
- Create the schedule for conversion activities
- Keep the data conversion consistent with the implementation schedule.

The vendor will map legacy data to the new solution and design the data conversion flat file extracts from the legacy system, based on file formats defined collaboratively by the vendor and TCERA. TCERA staff will design, develop, and implement any modifications on the legacy side required to produce the flat file extracts for data bridging or data conversion. The vendor will have no responsibilities for manual corrections to legacy system data.

As part of the conversion plan, the vendor must include plans for testing the conversion process, including full reconciliation and balancing procedures for ensuring that all legacy system data was correctly converted and loaded. The conversion plan must elaborate how the integrity and confidentiality of the data will be protected throughout the conversion process.

In addition, TCERA requires that the implementation be accomplished in distinct implementation phases for the line-of-business (LOB) functionality. Thus, not only data conversion, but also data bridging (the regular, periodic “synchronizing” of data between the old and new environments during the period when both environments will be in use), are crucial activities in assuring a successful implementation. Refer to Figure 4 – Phase Data Conversion and Bridging for an illustration of this process

#### **B-4.2.2 Data Conversion Strategy and Methodology**

Vendors must demonstrate in their proposals that they have in place a strategy and methodology for data conversion and bridging that is comparable to and compatible with their methodology for the design and development of the LOB solution. Although TCERA recognizes that data architects and other technical specialists will execute the conversion and bridging activities, appropriate management and planning disciplines must also be applied to the effort to ensure that:

- There is adequate coordination between the data conversion and bridging effort and the other project components (design, development, testing, training, etc.)
- There is adequate communication about the data conversion and bridging effort with TCERA managers, external entities, and users, as well as with the vendor’s other project team members.

Therefore, vendors are to include in their proposals their proposed strategy and methodology for data conversion and bridging. The methodology must embrace the same degree of rigor and formality as the vendor’s system development methodology. The conversion and bridging methodology is required to address, at a minimum, the following areas of concern:

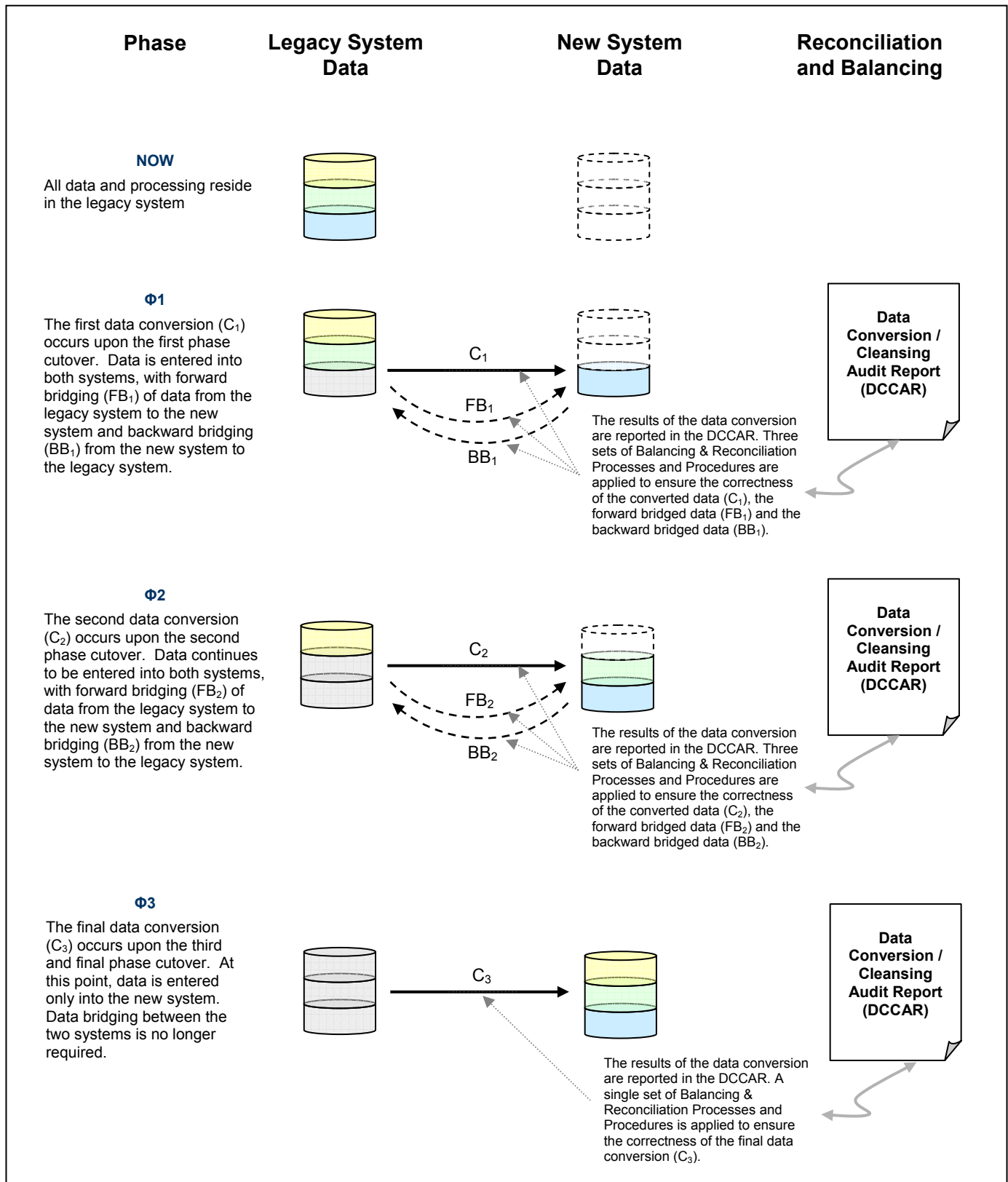
- The planning of the data conversion and bridging effort and how those plans will be communicated to (and approved by) TCERA managers, external entities, and users, as well as vendor development teams; TCERA requires that a detailed, written conversion and bridging plan be prepared for each functional rollout phase.



- When conversion and bridging activities will be scheduled relative to the development effort.
- The roles and responsibilities of vendor and TCERA staff (users and IT) in the conversion and bridging effort; such roles and responsibilities must identify the processes and procedures to be used by both the vendor's staff and TCERA staff in performing the verification that all data was converted correctly.
- The development of written procedures, methods, and checklists for balancing and reconciling conversion and bridging of data between the legacy environment and the new environment. This includes, in addition to developing the procedures, validating them with TCERA staff during testing and training, training TCERA staff in their use during testing, and validating that they are being used properly on an on-going basis. The procedures must provide sufficient controls that vendor and TCERA can readily discern the validity of any step in the conversion process as well as the validity of the converted data. The procedures must be reviewed and approved by the TCERA Project Manager prior to their use.
- Techniques to be used in cleaning and converting legacy system data (e.g., data mapping, automated conversion routines, balancing, and reconciliation of the converted data at various points throughout the conversion process).
- Development of data bridging routines that will update the new environment with data entered into the old environment and vice versa during the period when both systems will be in use; the methodology should also identify the procedures to be implemented to assure that forward and backward bridged data is correct.
- The possible need for dual data entry.
- Training of users at the time of a functional rollout phase cutover as to what data is to be entered in which system and how.
- Synchronization of the data conversion and bridging effort with the various other aspects of the project (e.g., LOB development, back file conversion).
- A method to communicate to users what default values were used during conversion and why.

The figure on the next page is provided to illustrate the data conversion and bridging process as envisioned by TCERA.

**Figure 4. Phased Data Conversion and Bridging**





### **B-4.2.3 Data Cleansing and Conversion Audit Report**

In addition to planning and executing the data conversion efforts, the vendor must also create a Data Cleansing / Conversion Audit Report (DCCAR). This report must be in a format and at a level of detail that is appropriate for TCERA Executive Management, IT staff, users, and an internal or external auditor to review and approve. This report should contain an overall summary of the effort that was undertaken along with a brief, but complete, listing of all the types of data fixes that were made – both manual and automated.

For each type of data fix affected in each functional rollout of the new solution, the vendor must set forth in the DCCAR, at a minimum, the following information:

- The problem the data was causing
- The number of occurrences
- The type of fix that was applied (e.g., manual or automated)
- The number of records fixed
- The number of records unable to be fixed
- A list of all records fixed and copies of all “before” and “after” data
- The benefit of having fixed this data problem.

For each functional rollout of the new solution, the data cleansing/conversion audit report should first be delivered in “draft” form for TCERA review and then based on feedback provided, it should be updated by the vendor into a formal project deliverable.

### **B-4.2.4 Converting and Validating Accounts**

TCERA will be converting all current and historical information for its members regardless of their current plan status within the current Watson Wyatt application. TCERA will not be converting those members whose information was not migrated into the Watson Wyatt application when it went live back in 1999. However, as part of this procurement, TCERA requires a capability to manually build accounts for these members in the new application if they were ever to be re-employed by the county. **The selected vendor must provide an online facility providing TCERA with the ability to build member accounts manually.**

In converting and validating member accounts as they are transitioned from the legacy system to the new solution, great care must be taken with regard to accounts that included a refund in the legacy system. These situations can create a potential problem when, after the account has been converted and the new solution is in use, when the member wishes to “buy back” the refund that was processed under the legacy system. It will be the vendor’s responsibility to accommodate these situations and to ensure that such problems do not materialize.

In the case of member accounts that included one or more refunds under the legacy system, it is not sufficient simply to convert account balance information from the legacy system. Rather, it is imperative that all detailed data associated with the refund(s) under the legacy system be converted and validated. It is possible that such refund details have not been retained in the legacy system and must be “re-created” for porting to the new solution.

Because the buyback of a refund typically involves repaying contributions for specific time periods, as well as paying accrued interest on the refunded amount attributable to the period



between the issuance of the refund and the buyback, the following detailed data must be preserved for each refund when converting and validating these accounts:

- The date of issuance of the refund
- The amount of member contributions that were refunded
- The amount of earned service credit associated with the refunded amount
- The pay periods to which the refund pertained, including the number of pay periods to determine the allowable installment payment period
- Details of interest postings for any interest that was refunded (i.e. interest amounts and posting dates for each interest posting during the period of the refund)
- The amount of interest that was refunded (if applicable)
- The adopted interest rate(s) applicable to the period between the issuance of the refund and the cutover to the new solution (varying interest rates are possible) – it is assumed that actuarial interest rates applicable to periods after the cutover are maintained in the new solution database.

The above information (and possibly additional data) must be available in the new solution database in order to process refund buybacks. Members cannot request partial refunds. However, a member's history may contain multiple refunds over their work life reflecting withdrawal of contributions that accumulate during their multiple periods of employment (note: this service would be eligible for repurchase). Therefore, the full set of detailed data must be identified for all historical refunds issued to the member.

In their proposals, vendors are to state their commitment to fully resolving the refund issue prior to porting member data to the new solution.

Vendors' proposals must demonstrate their understanding of the issue and include a comprehensive approach for addressing TCERA concerns in this regard. At a minimum, the vendor's proposed approach is to address:

- How member accounts that include a refund under the legacy system will be identified
- Exactly which detailed data must be identified or re-created, and then converted, in order to enable smooth processing of buybacks in the new solution of all historical refunds in the legacy system
- How the necessary detailed data will be "mined", created, or re-created for porting to the new solution
- The vendor's commitment to ensure the correct conversion of such accounts and, in the event an unexpected problem arises, to resolve the problem at no additional cost to TCERA.



## **B-5 Project Staffing**

In addition to requiring the project staffing plan described below, TCERA has a number of other project staff-related requirements as indicated below.

### **B-5.1 PROJECT STAFFING PLAN**

The vendor must include in its proposal a preliminary project staffing plan. This plan must lay out the reporting structure of the vendor's team that will be assigned to the effort and illustrate how this reporting structure fits into the vendor's overall organizational structure.

The staffing plan must include estimates of the manpower loading of project phases, broken out by staff category (including but not limited to managers, supervisors, analysts, programmers, users, trainers, and subject matter experts), differentiated by vendor (prime contractor) staff, subcontractor staff, and TCERA staff. In a second presentation, manpower loading must be estimated by staff category by month for the duration of the project. The staffing plan is to include appropriate totals so that TCERA can identify total hours to be expended, per phase and for the entire project, by vendor staff and (separately) by TCERA staff – i.e., subtotaled by vendor and by TCERA and totaled across the project.

TCERA is interested in how the vendor proposes to accommodate personnel problems should they arise. The vendor must include in its project staffing plan a description of the steps that will be taken should it become necessary to replace personnel assigned to the effort due to illness, termination of employment, disciplinary problems, or similar situations.

### **B-5.2 PREPARATION OF VENDOR PERSONNEL**

All staff members and subcontractor staff members assigned to the project who may interface with TCERA staff must have read the RFP and the vendor's technical proposal, as well as any clarifications to the technical proposal, to gain an overall understanding of the project and its objectives, prior to interacting with any member of TCERA staff. Signed and dated certifications that vendor staff members have read the above documents must be kept on file and may be requested by TCERA for review. Under no circumstances will such an initial familiarization with the RFP, project objectives, current operating environment, and desired functionality or other project objectives or requirements be provided by TCERA staff members.

And because personnel should be familiar with the contents of the RFP, after award of the contract to the vendor, it will be the vendor's responsibility, prior to requesting any material, to review the RFP and its appendices first. If after reviewing that material, samples of any forms, letters, reports, procedures, etc. are found not to be in the appendices, then the vendor will request them from TCERA staff.

### **B-5.3 PROJECT MANAGER**

The vendor's proposed Project Manager must be assigned to the project at a minimum half-time, and his/her duties on the TCERA effort must be focused exclusively on the management and coordination of the project. He/she will be the primary on-site customer liaison, responsible for coordination, scheduling, and resolution of issues. He/she will be responsible for working closely with TCERA's designated Project Manager, generally on a regular basis, either in person or via



telephone and/or email. The vendor should identify what percent of time, overall, the Project Manager is expected to be on-site.

The vendor must agree that its designated Project Manager will remain continuously assigned to the project for the duration of the project. Should a change be necessary due to one of the exceptions identified below, TCERA reserves the right to approve the candidate proposed by the vendor as a replacement for the Project Manager as well as review and approve the transition or succession plan to the new Project Manager.

The vendor's Project Manager is to be authorized and empowered by the vendor to make binding commitments to TCERA relating to the project and the vendor's scope of activities (but not necessarily relating to the terms and conditions of the contract between TCERA and the vendor's firm).

#### **B-5.4 KEY PERSONNEL**

Key personnel must be identified in the staffing plan, and the vendor must commit that these staff members will not be reassigned over the duration of the effort without TCERA's prior written agreement. Key personnel to be identified include the Project Manager (see discussion below), the lead analyst or Deputy Project Manager and one additional senior full-time staff member.

The vendor must agree in its proposal that it will pay to TCERA a penalty of \$20,000 per occurrence should it remove from the project any of the three (3) key staff members identified above or any other staff member who was more than 50% dedicated to TCERA's project, except in the case of serious illness, death or termination of employment with the vendor. This penalty will be paid to TCERA no later than five business days after the last day that the staff member in question works on the project. No penalty will be assessed if the change in staff is requested by TCERA or for grounds presented by the vendor and accepted by TCERA.

#### **B-5.5 REPLACEMENT OF PERSONNEL**

The vendor's staff volatility index must be provided in the proposal, i.e., percent turnover over the past three (3) years and how that number is calculated. This volatility index should be provided both for the entire company and for three (3) referenced public employees' or teachers' retirement system implementation projects.

The skills of the replacement individual for any staff member who is removed from or leaves the project for any reason must match or exceed the replaced staff member in terms of skill level and experience. TCERA reserves the right to approve/reject the replacement prior to assignment as well as at any time during the 90 days after the replacement begins work on the project.

Further, any replacement not occasioned by illness, sudden death, or other immediate departure of the staff member must be assigned at least two weeks prior to reassignment of the staff member being replaced in order that a smooth, effective transition / transfer can occur. In such an event, a transition / transfer plan must be provided to TCERA in writing two weeks prior to the start of the transition. In their proposals, vendors must include a sample of such transition plans.



## **B-6 Documentation**

As a goal, the system provided by the vendor should be so easy to use, so self-explanatory, and so intuitive that little or no documentation is necessary. However, laudable as that goal may be, TCERA requires that the vendor provide two types of documentation for the new pension administration system:

- User documentation, including electronic help
- System administration documentation, including material for both business analysts who need to reconfigure a function and IT staff who need to reconfigure/maintain/support the system.

The required documentation is discussed in the sections that follow.

### **B-6.1 USER DOCUMENTATION**

The most important piece of user documentation associated with the new solution is described below as the Work Process Manual. But that is not all of the user documentation that must be delivered as part of the system. Below TCERA documents a minimal set of requirements for user-oriented documentation for the new solution.

#### **B-6.1.1 Work Process Manual**

To augment the user work process training effort, the vendor will be required to produce a hard copy Work Process Manual and a corresponding on-line help facility (see below) to assist the users in processing work with the new solution. The manual should be organized to correspond with the work processes for which each user is responsible. Planning for the manual and help facility should start at the beginning of the requirements definition effort. The manual must reflect the 'as built' nature of the system, and not the as defined or as designed. It must include an index as well as a table of contents.

The Work Process Manual will address all manual, as well as automated, work processes in the new environment. As a representative example of particular interest to TCERA, the vendor is responsible for establishing and documenting appropriate procedures for the following topics:

- Procedures for the processing of "manual" contribution payments, ensuring that different employees are responsible for preparing the deposit, posting to the pension solution, and posting to the cash receipts ledger. The vendor must establish and document procedures for depositing and tracking contribution payments that are not accompanied with the necessary paperwork to identify the member accounts to which they pertain, including procedures for accurately posting the contribution to member accounts in the pension system when the paperwork later becomes available.
- Procedures, for all plans / funds, for reconciling member and employer reserves as indicated in the pension solution database against the general ledger reserve balances for same.
- Procedures by which TCERA staff can identify the source of all automatic computer generated entries against the general ledger.



- Procedures for reconciling dual general ledgers if separate general ledgers are maintained for calendar year and fiscal year reporting or if there is the ability to display information in both modes
- Procedures for periodically loading actuarial tables, approved by the system's actuary, and for accurately calculating the future cost of benefits and employer reserve charges.

In addition to documenting all steps to accomplish the processing of work, the Work Process Manual should make appropriate references to both automated and "manual" provisions designed to ensure the proper segregation of duties for internal security and control purposes. Examples include: ensuring that a user cannot update his or her own account, ensuring that account reconciliation is performed by someone other than the person responsible for general ledger postings, and ensuring supervisor review of account reconciliations. While it is TCERA's responsibility to implement the recommended segregation of duties, the vendor must develop the procedures and describe such segregation processes in terms of roles and work processes.

In addition to a detailed Table of Contents, the Work Process Manual must include a detailed, indented index to assist the user in locating the information of interest.

### **B-6.1.2 Work Process On-Line Help Facility**

The on-line help facility must reflect the 'as-built' nature of the system, and not the as-defined or as-designed. The on-line help facility envisioned by TCERA should operate much like Microsoft Word's Word Help with its "Search for:" help assistance. A field should be provided near the top of each system screen into which the user can enter a question (e.g., "How do I reprint a member's annual statement?") or a series of key words (e.g., "annual statement reprint"). The help facility should respond with a list of likely work processes / sub-processes from which the user can select. When the user selects an item from the list, the appropriate excerpt from the Work Process Manual should be displayed.

At the same time, the user should have access to online help from the TCERA website, from which they would download and / or play instructional videos, view interactive "How To" sessions, etc. The help available, while all drawn from the same library of help text (so that a user's question will get an answer from the same source as a member's question), should also be configurable so that a member of TCERA staff has access to and obtains more information than does a member.

### **B-6.1.3 Delivery of Work Process Manual and On-Line Help**

Both the Work Process Manual and the on-line help facility must be delivered in final draft form at least three weeks prior to the time of each functional cutover. TCERA will review the material and respond with comments and corrections in timely fashion. Upon receipt of those comments, at least one week prior to cutover, the corrected material, accompanied by an addendum describing all changes that have occurred since the distribution of the original deliverables, must be provided.

## **B-6.2 ADMINISTRATIVE AND SYSTEM DOCUMENTATION**

The sections below define the documentation required for system administrators, those who will reconfigure components of the solution and those who will support it.



### **B-6.2.1 General System Administration Documentation**

System documentation that must be provided includes but is by no means limited to:

- Backup and recovery procedures (complete with recommended schedule)
- Error code descriptions accompanied by a discussion of how to work around or recover from the particular error condition.
- System tuning discussion, providing TCERA personnel with the information they need to adjust performance

### **B-6.2.2 General System Configuration Documentation**

System configuration documentation that must be provided includes but is by no means limited to:

- Documentation on all aspects of pension administration system configuration such as changing of tax codes, addition of new plans, etc.
- Documentation on aspects of the system that are configurable but other than pension administration system-specific (e.g., frequency of backups)

### **B-6.2.3 System Maintenance and Operations Documentation**

The vendor is required to provide both hard- and electronic copies of all documentation required by TCERA staff or their designee (such as the vendor or another third-party) to maintain and operate the system following the turnover of responsibility for its operation from the vendor staff to TCERA or its designee.



## B-7 Training and Knowledge Transfer

The vendor will provide two comprehensive training programs, addressing the respective training needs of:

- TCERA users (TCERA staff and managers), both those individuals involved in User Acceptance Testing (UAT) and the general user population
- TCERA technical staff (operations staff, programmers, data team, and business analysts)

The training programs will encompass all platforms, applications, and environments included in the proposed solution. Furthermore, training will be provided at the time of any future major system upgrades. Training will occur in a phased manner, i.e., not all at the beginning or at the end of the project, but corresponding to the phasing of the overall project.

The format of the training to be provided to TCERA users and technical staff must include, in addition to classroom instruction, training workshops / laboratories that offer participants hands-on experience with all of the facets of the new solution pertaining to their job duties.

On-site training is to be provided by the vendor in all aspects of the new system. All trainers are to be certified as trainers by the developer of any of the third-party products on which TCERA staff is being trained. This includes but is not limited to: office automation, relational database management system, CASE tools, and third-party development tools. This training can be accomplished by vendor staff or subcontractor staff.

Although TCERA recognizes that subcontractors will provide some training services, the vendor (prime contractor) will be solely responsible for the quality and timely completion of all training activities.

A critical training requirement is to educate TCERA staff members in the process that will be used to define the new system's requirements, design the solution, and implement it. TCERA users in particular have limited familiarity with system development life cycle methodologies including, but not limited to, design "workshops", Joint Requirements Planning (JRP) sessions, and Joint Application Development (JAD) sessions. Yet their input is essential, and the design issues they approve early in the project will be the foundation on which subsequent activities will be based later in the project.

Regardless of the format and schedule for training (of all types) proposed by the vendor, TCERA expects that the vendor (or its subcontractor[s]) will conduct all training sessions. All training sessions will be administered through formal classroom instruction, training workshops/laboratories or through web-based access using designated office space at TCERA. Due to the size of TCERA, the vendor will train all staff members. Under no circumstances will any training session be conducted on any of the topics pertinent to the vendor-provided solution or any of its components without hardcopy reference material, a workbook, or a user guide supplied in sufficient number and in sufficient detail for those to be trained. Such reference or training material must thoroughly cover the subject matter and be written at the appropriate level for the intended audience. In addition, such material will be provided to TCERA in draft form for review and feedback to be incorporated by the vendor prior to the conduct of any related training sessions.



The vendor must provide all electronic source documents, graphics, and the like used in the development and presentation of all aspects of training. All training materials, either in electronic or hard copy format, may be copied by TCERA without restriction. Vendors must develop their training plans and price their training services accordingly.

The vendor must specify the expected performance and the expected outcomes of each type of training to be provided. In conjunction with this requirement, the vendor must develop evaluation tools to determine whether the training efforts produced the expected results. The evaluation must consist of various tests administered to trainees at each training session. This evaluation tool will be used to identify weaknesses of the training program and specific revisions that need to be made. Information regarding the actual training results must be provided in an evaluation analysis report. The trainers for all training efforts must utilize the evaluation survey tool.

TCERA will provide a training contact person who will work with the vendor to coordinate training activities. The vendor will provide TCERA with a list of training classes, their duration, their intended “audience,” and student capacity. TCERA and the vendor will jointly determine the training dates and schedule TCERA staff and facilities.

The following subsections define the specific training requirements for users versus technical staff versus employers.

## **B-7.1 USER TRAINING**

### **B-7.1.1 General User Training**

Topics to be addressed in the user training program include, at a minimum, those items listed below:

- Vendor’s system development methodology – aimed at users. See B-8.1.3
- Identification of the legacy processes that each user previously performed and how such processes map to the new processes. The purpose is for users to understand what they used to do vs. what they will do in the future.
- With respect to the new system's functional capabilities:
  - ✓ This training must be focused on educating the users in how to accomplish their job duties, i.e., which processes / sub-processes apply to the user’s particular job responsibilities and how to invoke and execute those processes and sub-processes.
  - ✓ This level of training is distinct and separate from training in user procedures (menus, windows, screens, radio buttons, etc.) defined below.
  - ✓ It includes training in the use of the Work Process Manual and help facility discussed in Section B-6.1, and encompasses all manual as well as automated processes.
  - ✓ Where appropriate, this training also indicates where processing that previously was done manually (or with an access database or Excel spreadsheet) is now done as a part of the new pension administration system. This will help wean users from the use of their former “outside the system” facilities.
- Use of all office automation tools associated with line-of-business functionality
- User procedures (including but not limited to navigating menus and screens, entering data, queries, and “short-cuts” / “hot keys”)



- User system administration (including but not limited to system functional access and system-wide parameters)
- User maintenance of date sensitive parameters, variables, and coefficients used in the system
- All applicable balancing and reconciliation processes involved in bridging and/or converting data
- Use of the various documentation deliverables, including on-line help and error messages
- Query language(s)
- Report writer products
- Deliverables repository.

The vendor will include in its proposal a top level User Training Plan that identifies the specific topics that will be covered. This training plan must also identify the courses that will be provided (including a brief description of each course's contents) and must include descriptions of:

- Materials / facilities to be provided by TCERA
- Training materials that will be developed by / delivered by the vendor
- The number of hours required by TCERA users for attending classroom sessions, training laboratories, and for independent study.

Of particular importance in this regard is the Work Process Manual (and Help Facility) discussed in Section B-6.1. No training relating to the use of the new pension application is to be conducted until the Work Process Manual is provided (first for review, revision, and approval by TCERA project management) and subsequently to all trainees. The pension application training sessions must be based on the Work Process Manual and include instruction in its use. TCERA recognizes that the new solution will be delivered in phases. Therefore, it is understood that there will likely be multiple versions of the Work Process Manual (each more complete than the preceding version) corresponding to the project's functional rollout phases. Before any user training is conducted in support of a functional rollout, it is imperative that the Work Process Manual supplied to the trainees be complete in terms of the processes and sub-processes used in that rollout.

The preceding paragraph is not relevant to user orientation sessions, training in the project's system development life cycle, or similar training relating to project methods and processes – as opposed to the use of the new solution itself.

### **B-7.1.2 Initial Work Process User Training**

A particular concern of TCERA is the ability of users to process work and fulfill their job duties utilizing the new solution as soon as it first becomes available at the time of the initial functional cutover. As described above, the vendor will provide standard training in the new solution, which will familiarize staff with the technical environment: screen navigation, windows, containers, tabs, wizards, and drop down lists, radio buttons, hot keys, data entry fields, and the like. But this training, while essential, is not sufficient to equip the users to begin processing work efficiently. Users do not think in terms of tabs and containers and wizards, etc. They think in terms of processes and sub-processes – e.g., enrolling a member, generating retirement estimates, issuing



refunds, setting up service purchases, etc. This is the reason for the stress placed on **training in work processes** in this RFP.

The vendor will identify for each user functional group the work processes and sub-processes for which they are responsible. In identifying the processes that will be documented, the vendor will adopt the terminology with which the users are already familiar. Users will be asked to confirm that all work processes for which they are responsible have been identified in terms that are familiar to them.

For each work process / sub-process identified, the vendor will develop a user-friendly script to be followed in using the new system to complete the process. Each script will start at system logon and “walk” the user through the windows, containers, tabs, wizards, screens, etc., in sequence, that have to be accessed in order to complete the work process. The scripts will address all drop down lists, radio buttons, data entry fields, etc. that must be used in processing work. Included in each procedure must be any necessary interaction with workflow management features, such as selecting a work packet from the user’s work queue, passing work on to another user / reviewer, resuming work on a work packet passed from another user, suspending work packets until a subsequent triggering event occurs, closing out completed work packets.

Each process “walk” in the manual must be complete in itself with no cross-references to other process “walks.” For example, there may be a process called “Retirement Application.” As part of processing an application for retirement, the user may review the member’s demographic information included on the application form and update the database with any changes. No doubt there will be another process in the manual for “Change Demographic Information.” Nevertheless, the section on “Retirement Application” **should not refer** the user to the “Change Demographic Information” section, but rather **should include the contents** of that section, with any adjustments necessary to account for navigating to demographic information processing from the retirement application process (rather than from system logon). TCERA understands that this approach will result in significant duplication within the manual. However, duplication is necessary to avoid the confusion which would result from forcing the user to refer from one process “walk” to another, possibly several times, in order to complete a single work process.

The vendor’s training plan must include instruction in the use of both the Work Process Manual and the on-line help facility.

## **B-7.2 TECHNICAL STAFF TRAINING**

TCERA has chosen to include in this section the training on all aspects of the vendor’s proposed solution that are not included in the user training specified in the previous section (Section B-7.1). Therefore, we include under Technical Staff the training of supervisors as well as appointed / nominate TCERA IT support staff. Obviously, supervisors will not need training on the operating system(s), but the overall principles under which they initially observe and later learn how to configure the pension administration solution are the same as those that govern how the IT support staff will be trained.

### **B-7.2.1 General Technical Training**

Topics to be addressed in the technical staff training program include, at a minimum, those items listed below:

- All applications software, whether packaged or customized



- Hardware operations
- Operating system level software
- Systems administration
- Troubleshooting and fault isolation
- Query language(s)
- Report writer products
- 4GL(s)
- Network (administration, management, tools, commodity software)
- Data base management system
- Deliverable repository.
- Integration of office automation suite, fax capability, calendaring and scheduling capabilities and internet access, the extent they are built in and relate to the LOB solution.

Training in both the use and the administration of software tools is required. It is desired that this training be provided on-site in Visalia, California. However, if such training is only available through a certified trainer outside of the Visalia area, then the vendor will bear the cost of such trips by TCERA staff. Vendors must disclose such costs, if any, in the proposal.

The vendor will include in its proposal a top level technical staff training plan that identifies the specific topics that will be covered. This training plan must also identify the courses that will be provided (including a brief description of each course's contents) and must include descriptions of:

- Materials / facilities to be provided by TCERA
- Training materials that will be developed by / delivered by the vendor
- The number of hours required by TCERA technical staff members by job category for attending classroom sessions, training laboratories, and for independent study.

Like TCERA users, technical staff members are also to be trained in the vendor's development methodology. The vendor may assume the existing technical staff is familiar with development principles in general.

Finally, in addition to any formal training that vendor provides, it is TCERA's expectation that its technical staff will be involved (if only as observers) whenever a task (e.g., system software installation and configuration, solution configuration, system backup, database tuning) is performed by the vendor that may eventually fall to the TCERA technical staff to perform in the post-implementation period. This approach will also make the eventual formal training in tools, processes and procedures much more useful. In fact, vendor is encouraged to incorporate into its technical training references to activities previously performed by vendor staff but witnessed by TCERA technical staff.

### **B-7.2.2 Pension System Administration System Training**

Training in the administration of the new pension administration solution must be addressed per the training requirements established above and must be included in the top level training plan presented in the vendor's proposal. TCERA requires that the successful vendor provide a comprehensive administration training program for no more than three (3) staff members who will be a mix of supervisors and IT staff members.



Topics to be addressed in the administration training include, but are by no means limited to:

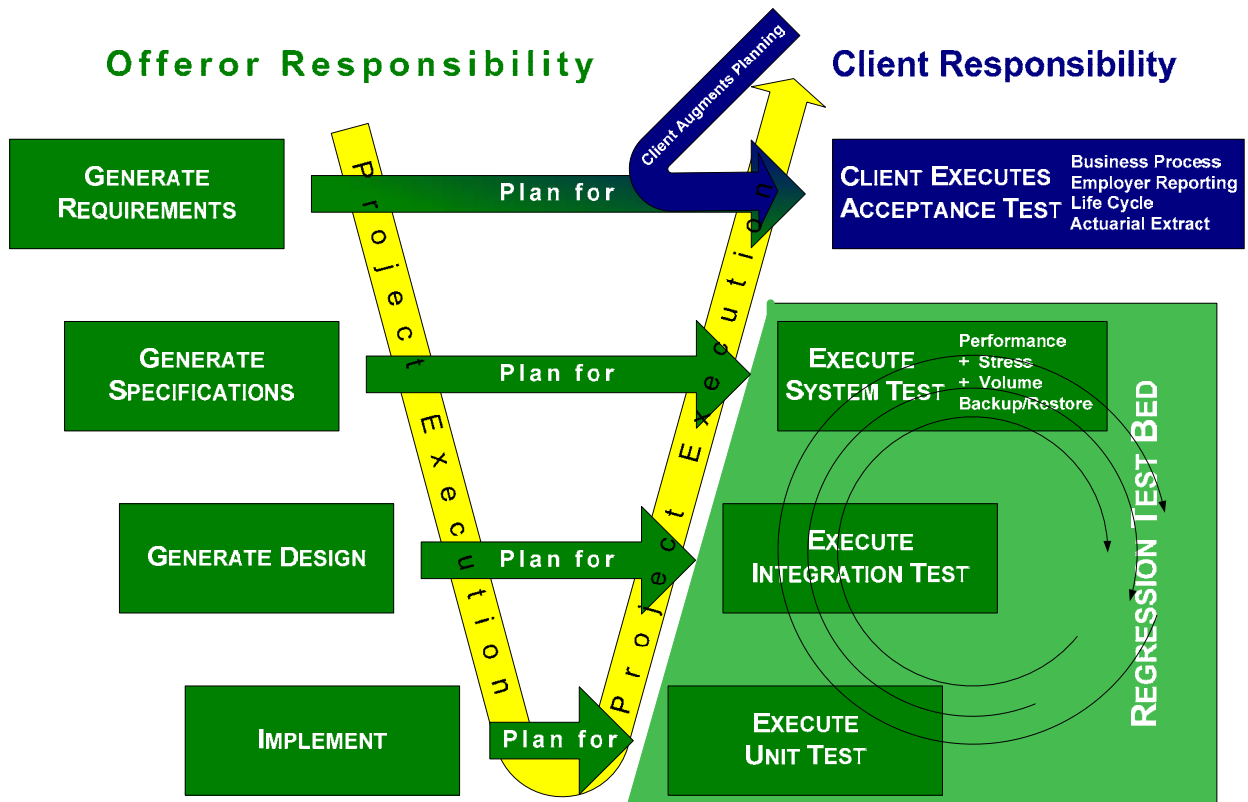
- Reconfiguration of all aspects of the system such as adding a new plan, a new user, changing the tax tables, etc.
- Support of the employer-reporting sub-system portion of the solution so that new employers can be added to the system, trained, and supported by TCERA staff
- Support of the web-based member self-service sub-system of the solution so that TCERA staff will later (using appropriate security measures) be able to expose to the membership functions that were previously accessible only to internal users.

## B-8 Testing

TCERA expects a comprehensive testing process to be in place and utilized to determine whether the solution delivered (both base functionality and customizations) satisfactorily addresses the requirements defined in the RFP as confirmed or revised during requirements definition.

Figure 5 below shows how the various development aspects and phases of a project relate to the various testing terms and definitions that TCERA employs. While the diagram as shown applies to the entire solution development life cycle, it is presented here to demonstrate the scope of testing as well as laying out the vendor responsibilities for the development and execution of test plans.

**Figure 5. Vendor Testing Responsibilities**



The diagram provides a wealth of information. It shows how the specifications for various test phases (on the right side of the project execution “V”) are derived directly from solution development phases (on the left of the “V”). It also shows that the vendor must accept responsibility for all of the development phases, all of the test planning and preparation, and all of the test execution except for the Client’s Acceptance Test shown in the upper right hand corner of the diagram.

Testing terms may vary from vendor to vendor in their methodologies – but the requirements as stated herein must be met as a minimum. If the vendor uses different terms, it must provide a



mapping of its terminology to TCERA's. A list of test-related terms, along with their meaning in the context of this RFP, is provided below:

***Scope of Testing***      The range of tasks conducted on the solution to determine whether the solution satisfies the functional and technical requirements defined in the RFP as revised through the requirements definition process – as well as the internal design specifications and the high-level and detailed design of the system.

***Vendor Testing or Vendor Acceptance Testing (VAT)***      The hierarchical series of tests conducted by the vendor to verify proper functioning prior to delivering one or more components of the solution to TCERA. In order from simplest to most complex, Vendor Acceptance Testing (VAT) includes:

- **Unit Testing** – Tests performed by the programmer or developer to ensure the reliable performance of functions, procedures, and routines before making the product available to other developers within the larger component or system.
- **Integration Testing** – Testing of the solution with all its integrated components to ensure that they work together as designed, that the various sub-systems communicate with one another properly, errors are properly propagated from one component to another, etc.
- **System Testing** – Testing of the entire system (as a system) to ensure that the solution meets the design specifications. Specific components of the system test include:
  - ✓ **Performance Testing** – Tests designed and executed to determine whether or not the solution delivered satisfies the performance benchmarks identified in the RFP and refined and agreed to by TCERA and the vendor. Performance testing includes:
    - **Stress testing** – designed to break the solution by overwhelming it or by depriving it of resources. The objective is to make sure that the system is recoverable – that it fails and recovers gracefully.
    - **Volume testing** – testing the solution by introducing constantly increasing load in an attempt to expose weaknesses that do not surface in routine testing, such as memory management bugs, memory leaks, buffer overflows, or processor saturation.
  - ✓ **Backup and Recovery Testing** – Testing to verify that a backup of the applications software and data, following procedures defined by the vendor, can consistently and accurately be made and restored in an acceptable time period.

The vendor should note that system testing also includes complete execution of the vendor-generated User Acceptance Test scripts to ensure that the system, when it is handed off to TCERA will execute the acceptance tests to a reasonable level of completion.



- **Regression Testing** – Possibly the most important aspect of the vendor's testing responsibility, regression testing is the principle of re-testing previous problem repairs subsequent to the correction of new problems to ensure that previously repaired problems do not recur. Regression testing is an integral part of any good software development methodology.

***User Acceptance  
Testing (UAT)***

Execution of a series of defined steps using predefined data the objective of which is to determine whether the actual outcome consistently, repeatedly, and accurately equals the expected result. User acceptance testing is a deliberate process and requires test scenarios, test cases, test data, and expected outcomes to be prepared (by the vendor) and known in advance of test execution. UAT occurs subsequent to the completion of VAT – though vendor-accomplished regression testing continues in response to changes and repairs of problems determined during UAT.

User Acceptance Testing (UAT) also addresses:

- **Business Process Testing** – Scenarios covering all the business processes TCERA conducts using data sets designed to exercise all possible variations, permutations and logic branches in base and customized function.
- **Employer Contribution and Payroll Reporting Testing and Support** – Vendor-assisted testing of employer reporting functionality to confirm that employer wage and contribution reports can be received and posted via both legacy system reporting modes and the new solution's employer reporting capability.
- **Extract File Testing** – All external interfaces to county applications, actuary and other external entities must be thoroughly tested.

As mentioned above and indicated in the diagram, the vendor will bear all responsibilities for test planning and preparation throughout the project.

These responsibilities include the identification and preparation of all test plans, test variants, test scenarios, test cases, test scripts, test data, and expected results for the entire system (not just the modifications/enhancements of the base product) and *for all testing levels*. Test cases and test data should cover all potentialities, including negative testing or data that would cause a specific function or process to either fail, test or confirm validations within the process or function. Furthermore, as indicated, TCERA requires that the vendor plan for and execute complete, end-to-end testing of the solution, not just the customizations done for TCERA. In addition, the vendor will provide a mechanism for reporting actual test results vs. expected results and for tracking all errors and problems identified during test execution (see Section B-3.3.8 Problem Incident Reports), as well as their resolution. This reporting mechanism will include trend analysis for tests completed, errors identified, rework efforts, and retesting efforts, in both numeric and graphical presentations.

In support of TCERA's execution of User Acceptance Testing (UAT) of each roll-out phase, vendors are to deliver to the TCERA project manager all of the aforementioned vendor-prepared materials at least two weeks prior to commencement of UAT – in both notebooks and electronic



copy (logically organized for the end-users). The vendor will also provide training as necessary to TCERA staff responsible for test activities – prior to the start of execution of UAT.

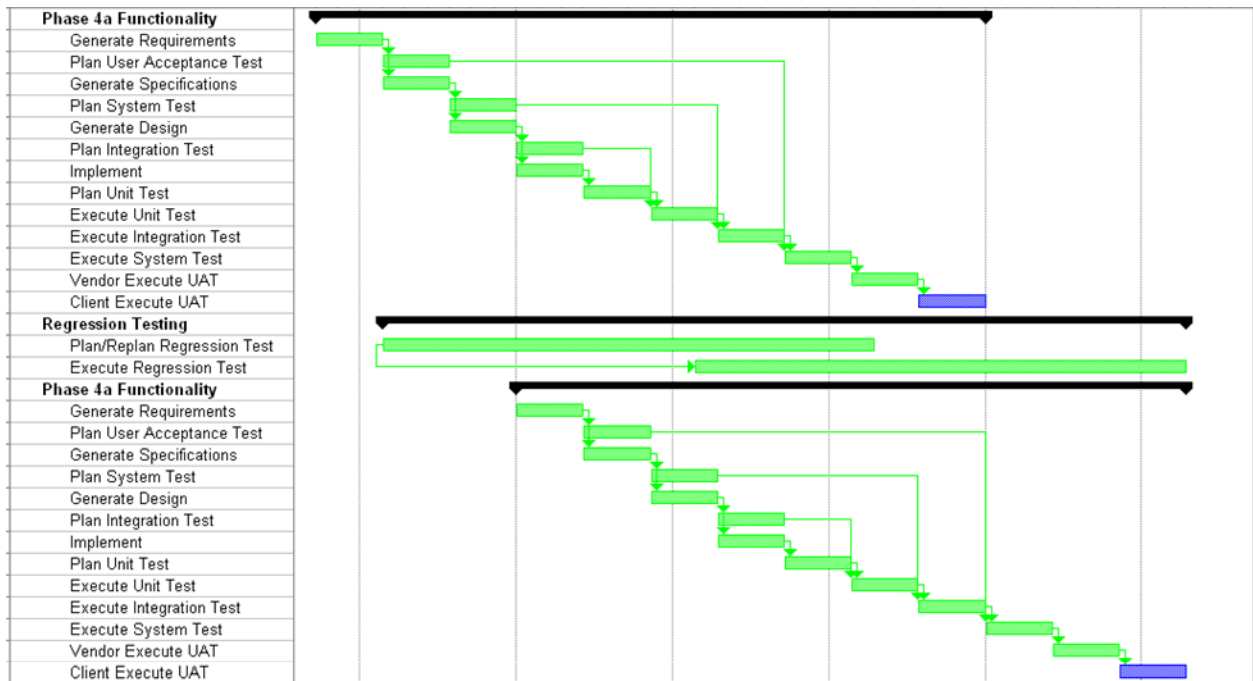
It is appropriate to assume that the majority of TCERA users are unfamiliar with structured, disciplined acceptance test procedures – their conduct and resource (time and staff) requirements. The preparation of necessary testing materials as identified in the preceding paragraphs is the vendor's responsibility, although TCERA reserves the right to review and approve the materials developed by the vendor and to augment those materials and test plans and scripts as TCERA sees fit. No user testing is to start until TCERA staff is trained by the vendor in testing methodologies and problem incident reporting (PIR) mechanisms.

In preparation for and execution of testing activities, the vendor must:

- Create the test environment, meeting the specifications of the test plans
- Install the system in the separate development, test, training, QA, and query environment (see Section B-10.2.1)
- Ensure that sufficient and approved test data is populated in the test database(s)
- Install and train TCERA staff on the use of an ad hoc query capability, complete with the ability to download the results of the queries in ASCII format or to an Excel spreadsheet prior to execution of testing
- Support the operation of the test system and deliver system output to TCERA as requested
- Document and resolve errors encountered during testing – and fully regression test the repairs
- Provide adequate technical and other staff dedicated to testing support and problem resolution while testing activities are in progress
- Update the requirements traceability matrix demonstrating that the tests performed validate that specified system requirements, either listed in the "To Be" Business Requirements (Section B-1.1) or generated through the requirements GAP analysis conducted as part of this implementation, have been met.

Figure 6 below shows TCERA's perception of the various tasks and their scheduling relative to one another; (i.e., there is no intent to indicate that the project will have only two roll-out phases);

**Figure 6. Relative Project Test Activities**



In its proposal, the vendor is to include its proposed test plan methodology. After contract award, the vendor will be required to include details of its test plan methodology in the detailed project work plan. A separate test plan and set of test materials will be prepared for each functional cutover.

The vendor will be responsible for archiving all test data results in the required deliverables repository described in Section B-3.3.10. The repository will be accessible by the TCERA Project Manager as well as other members of the project team. Test-related material in the repository must be stored in such a manner that it cannot be altered after being filed.

TCERA is concerned about the amount of time that will be allocated to testing relative to design and development. It is crucial that TCERA training and testing activities not be abbreviated in order to meet project implementation schedules; it **cannot** be assumed that when testing commences TCERA can allocate 100% of its resources to this effort. Therefore, TCERA requires that a fixed ratio apply to the time devoted to TCERA training and testing relative to the time devoted to vendor requirements definition, design, and development. We propose a 4:1 ratio – i.e., if the time required for the vendor to design, build, and test a particular functional rollout phase is eight months, then up to two months must be allocated to TCERA staff for training and test execution. The vendor must disclose in its proposal the assumptions it has used with regard to TCERA resources required during testing.

Vendors are invited to discuss this issue in their proposals and to offer an alternative approach. However, if they propose a significantly higher ratio of development time to testing time, they must explain the rationale for their alternative. Prior to contract execution, a fixed ratio will be discussed and agreed to. No deviations from the fixed ratio will be permitted during the course of the project except by express written approval of TCERA.

The following sections provide specific requirements and detail the vendor's responsibilities relating to both Vendor Acceptance Testing and User Acceptance Testing of the new solution.



## **B-8.1 SCOPE OF TESTING**

TCERA is concerned as to the adequacy of the *scope* of testing of the pension administration application. It is understood that vendors proposing packaged solutions to be modified (as opposed to template-based or fully customized solutions) will likely test their base product via automated testing routines, then design specific test cases to validate their modifications to the base product.

However, **at a minimum**, the vendor is responsible for designing test plans and specific test cases and developing all test materials necessary to exercise and validate each and every line item in the LOB section of the Requirements Traceability Matrix described in Section B-3.3.1, not just the functions that are customized for TCERA. It is reasonable to assume that some test plans and cases may address more than one matrix requirement. However, the scope, extent and number of matrix requirements addressed by any one plan or case must be reasonable and the vendor should keep in mind that failure of the application to successfully execute a matrix item within a test case will result in failure of the test case itself. The vendor must work cooperatively with the TCERA Project Manager (or other TCERA staff member appointed by the Project Manager) toward approval of every INDIVIDUAL line item in the matrix, with sign-off indicating successful testing and execution of such functionality (other than for those matrix items eliminated through change order, exceptions or for other reasons acceptable to TCERA). In order for an authorized TCERA staff member to indicate, by his/her signature on the matrix, acceptance of an individual line of business functional line item, the vendor will have to demonstrate through appropriate testing activities that the line item is satisfied by the solution as implemented.

In its proposal, the vendor is to state its commitment to design test cases and develop all related test materials necessary to validate, at a minimum, each and every line item in the LOB portion of the Requirements Traceability Matrix. TCERA welcomes discussion of any additional line of business application testing being proposed by the vendor.

Thus the vendor is to develop and deliver a test plan and test materials for all functionality to be delivered to TCERA – regardless of its origin, i.e., baseline product, modification to a baseline product, or custom function.

The following subsections set forth specific topics that must be addressed by the vendor's test plan and specific testing scenarios that must be addressed by the vendor test team.

## **B-8.2 VENDOR ACCEPTANCE TESTING**

The Vendor Acceptance Test will demonstrate the successful testing and operation of the system by the vendor, ensuring that the new solution is functioning and processing data correctly and ready for TCERA User Acceptance Testing (UAT). Tests to be performed within VAT include:

- Unit testing of any code developed specifically to address requirements or issues specific to TCERA
- Integration testing to ensure that all third-party and other application packages integrated into the solution perform properly and that information is exchanged among the components properly
- End-to-end application system testing, including stress tests, volume tests, and performance tests to ensure that the solution will meet performance requirements under expected user



loads, as well as backup and recovery testing. Note that such system testing should also include complete execution (and certification that it has been successfully executed) of the vendor-generated test scenarios for UAT.

Furthermore, VAT includes continuous regression testing of the implemented solution to ensure that all subsequent fixes and changes to the system do not break things which worked prior to the implementation of those changes. Vendor Acceptance Testing must be performed for each functional rollout phase of the project.

In fulfilling this responsibility, the vendor must provide an internal, independent group to conduct vendor unit, integration and system testing before functionality is delivered to TCERA for UAT. Following what TCERA considers a “best practice” in solution development, the vendor testing team is to be 100% independent of the development team. The independent vendor testing team must be present and available to support the TCERA test team during UAT.

The following subsections set forth specific requirements relating to the vendor’s unit testing, integration testing, system testing and regression testing.

### **B-8.2.1 Unit Testing**

Unit testing will be performed by the vendor for each functional rollout phase of the project. Certification that the vendor’s test team has successfully completed all unit tests must be delivered to TCERA prior to the commencement of Vendor Acceptance Testing (VAT). Note that it is not necessary to indicate the name of each module that has been unit-tested, merely, that unit testing has been completed.

### **B-8.2.2 Integration Testing**

Integration testing will be performed by the vendor for each functional rollout phase of the project. Even if there are no third-party package components in the rollout phase being tested, there may be issues with integration with TCERA’s web site, the RDBMS underlying the solution or other such components. Certification that the vendor’s test team has successfully completed all integration tests must be delivered to TCERA prior to the commencement of Vendor Acceptance Testing (VAT).

### **B-8.2.3 System Testing**

System testing will be performed by the vendor for each functional rollout phase of the project. System testing will be performed on one of the environments installed at the TCERA location and must be witnessed by the TCERA Project Manager or his or her designee. System testing should include end-to-end testing of the system to ensure that when TCERA executes the UAT scripts and processes there will be no unexpected errors or other deficiencies. In addition, system testing includes the performance- and backup and recovery-testing outlined in section B-8.2.3.2. TCERA further notes that at the conclusion of System Testing, vendor must execute the full vendor-developed suite of UAT tests to ensure that TCERA staff commences their testing on a system that works.

Certification that the vendor’s test team has successfully completed all system (including the pass through the UAT testing) tests must be delivered to TCERA prior to the commencement of Vendor Acceptance Testing (VAT).



### **B-8.2.3.1 PERFORMANCE TESTING**

Vendor must demonstrate via a performance benchmark test to be conducted as mutually agreed to between the vendor and TCERA, that the proposed solution will meet all performance criteria when all of the following are running:

- Standard LOB applications
- Ad hoc query is in use
- 10 concurrent sessions of TCERA staff users (whether internal or external [i.e., working from home or another remote location])
- 3 active wage and contribution transmissions occurring (i.e., 3 employer wage and contribution reports simultaneously submitted)
- 50 concurrent external users accessing the system through the Web (see below)
- Multiple instances of unattended processes such as interest calculation, etc.

Web applications that will be available to reporting units, active members, or retirees must be sized to accommodate 100 concurrent sessions initially and rising to 200 concurrent sessions within 5 years of the system's rollout.

The required performance benchmark test must include:

- Stress testing – Tests designed to break the solution by overwhelming it or by depriving it of resources. The objective is to make sure that the system is recoverable – i.e., that it fails and recovers gracefully.
- Volume testing – testing the solution by introducing constantly increasing load in an attempt to expose weaknesses that do not surface in routine testing, such as memory management bugs, memory leaks, buffer overflows, or processor saturation.

The performance test must:

- Be described in detail in the vendor's proposal
- Be conducted as part of the acceptance of the first functional rollout phase that is moved into production
- Be conducted as a condition of acceptance of the full system.

TCERA understands the changing nature of computer technology and accepts that, at some point, the architecture procured under this project will be antiquated. With that in mind, TCERA requests that the vendor discuss in its technical proposal the means by which it upgrades its current client base to new platforms (e.g., new servers, new desktop PCs, new underlying architectures).

Notwithstanding the above, the vendor must be aware of and understand that the performance requirements outlive the term of the contract. In the event that the combination of hardware and software specified by the vendor fails to satisfy performance requirements stipulated in Section B-2.6 (and elsewhere in the RFP), the vendor is required to provide additional hardware,



software, and services, as necessary, to rectify such performance shortfalls – at no additional cost to TCERA.

#### **B-8.2.3.2 BACKUP AND RECOVERY TESTING**

Vendors must agree in their proposals to conduct a backup/recovery test to confirm that a full system backup of the LOB can be completed within four (4) hours – and that a complete system restore of the LOB can be accomplished in the same amount of elapsed time (four hours). The complete backup/recovery tests will be repeated for each functional rollout of the new solution.

During any backup/recovery test, should the vendor fail to demonstrate that a full backup and a full restore can each be completed within the specified four-hour window, the vendor must agree that it will, at its own expense, take the steps necessary to enable the system to consistently meet the four-hour backup/recovery requirement.

#### **B-8.2.4 Regression Testing**

The vendor will be responsible for developing test plans and all test materials, as well as for executing all tests and certifying their completion prior to user testing for all functionality being delivered. As a result of the user testing activities, problems will be identified that require correction. Those corrections will, in turn, require re-testing. In addition, when a second functional phase is developed on top of a first, features inserted into the second (and subsequent) phase(s) may cause functionality in the first phase to cease functioning. Those problems are identified through re-testing of the features of all phases prior to the current phase – as well as unit, integration and system testing of the most recent phase.

During the problem correction process, as well as during the validation of previous phases, TCERA is concerned that appropriate regression testing be conducted. By regression testing, we mean re-testing to detect faults introduced during the modification and correction effort, both to verify that the modifications and corrections have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) system components still meet their specified requirements.

As part of the overall system test plan, a regression test plan should be developed by the vendor describing (1) the core test bed that ensures appropriate coverage of complete system functionality, and (2) how each specific programming change made to the solution will be classified and also how a test for its integrity will be incorporated into the regression test bed. Then when a programming change is made (and tested and integrated) in response to a problem identified during vendor or user test, the regression test bed should be augmented (according to the plan) to incorporate testing for the new repair, as well as ensuring that prior repairs are not undone. Thus the regression test plan has two objectives: first, to validate that the change/update has been properly incorporated into the program; and second, to validate that there has been no change to the unchanged portions of the program.

The vendor will be expected to:

- Create a set of test conditions, test cases, and test data that will validate that the unchanged portions of the program still operate correctly
- Create a set of test conditions, test cases, and test data that will validate that the change has been incorporated correctly



- Manage the entire cyclic process.

Again, the vendor's independent test team will be expected to execute the regression test and certify its completion in writing to TCERA prior to passing the modified application to the users for retesting. In designing and conducting such regression testing, the vendor will be required to assess the risks inherent to the modification being implemented and weigh those risks against the time and effort required for conducting the regression tests. In other words, the vendor will be expected to design and conduct reasonable regression tests that are likely to identify any unintended consequences of the modification while taking into account schedule and economic considerations.

Finally, TCERA believes that the set of regression tests developed during the implementation of the vendor's solution provide a complete test bed for testing of further revisions of the product, as well as possible changes in configuration, etc. For that reason, the vendor is required to supply TCERA with the complete set of regression test instructions, scripts, expected outcomes, etc. upon final cutover. TCERA will use the regression test bed to validate subsequent patches and releases of the operating system, releases of the pension administration system, and changes in configurations, etc., that TCERA business analysts make to the pension administration system. (If supplying the regression test bed in usable form also requires that TCERA purchase an automated test tool of some description, that tool should be itemized in the list of commodity software required.

In their proposals vendors must acknowledge their complete understanding of and responsibilities for regression testing as described in this section.

### **B-8.2.5 Criteria for Cutover to User Acceptance Testing**

Cutover from VAT to UAT is more than a date on a project plan. Prior to the commencement of UAT, the vendor must have successfully completed all required testing required by the phase definition. At the conclusion of VAT for each phase, the vendor will provide written certification, signed by both the vendor's project manager and the vendor's Test Team Director (an individual separate and apart from the development staff charged only with test and quality assurance responsibility) that all tests have been completed satisfactorily and that the system is ready for User Acceptance Testing (i.e., that 100% of critical functions [those that occur within 2 months of production cutover] have successfully passed vendor testing and at least 95% of non-critical functions have passed vendor testing).

A sample of such a certification document is presented below:



[date]

[client project manager  
.....  
.....  
.....]

Dear [client project director]

As required by RFP Section [.....], this letter serves to certify to TCERA that [the vendor] has completed independent internal unit, system, and integration testing of the entire application – all components and elements (i.e., base application, customizations, integration with third-party software, etc.) for the [fill in phase] phase. Further, [the vendor] has also completed applicable regression testing to ensure the customizations and 'fixes' have had no adverse effect on unchanged, base functionality and the effect of the corrections has not promulgated additional errors elsewhere in the application. In summary, [fill in passed] of [fill in total] test cases([fill in percent) %) ran to completion without error

Thus, the software delivered for user acceptance testing (UAT) by [the vendor] should be free of defects and should pass the same tests when administered by [the client] staff in their hardware environment.

This testing has been completed by a team separate and distinct from the application developers.

Accompanying this letter you will find the final copy of:

- The test plan
- Certification of [the vendor]-completed testing
- Test cases, scenarios and scripts
- Applicable test variants
- Test data along with expected results

Ready to be used by [the client's] staff as the basis for their test activities – planning, test execution, and test results reporting.

With internal testing completed and with the above material in hand, it is now appropriate for the [the client] to begin user acceptance testing for the [fill in phase] phase.

As always, if you have any questions, please call us with them or e-mail them to us.

Sincerely,

\_\_\_\_\_  
[vendor] Project Manager

\_\_\_\_\_  
[vendor] Test Team Director



The final output of VAT will be both hardcopy and electronic test materials including, but not limited to: test plans, test scripts, expected test results, actual test results, and tangible proof (i.e., screen prints [before and after images] or report output) that actual test results were compared to expected test results. UAT will not begin until two weeks after **all** VAT material has been provided to TCERA.

### **B-8.3 USER ACCEPTANCE TESTING**

User acceptance testing (UAT) will be conducted for each functional cutover. UAT will not begin until at least two weeks after all of the following have occurred:

- The vendor has completed vendor unit testing
- The vendor has completed vendor integration testing for the functionality included in the specific rollout phase
- The vendor has completed vendor system testing for the functionality included in the specific rollout phase
- The vendor has completed regression testing for all repairs found and implemented during Vendor Acceptance Testing (VAT)
- The vendor has provided TCERA with all test materials, test results, and written certification, signed by both the vendor's project manager and the vendor's test team director (an individual separate and apart from the development staff charged with only test and quality assurance responsibility), that all tests have been completed satisfactorily (at a minimum, to the 95 percent level) and that the system is ready for User Acceptance Testing.

As mentioned elsewhere in this RFP, the vendor will be required to provide an independent test team composed of vendor staff that had no hand in developing the system under test. That independent test team will be continuously present and available to assist the TCERA users in meeting their UAT responsibilities.

In addition to assisting TCERA users in utilizing the test materials and executing the tests, the vendor's independent testing team will also support users in reporting test results and in re-testing, as required, to confirm that all Problem Incident Reports were addressed correctly and thoroughly.

Tests conducted during UAT will be executed against converted data drawn from TCERA's current production legacy system as well as against new data added during execution of the test cases. As a result, the vendor will need to accommodate in its project plan and timeline the completion of some sufficient level of data conversion to provide a satisfactory sample data set.

Regardless of the project schedule, User Acceptance Testing for a rollout phase will not be considered complete until all of the major processes run to completion without major error or issue. Final cutover of the system has further criteria as described in Section B-8.4, below.

The following subsections discuss specific user acceptance testing requirements relating to business process testing scenarios, employer reporting testing, and (member) .



### **B-8.3.1 Business Process Testing**

The vendor is responsible for developing business processing test scenarios in cooperation with TCERA. The vendor will work with TCERA staff (designated by the TCERA project manager) to develop testing plans and materials and for conducting vendor integration and system testing. Business Process Testing must encompass design tests to demonstrate that every line item in the Requirements Traceability Matrix (described in a Section B-3.3.1) is functioning properly. The testing scenarios should demonstrate, through typical and standard business processes, that all functionality required for a given business process is in fact implemented and operating correctly. The testing scenarios must do this using both positive and negative testing (i.e., test data reflecting correct data and parameters results in successful tests, and test data reflecting invalid or “bad” data is handled properly without causing abnormal ends to processing). Abnormal test conditions must be accounted for in these plans. The test plan must account for all possible error conditions and demonstrate that the application can process abnormal events properly.

The applicability of the testing scenarios depends on the particular functional rollout phase of the implementation being tested. Therefore, in order to demonstrate the ability to audit the new solution, the vendor is responsible for addressing each of the testing scenarios twice – in the project’s first functional rollout phase to which it pertains **and** again prior to the final functional cutover to the new solution.

The list of business processes defined cooperatively by TCERA and the vendor is likely to be extensive. For each business function in this RFP (see Section B-1, there are specific minimum test requirements (common test cases, uniform test data, etc.) that must be included in the testing plans.

### **B-8.3.2 Employer Contribution and Payroll Reporting Testing and Support**

In addition to the appropriate VAT of the new employer reporting system prior to the start of UAT, the vendor will be required to participate in the testing of employer reporting. Vendor responsibilities in this area include:

- Demonstrating and training TCERA staff in the use of the employer reporting test data bed
- Providing comprehensive on-site support to TCERA staff in comprehensive testing of agencies’ reported wage and contribution data.

### **B-8.3.3 Extract File Testing**

The vendor will be responsible for developing test cases and scenarios that demonstrate the correct function of the various external data imports and exports required under this procurement. These include:

- Export of audit sample for annual review to external auditor
- Export of benefit statement for printing to third-party vendors
- Export of valuation data to actuary (Buck Consultants or current actuary)



- Import / Export of COLA and SRBR valuation data to and from actuary (Buck Consultants or current actuary)
- Import / Export of 415 and 401(a)(17) limit data to and from actuary (Buck Consultants or current actuary)
- Import of contribution deposits from employers
- Import of wage and contribution data from plan sponsor payroll systems. (Multiple employers)
- Import / Export of corrections and adjustments to and from employer payroll system
- Import / Export of general ledger transactions to and from accounting system (QuickBooks)
- Import / Export of retiree payroll data to and from the custodian bank (BNY Mellon Global Securities Services)
- Import / Export of member data to third-party vendors for member death screening (PBI, etc.)
- Import / Export of add, change and delete transactions to retiree payroll data to and from the custodian bank (BNY Mellon Global Securities Services)
- Import / Export of distributions and lump sum distributions to and from the custodian bank (BNY Mellon Global Securities Services)
- Import / Export of voluntary deduction changes to retiree payroll data to and from the following vendors:
  - ✓ Tulare County Benefits Division
  - ✓ Tulare County Retired Employees' Association (TCREA)

The vendor should refer to Section B-8.3.3 for more information on the required import / export requirements.

With respect to the actuarial extract specifically, the solution must provide the system's actuary with the information necessary to prepare an annual actuarial valuation to appropriately adjust (if applicable) employer and employee contribution rates, COLA rates, and interest rates. Furthermore, the system must be capable of extracting data sufficient to allow TCERA and the actuary to develop as separate reports the Experience Study and the Asset and Liabilities Report (see Appendix E-16). The extract must calculate the regular and COLA portions of contributions based on percentages provided by the actuary as this is not reported to TCERA by the employer. Calculation and tracking of COLA contributions should be inherent in the program rather than added on at the extract level. All the above referenced reports or extracts shall be run on an "as of" basis. This will apply both to running the processes in both the production and test environments. For example, if User Acceptance Testing were to occur in March, TCERA will need to use the most recently completed fiscal year for the reports or extracts. It will be the vendor's responsibility to develop the detailed requirements in this area based on interviews with system staff, the actuary, and potentially the investment consultant.

The vendor is required to include in the solution functionality that creates an annual audit sample extract to provide the system's external auditor with information necessary to confirm data reported in the system. In addition, the system must be capable of extracting sufficient data to allow the auditor to send out separate letters to the active, deferred and retiree population.



All of the extracts listed above shall be run on an “as of date” basis in both the production and test environments. This is included in the vendor’s responsibility to develop the detailed requirements in this area based on interviews with system staff and potentially the external auditor.

Depending on the timing of cutover, the vendor will be required to produce the actuarial and audit sample extracts and reports in test-mode for either the most recent year-end, or the prior year-end, or both. The extract file(s) and report(s) must be provided to the actuary and auditor not later than 60 calendar days before the scheduled final cutover to the new system. The system’s actuary and auditor will compare the extract(s) / report(s) to the legacy system extract(s) / report(s) for the same year(s) and provide feedback to the vendor no more than 30 calendar days after receipt. The vendor will be responsible for making any necessary corrections, re-generating the extract(s) / report(s), re-submitting the extract(s) / report(s) to the actuary, auditor or both, and receiving sign-off prior to cutover. The objective is to get the actuary and auditor to sign-off as one essential criterion for making the cutover “go-no go” decision.

## **B-8.4 CRITERIA FOR FINAL CUTOVER**

The vendor must certify in writing, signed by both the vendor’s project manager and the vendor’s test director (an individual separate and apart from the development staff, charged only with test and quality assurance responsibility), that the following criteria have been met prior to the cutover to “live” processing for each functional rollout of the new system:

- Successful TCERA execution of all User Acceptance Testing:
  - ✓ Successful execution of all Business Process Testing (including an exact match between old and new system calculations of all benefit calculations)
  - ✓ Successful execution of Employer Contribution and Payroll Reporting Testing
- Successful vendor execution of all Vendor Acceptance Testing:
  - ✓ Successful execution of a full Regression test
  - ✓ Successful execution of complete system testing
  - ✓ Successful execution of a full stress test cycle
  - ✓ Successful execution of full integration test
  - ✓ Successful benchmark test
  - ✓ Successful test and execution of all failover, backup and recovery operations
  - ✓ Successful test of application, data, and infrastructure security
- Successful reconciliation of member and employer reserves in the pension solution database against general ledger reserve balances, using the reconciliation procedures delivered by the vendor, at least once every two weeks during UAT
- Successful reconciliation of the calendar year general ledger and the fiscal year general ledger, using the reconciliation procedures delivered by the vendor, at least once every two weeks during UAT
- Successful reconciliation of benefit payroll to that of the preceding pay period

Vendors are reminded that, prior to the final functional cutover, in addition to meeting the criteria listed above, the system actuary must sign-off on the actuarial extract file / report capability of the new system (please refer to Section B-8.3.3 for additional information in this regard).

In addition, there must be no critical PIRs outstanding for those processes or business functions that are anticipated to occur within 2 months of production cutover. No more than 5% of non-



critical business functions (i.e., those that are anticipated to occur beyond 2 months following cutover) may have open PIRs at that time.



## **B-9 Vendor Transition Support During Cutover**

The transition from the current business processes to those in each phase and each major sub-system must be planned and managed by the vendor. Having implemented its solution in other locations and with other clients, the vendor understands that having received TCERA's approval of the UAT phase of testing is just one milestone in TCERA's transition to competent usage of the new solution (or any of its critical subsystems).

The vendor is required in its response to detail the cutover support plans for each phase of the LOB solution and for the specific sub-systems as indicated in the sections that follow.

### **B-9.1 LINE OF BUSINESS CUTOVER AND TRANSITION SUPPORT**

Each rollout phase of the new solution will bring significant changes to the way that TCERA executes its business processes, some of them operational (new backup processes, new system reports or status dashboards to monitor and understand), and some of them user-oriented. TCERA's users and IT staff will have undergone training, and many will have participated in UAT, but they will not be fully prepared for the sudden change in their environment.

To assist in the transition, vendors are required to plan for and provide a transition support team for the period from two (2) weeks before the scheduled cutover milestone until four (4) weeks afterward, as well as four (4) separate one week sessions to assist with the first run of critical processes<sup>3</sup>. The team must consist of two (2) vendor personnel with the following characteristics:

- A broad understanding of the solution
- Excellent people skills
- Excellent communication skills (possibly trainers)
- Patience for those times when they will be asked the same question four times in ten minutes.

TCERA believes that the number of vendor staff devoted full-time to transition support may decrease during the six-week transition period, but the full staffing complement is required through at least the first half of the post-go-live period, i.e., until at least two weeks after cutover.

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<sup>3</sup> Obviously if the milestone dates change, the window during which the transition support team is active at TCERA's location will also move.



## **B-10 Other Required Services and Deliverables**

TCERA has identified several additional areas that are of importance in selecting a vendor. These requirements have been accumulated under a single heading — Other Required Services and Deliverables. The intent of this section is to inform the vendor of its responsibilities and the expectations for its conduct over the duration of its relationship with TCERA in the following areas:

- Warranty and support
- Miscellaneous.

### **B-10.1 LOB APPLICATION WARRANTY AND SUPPORT**

With regard to the customized line-of-business application, the vendor must warranty that it will operate, in its entirety, in accordance with the RFP's requirements and the specifications approved by TCERA, for 6 months after final turnover and acceptance of the last phase of the project. The cost for this warranty should be included in the vendor's cost proposal and be so identified. This implies a longer warranty period for portions delivered earlier in the project. If a component of the LOB solution (e.g. Web server software) has a version upgrade, the vendor shall be responsible for upgrading such component without any additional cost to TCERA through the end of the warranty period.

#### **B-10.1.1 Statutory and Regulatory Changes**

For statutory and regulatory changes that have been necessitated by any federal and California government agency, statute, judicial interpretation, or directive (including but not limited to IRS, Department of Labor, Department of the Treasury, and ERISA) from the point of contract award through the end of the warranty period, including changes in the federal tax withholding tables, TCERA will not be charged. Rather, this functionality will be provided to TCERA at no additional cost. Following the warranty period, such changes will be provided to TCERA for as long as TCERA maintains a support arrangement with the vendor. The annual software license and maintenance fee or other such fee will be included in the vendor's cost proposal and so identified.

#### **B-10.1.2 Limitations**

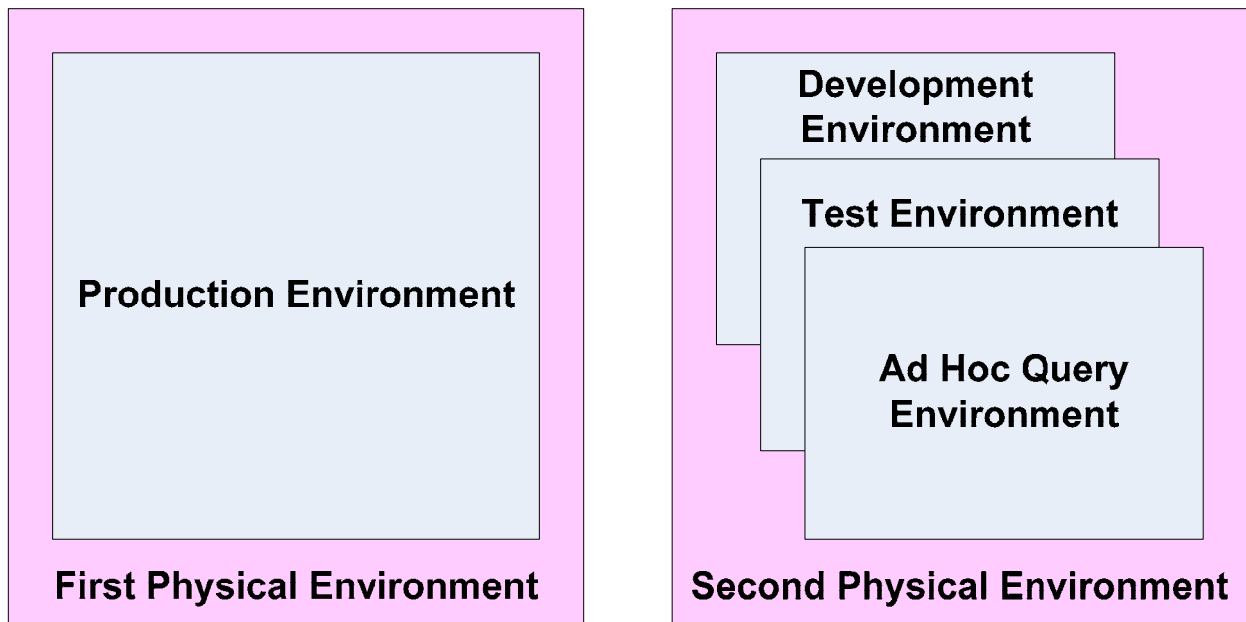
Vendors must identify any and all limitations and constraints with respect to software maintenance and warranty. They must be explained in terms of risk, change control, and cost implication. If the vendor does not identify such limitations and constraints, then warranty and maintenance protection afforded TCERA, and its associated costs, will be as described above without limitation or constraint.

## **B-10.2 MISCELLANEOUS**

### **B-10.2.1 Separate Development, Test, and Ad-Hoc Query Environment**

The vendor must specify at least two physical environments. The first will be the production system that houses the production environment. The second will be a separate physical environment that will be used to validate (test) the new system, to conduct training during the development effort, to perform quality assurance activities, to provide ad hoc query capability to end-users, and to support TCERA IT staff development activities after delivery of the entire system to TCERA. Thus, as indicated in Figure 7 below, at least two fully redundant physical environments are required, one for production and the second for support activities.

**Figure 7. Multiple Physical and Logical Environments**



The second environment may consist of multiple logical environments for development, testing, training, QA, and/or query purposes. If located in a separate geographical location, the second physical environment may also serve as the Disaster Recovery environment. If the second physical environment is to serve in this capacity, one of the logical environments must be capable of supporting the same number of staff users, employers, and external members as the production environment. If the second physical environment is not part of the Disaster Recovery Plan, the logical environment used for test must be capable of supporting at least fifty percent of the number of users supported by the production environment.

Furthermore the database(s) in the second environment must consist of one hundred percent (100%) of the actual data in the existing TCERA production database. These databases are to be produced by a database copy, save and restore utility, or other utility or tool. The utility must remain available to TCERA staff after implementation of the new system. In addition to supporting the testing of the new system upon its implementation, the objective of the utility and test database is to provide staff with the ability to test system enhancements and modifications (possibly several years) after cutover.



The overall hardware and operating system capabilities in the second environment must be adequately sized to support concurrent:

- Software maintenance (including but not limited to editing, compiling, and linking) activities
- Testing activities
- Test database building activities
- Training activities
- Query activities.

The vendor's response must describe in detail how these requirements will be met, including adequate hardware (including but not limited to processors, memory, and disk) and configuration and version management tools. The vendor must also describe how the backup and recovery procedures being proposed will ensure coverage of all of the delivered environments.

The vendor must also propose and provide appropriate documentation, end-user training, and operations procedures to enable TCERA to maintain and utilize both environments.

### **B-10.2.2 Offshore<sup>4</sup> Development**

TCERA is aware that some retirement system solution providers have turned to offshore development facilities to achieve economies in costs related to the delivery of various aspects of their solutions and thus enhance their competitive position in the marketplace. TCERA is not necessarily opposed to this approach. However, TCERA will require that its prime provider of services for this project be a United States or Canadian corporation, and that any development related to this project conducted outside of the United States or Canada constitute less than twenty-five percent (25%) of the development effort as measured by the hours of vendor staff devoted to the project. TCERA is concerned that if the offshore development model is not carefully managed, any savings in hourly rates may be more than offset by difficulties in related areas of the effort, especially project team communication and responsiveness.

Vendors are required to state in their proposals whether or not offshore development facilities will be utilized. If so, the following additional information must be provided:

- The proportion of the overall effort that will be met by the offshore development facility in terms of man-hours, i.e., what percent of the person hours of the overall effort will be done offshore?
- The location of the offshore development facility and a description of its resources, attributes, etc.
- If the time zone of the off-shore location is different by more than four hours from that of TCERA, a description of the means taken to ensure constant, reliable communication, e.g., TCERA does not want its staff having to attend midnight conference calls
- For what other public retirement system clients' implementations has the vendor used the offshore development facilities being proposed to TCERA? Were the offshore resources used for the same duties and in roughly the same proportion as is being proposed to TCERA? What percentages of those overall efforts were done offshore?

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<sup>4</sup> For the remainder of this section, the term offshore shall include all countries not part of the fifty United States and Canada.



- The “boundary” that will exist between domestic support and offshore support – i.e., will U.S.-based or Canada-based vendor staff be responsible for all on-site work in terms of requirements definition, programming specifications, training, and support, backed up by an offshore programming team, or will offshore personnel also participate in on-site activities? If offshore resources will be involved in on-site activities, please describe those duties and responsibilities in detail.
- If offshore personnel will be involved in interfacing with TCERA staff, what assurance is offered that:
  - ✓ No language barriers will be encountered?
  - ✓ The offshore staff assigned will be sufficiently familiar with the vendor’s solution, U.S. ‘culture’, and retirement systems in general to fulfill their responsibilities as efficiently as would comparable U.S.-based or Canada-based staff?
- Will the use of offshore resources be restricted only to the original development effort, or will they also be utilized to provide subsequent maintenance and support services?
- What quality ratings have been earned by the proposed offshore development facility (ISO 9000, CMM, SEI, etc.)?
- Describe how you will assure smooth, prompt, effective communications between your offshore development facility, your U.S. or Canada development center, and your on-site staff. What tools will facilitate these channels of communication? How will time zone differences between your U.S. or Canada development center, your offshore development facility, and TCERA’s location affect the project?
- During user testing, will problem incidents be referred to the offshore facility for correction, or will U.S.-based or Canada-based programming resources be used for ‘debugging?’ If corrections will be referred to the offshore facility, will TCERA users have to communicate directly with contractor personnel at the offshore site? If so how? If not, how will the vendor provide such communications?
- Will offshore development staff become involved in producing programming (or other) documentation for TCERA? If so, please provide a representative example of documentation produced by the same offshore resources for another client so that TCERA may gauge its quality.
- What steps will you take to ensure adequate availability of backup development (or other, as appropriate) staff in the event the proposed offshore facility is unable to provide the proposed services for whatever reason?
- What overall risk mitigation analysis and plans have been put in place to ameliorate the risks? Provide a copy or summary of such an analysis.
- What quality control measures will be put in place to ensure that the functionality, products, or components developed offshore will meet TCERA’s expectations?

### **B-10.2.3 Cost of Project Delays**

Any delays in “Go Live” dates relative to the project schedule shall be the responsibility of the vendor, with the single exception discussed below. Therefore, any additional costs incurred due to delays shall be borne by the vendor; such potential additional costs may include, but are not limited to:



- The need to maintain vendor personnel on-site longer than originally planned
- The need to extend data bridging activities beyond the dates originally planned
- The need to extend warranties on certain components of the new solution.

The only exception to this provision is the case in which TCERA, through its action or inaction, directly causes a significant and continuing delay after being informed by the vendor of the delay and its impact. When the vendor determines that such a significant delay is being incurred (or will potentially be incurred), the vendor will so notify TCERA in writing. (For the purposes of this section, "significant delay" shall be defined as any delay that, in itself, will cause a slippage of ninety (90) days or more in a go live date.) The written advisory will identify the nature of the delay (i.e., the specific actions or inactions of TCERA causing the problem), its estimated duration to date, specific actions that TCERA needs to take to correct the problem, and the expected economic and schedule impact on the project should TCERA fail to correct the situation.

TCERA will have 30 days from receipt of the notice of delay to take corrective action. Only in the event that TCERA fails to take corrective action within the 30-day window will the vendor be permitted to submit a change order based on the impact of the continuing delay on the project schedule.

In any case, in its cost proposal, the vendor must state the not-to-exceed cost for a one-month slip in any of the project's phases attributable to the actions or inaction of TCERA. The objective is for TCERA to clearly understand, prior to the start of the effort, what costs will be associated with any delays beyond the ninety (90) days identified above that may be incurred after TCERA and the vendor have agreed upon delivery of a phase or functional rollout date in the project work plan.

#### **B-10.2.4 System Security Plan**

The vendor will be required to produce a detailed system security plan.

The purpose of this plan is to provide TCERA with an overview of **all** of the security requirements associated with the pension application throughout its life cycle. The plan must describe the processes and controls that are necessary to protect the application from loss, misuse, or unauthorized access to or modification of information.

Therefore the vendor's system security plan must encompass at least the following:

- Security roles and responsibilities
- Protection against loss – continuity of system data:
  - ✓ System backup procedures – covering topics such as:
    - Candidate information to be backed up (critical application components, configuration files, member data, event logs)
    - Backup processes
    - Suggested backup schedule for the different types of candidate data mentioned above)
    - Use of the second physical environment as a backup for the backup processes
    - Suggested handling of backed-up data and media (off-site storage, cycles, eventual destruction, etc.)



- ✓ Disaster and recovery planning – covering such topics as:
  - The Disaster Recovery Plan (see Section B-11.4 if such mandatory option is selected)
  - Recovery procedures using backed up system information (in the case of a non-disaster)
- ✓ Software configuration management
- ✓ Security incident handling, including, for example, system intrusion detection, denial of service attacks, etc.
- ✓ Physical environment controls (power, lighting, fire, climate, water, etc.)
- Protection against misuse – inappropriate access to system:
  - ✓ User and device authentication
  - ✓ System administration procedures:
    - Protection against viruses, worms, spyware, etc.
    - Protection against possible denial of service attacks
    - Definition of user security profiles, addition of new users, etc.
    - Physical security (locks, security logs)
    - Wireless access
    - Remote access
    - Mobile device access
  - ✓ Self-Service Access
    - Member / Retiree Self-Service Access
    - Employer Self-Service Access
  - ✓ Event logging
  - ✓ System interface security
  - ✓ Security training
- Protection against unauthorized access to or modification of data:
  - ✓ Access control policy and enforcement
  - ✓ Separation of duties and system privileges
  - ✓ PINs or passwords and other security controls on member web-based access
  - ✓ Appropriate methods for providing secure access for staff when out of the office
  - ✓ Protection against system penetration by outside entities, the security aspects of such penetration and what assessments are to be done to ensure against such penetration
  - ✓ Audit trails
  - ✓ Data encryption:
    - Employer-submitted data
    - Web-based access to data by members, retirees and staff
  - ✓ Vulnerability scanning
  - ✓ Data security during project execution
    - Description of vendor staff security education for this project
    - Agreement to provide (if requested) evidence of completed background checks on project staff
    - Description of system access control (applied to both vendor and TCERA staff) used during implementation
    - Description of process for environments will be monitored to determine if breach occurs (including tools used for monitoring and monthly reporting)
    - Steps to take should a breach occur during project execution
    - Discussion of monitoring of jump drives, memory sticks, and other portable memory devices during project
    - Discussion of procedures for securing data if taken off-site



- Discussion of steps taken to ensure use of dummy data in training, testing, documentation, etc.
- Methods used to secure data used in testing and repair – and scrubbing data subsequent to repair completion
- Methods used to secure printed copies of data used during system implementation and destruction of same once project is complete
- Methods used to test, validate and secure system patches during project
- Methods used to secure technical system information (including passwords) prior to and during knowledge transfer to TCERA.
- Recommendations for monitoring the application's ongoing security requirements.
- Test procedures that can be incorporated into the test plans and activities described in Section B-8.

Where topics in the security plan are covered in depth in other deliverables for which the vendor is responsible, the security plan can simply reference the other deliverable (e.g., Disaster Recovery Plan, if option is selected). However, security of data, access, etc., remains a concern from the start of the project. Therefore, it is important that the security plan address the issues mentioned above, not just post roll-out, but also during the system implementation. Should the cross-referenced material mentioned above not be complete, the vendor must provide sufficient pertinent information within the system security plan to provide guidance until the referenced material is complete.

The vendor is to include in its proposal a provisional plan covering security during project execution. That provisional plan (as modified by agreement with TCERA) will govern security until the delivery of the final system security plan. The vendor must deliver a completed, detailed system security plan within the period specified in Table 3. in Section A-3.2 – Timing of Major Deliverables.

### **B-10.2.5 Post Implementation Support**

TCERA views the availability of support prior to and following the end of the LOB solution warranty period as a crucial element of the overall solution. TCERA is also sensitive to the potentially significant cost of such ongoing support. TCERA requires the vendor to provide support and enhancement services to the system on an on-going basis commencing with the beginning of the warranty period.

Note: Unless stated otherwise, references to “warranty” through the remainder of this section shall be interpreted by the vendor as “LOB solution warranty.”

Vendor is to cost the provision of five years of post implementation support plus indicate any factor for inflation for subsequent years. Initially, this support will occur simultaneously with the mandatory warranty support, but it is not to include any warranty work and is to be **separate and apart** from warranty support as described in Section B-10.1 LOB Application Warranty and Support. The scope of the post implementation support activities includes all activities required in support of the application – i.e., maintaining and enhancing the LOB solution.

With regard to maintenance and enhancement of the LOB solution, TCERA does not envision requiring full-time, on-site support over this five-year timeframe. It is anticipated that much of this work may be done remotely. However, requirements gathering for new features requested by TCERA, complex installation and configuration of new software and features, and similar efforts



may require periodic on-site work by one or more of the vendor support team. In addition, TCERA anticipates the need for and sees the value of periodic on-site account reviews (e.g., review of potential changes to the application, review of open task orders, review of costs and schedules, and setting of priorities).

The vendor shall describe its support strategy including receipt by the vendor of a support request from TCERA and the processing of same through completion and approval by TCERA (including expected elapsed times).

Vendors shall indicate in their technical proposals the number of hours they believe are appropriate for maintenance, enhancement, and operational support (as described above) over a 12-month period and quote in their cost proposals a fixed annual support fee for each of the five one-year periods, inclusive of travel and all related expenses. The vendor will also quote an hourly figure in the event additional time is required within a single 12-month period. Vendors shall list the resources or roles (e.g., Project Manager, Programmer/Analyst, Database Administrator, Network Engineer) they intend to allocate to Post Implementation Support along with the hours allocated over each of the five years for each role. This information shall be provided in a format similar to that in Table 35 below.



**Table 35. Post Implementation Support Hours**

| Support Category                                                                      | Year 1  | Year 2  | Year 3  | Year 4  | Year 5  |
|---------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| <b>Post Implementation Support</b>                                                    |         |         |         |         |         |
| Resource or Role (e.g., Project Manager, Programmer/Analyst, Database Administrator). | (hours) | (hours) | (hours) | (hours) | (hours) |
| Resource or Role...                                                                   | (hours) | (hours) | (hours) | (hours) | (hours) |
|                                                                                       |         |         |         |         |         |
| <b>Total</b>                                                                          | (hours) | (hours) | (hours) | (hours) | (hours) |

Vendors must include in their cost proposals the hourly rate (including all expenses) applicable to extending the Post Implementation Support beyond the five-year support period. Include in the technical proposal response to this option the conditions under which the vendor would be willing to provide the extension of services if so requested by TCERA – for example, extensions must be in increments of six months or more and must be requested at least 60 days prior to the end of the current support period.



## **B-11 Optional Requirements**

The project has been divided into mandatory and optional portions. This section and all of its subsections identify the optional project areas.

Offerors must respond to all of the options.

They are optional only in the sense that TCERA will have the option of authorizing them. TCERA may choose to authorize no options or any one, any combination, or all of the options. TCERA will make a decision as to whether or not to authorize each option at the time of contract negotiations.



## **B-11.1 OPTION 1 - HARDWARE PROCUREMENT**

As stated previously in this RFP, the offeror is required to provide in its proposal detailed specifications and configuration information for all of the hardware components that will be required to support the proposed solution, including the separate environments required. The offeror's recommended hardware configuration must support all RFP requirements and be capable of expansion to support future functionality as described in this RFP. The recommended configuration must include the appropriate number of servers, hubs, routers, workstations (desktop PCs), storage, and all other necessary hardware such as cabling, connectors, equipment racks, and backup devices.

TCERA expects to purchase the hardware components directly; alternatively, as Option 1; TCERA may require the offeror to supply the necessary hardware components. Whether or not Option 1 is authorized, the offeror will be responsible for assisting with installing, configuring, and testing the hardware (as discussed in B-2.2). The decision as to whether or not to authorize Option 1 will be made by TCERA at the time of contract negotiations with the selected offeror.



## **B-11.2 OPTION 2 - COMMODITY SOFTWARE PROCUREMENT**

As stated previously in this RFP, the offeror is required to provide in its proposal detailed specifications and configuration information for all of the commodity software components (operating systems, database management software, office suite, tools, and ECM if appropriate) – both new and upgrades – that will be required to support the proposed solution, including the separate environments required.

TCERA may elect to purchase the commodity software components directly; alternatively, as Option 2; TCERA may require the offeror to supply the necessary commodity software components. Whether or not Option 2 is authorized, the offeror will be responsible for assisting with the installing, configuring, and testing the commodity software (as discussed in B-2.5.1). The decision as to whether or not to authorize Option 2 will be made by TCERA at the time of contract negotiations with the selected offeror.



### **B-11.3 OPTION 3 - APPLICATION HOSTING**

This section addresses provision of hosting services for the replacement LOB application.

The vendor is to provide a description of its approach and the annual costs for application hosting services through the implementation and for a period of 5 years following production cutover of the final functional rollout.

Vendors should keep in mind that they themselves may provide the required hosting services through facilities they maintain or they may elect to provide such service through a subcontract with a hosting provider. Regardless of the approach, the vendor is and will be considered the prime contractor for all services procured under this RFP.

The hosting service provider, whether the vendor or a subcontracted hosting service, shall be responsible for the initial installation and configuration of hardware and software as well as the installation and configuration of all hardware and software version upgrades and patches (including operating systems and other supporting software) released by the manufacturer or publisher necessary to keep the hardware and commodity software in proper working order.

In addition, in the event the hosting service provider ceases to provide hosting services, the vendor shall be responsible for the continuity of such services either by providing such services itself or subcontracting the services out to another hosting provider. Such change in the provision of these services is subject to the review and approval of TCERA. In the event such an occasion arises, TCERA will not bear any cost for the migration, installation, configuration of any software components, the conversion of underlying data, or testing for the success of the migration itself. All such costs will be borne solely by the vendor.

TCERA may, at any time of its own choosing, elect to move the application and all related software components and data, to an alternate hosting provider or in-house. In the event it does so, TCERA will provide the vendor with a 90-day written notice. Responsibility rests with the vendor to notify all parties of the migration. The vendor must affirm in its technical proposal that it alone is responsible for the successful migration of the solution to a new hosting service. Such a transition to a new hosting service must be completed within a three (3) month transition period. Upon the successful conclusion of the migration, TCERA will provide the vendor with an exit fee equivalent to 3 months of the hosting cost provided in its cost proposal for this option.

TCERA maintains the option of electing to inspect the hosting facility at any time.

The desired hosting services will require dedicated servers and remote connectivity (e.g., VPN) for administrative responsibilities that may arise from time to time, for the solution vendor or TCERA, itself. In proposing the hosting services and formulating the suite of tools and products necessary to host the application, the vendor should refer to the performance requirements and capacities and database growth rates outlined in Section B-2.6.1 System Sizing and Performance Requirements. TCERA reserves the right to use a third-party testing service to measure and validate response times.

Specifically, the proposed hosting services must accommodate the following minimum list of requirements:



- The hosting services must house all hardware and applicable operating software for the proposed application to operate within the performance requirements outlined in Section B-2.6.1 System Sizing and Performance Requirements.
- The services must include system administration responsibilities for maintaining network operating systems, database tuning, and load balancing of application servers.
- The service must allow for access or connectivity by the software vendor in order that the vendor may upload patches, enhancements, etc. to the LOB solution software within the production and other environments as necessary.
- The hosting services must provide for multiple environments; i.e., production, testing, ad hoc query, as identified in Section B-10.2.1 Separate Development, Test, and Ad-Hoc Query Environment. The hosting services must include back-up and restoration processing that complete within the time window identified in Section B-8.2.3.2 Backup and Recovery Testing.
- The hosting services must include provision of a hot-site (located at least 25 miles from the primary site) capable of making the application available within 24 hours of a disaster or the unavailability of the main hosting site.
- Any scheduled “down-time” associated with periodic maintenance must occur within the hours defined within Section B-2.6.3 Availability Requirements and must be made known to TCERA fourteen (14) days prior to their occurrence.
- The data center used to provide the hosting services must, at a minimum, conform to Tier 2 data center standards.
- The hosted applications will be subjected to a network vulnerability assessment, conducted by a Third-Party identified by TCERA, on one or more occasions. Refer to Section B-2.6.7 Network Vulnerability Assessment for additional information.
- The hosting service must provide connectivity up to and including a router at the TCERA main office in Visalia.
- The hosting service provider must provide for failover protection, through any necessary hardware and software at the TCERA main office location and the hosting facility (i.e., redundant access paths must be put in place and maintained throughout the hosting service contract).
- The hosting service must include redundant connectivity between TCERA and the primary hosting facility, between TCERA and the disaster recovery site, and between the primary hosting site and the disaster recovery site.
- The hosting service must provide a Service Level Agreement (SLA) that, at minimum, meets the terms specified in PART D **TCERA Terms and Conditions**.

The hosting service provider will function as the “guardian” of the production application. The hosting provider will make available the necessary interface between all other entities, such as the users and developers and the operations staff that run the various environments. The hosting vendor will institute procedures required for successful migration of updates to the production environment and approve all production changes. The operations staff of the hosting service will be responsible for the day-to-day support operations of the multiple environments provided for



TCERA. In addition, the hosting service will be responsible for performing all system and database back-ups.



## **B-11.4 OPTION 4 - DISASTER RECOVERY PLAN**

TCERA has an existing Disaster Recovery Plan that covers TCERA's current operations. However, with the implementation of a new pension administration system, the existing plan must be augmented to reflect the new system. If this mandatory option is selected, the vendor will be required to supplement the existing detailed, comprehensive Disaster Recovery Plan (DRP) to cover the new system. Note that the DRP is to cover only information processing disaster recovery planning and not a business- or enterprise-wide recovery plan.

The purpose of the DRP is to:

- Avert an interruption of service wherever possible
- In the event a disaster does occur, assist TCERA in accomplishing degraded-mode information processing activities until the problem is resolved
- Assist TCERA in accomplishing a speedy, orderly return to normal production mode
- Ensure that one of TCERA's primary goals, "getting the checks out on-time", is fully supported.

The DRP will address all aspects of the new solution, including but not necessarily limited to:

- Hardware (all platforms, including network and PCs)
- Peripherals
- Operating system-level software
- Applications software
- Telecommunications
- Data
- Backup and restore procedures
- Off-site, cyclical media storage
- Workflow
- Procedures (both end-user and computer-related).

The DRP document must include a systems and software configuration inventory that will form the basis for system replacement in the event of a disaster. It will include actions to be taken:

- In the event any single component of the new solution is out-of-service
- In the event of a "major" disaster that disables most of or all TCERA's processing capabilities
- To restore normal operations once the disaster situation has been resolved.

It will address both the actions that need to be taken to resolve the emergency situation and restore normal operations, and the alternative procedures that will be observed by system users to continue day-to-day business transactions (albeit in a degraded mode) while the resolution effort is in progress. Disaster recovery team members will be identified and their roles will be defined.

Additional requirements relating to the DRP include:



- The DRP must support the phased implementation required by TCERA and proposed by the vendor. The DRP must be in place prior to cutover of each phase of the new solution, beginning with Phase 4. A draft will be submitted to TCERA for review at least one (1) month prior to scheduled system cutover for each phase.
- The vendor will be expected to evaluate various disaster scenarios and recommend the level of backup capability justified by the criticality of various client functions, e.g.:
  - ✓ The most critical functions may be moved off-site to a backup site until the disaster is resolved.
  - ✓ Less critical functions may be handled in a manual fashion until the disaster is resolved.
  - ✓ Some functions may be suspended entirely until normal processing capabilities are restored.
- The DRP must include written procedures to be followed in each case. It must also include a training plan aimed at:
  - ✓ Familiarizing disaster recovery team members with how to handle a crisis using the DRP
  - ✓ Cross training team members appropriately so that recovery procedures are not reliant on the presence of any single team member
  - ✓ Providing to system users and technical support staff an understanding of when and how to notify disaster recovery team members of a crisis.
- The augmented DRP must include a section describing how to test the plan in a "dry run" situation. It must also include a description of how best to conduct a periodic structured review of the plan itself and the processing environment and then update the plan appropriately. Use of a commercially available software tool to aid in disaster recovery planning would be favored. If such a tool is utilized by the vendor in developing the DRP, it must be delivered to TCERA for on-going use in updating the DRP – therefore, its cost must then be included in the vendor's cost proposal. The vendor must perform a test execution of the Disaster Recovery Plan and document the outcome of testing. The Contractor must provide certification, in writing, that the disaster recovery plan worked as defined.
- TCERA will review the initial modified draft and provide feedback to the vendor, so that the DRP can be appropriately revised.
- Vendors must specifically address in the modified DRP how they will ensure that the generation and distribution of checks will not be compromised in any way.
- Vendors are to include in their proposals an outline of the modified DRP document, indicating how they would change the existing DRP (and discussion of any software tools to be used in its preparation).



## **B-11.5 OPTION 5 - SINGLE IMPLEMENTATION OF SOLUTION (I.E., "BIG BANG")**

Although in Section B-3.1.7 Phasing the Project, TCERA has expressed their requirements and direction of implementing the Pension Administration System in a phased approach (i.e., Membership, Pension, and Web Self-Service); TCERA is including this option in order to obtain information from offerors about their experience in implementing their pension administration system in a single implementation (i.e., Big Bang). In this option the vendor's rationale as to whether a single rollout offers any advantages or disadvantages for this project vs. multiple rollouts should be provided and what the impact either positive or negative would be on the scope of the project, the implementation schedule, costs (note no cost information is to be provided in the Technical Proposal), etc. Therefore offerors are required to respond to the following:

- Offeror is required to provide a listing and description of other Pension Administration Projects completed and how the single implementation of functionality was delivered, managed, and received by the client
- Offeror is required to provide a schedule (i.e. Workplan) impact (either a shortening of the project or an extension of the project) by using a single rollout vs. having multiple rollouts.
- Offeror is required to provide a staffing (i.e. resource loading) impact (either an increase or decrease in vendor staff and/or TCERA staff) by using a single rollout vs. having multiple rollouts.
- Offeror should note that TCERA requires a **12 month warranty** if this option is selected.
- Offeror is required to provide a cost for this option (either a reduction in cost or an increase in cost) by using a single rollout vs. having multiple rollouts. (i.e. as part of the vendor's Cost Proposal).



## **B-11.6 OPTION 6 - LETTER OF CREDIT**

TCERA may require a letter of credit from the selected vendor (in lieu of a performance bond) to protect itself against the vendor's possible failure to fully implement the system as defined under this RFP. A letter of credit in the amount of fifty percent (50%) of the total implementation services cost, not including warranty, issued by a financial institution acceptable to TCERA with terms acceptable to TCERA, will be required for the contract award if this option is elected. If the option is elected, the letter of credit shall be delivered at the same time the contract is awarded. The letter of credit must be in place from the scheduled project start date through to the completion of the 6 month warranty period.

Vendors should indicate in their response to this option if they are unwilling or unable to provide a letter of credit and include their reasoning and any other assurances they may be able to provide in lieu of the letter of credit.



## **B-11.7 OPTION 7 - ALTERNATE LINE-OF-BUSINESS SOLUTION OFFERING**

Although TCERA throughout this RFP has provided requirements which indicate that TCERA is requiring a new, integrated template, framework, packaged, or customizable product-based solution; TCERA recognizes that there may exist alternative solutions and options in the marketplace, such as Software as a Service (i.e., SaaS), Application Service Provider (ASP), and Subscription based solutions.

If the vendor chooses to address this option, the vendor should describe (in addition to providing a proposal that is responsive to all of the other requirements provided in the RFP) their rationale as to what an alternate solution offers in terms of any advantages and what the positive impact would be on the scope of the project, the implementation schedule, and the cost (Note: only describe the high level effect on costs in the Technical Proposal, actual cost variations from the mandatory requirements are to be only disclosed in the cost schedules). Therefore offerors are required to respond to the following:

- Offeror is required to provide a listing and description of other similar Defined Benefit, Multi-Employer, Pension Administration Projects completed and how the “alternate” solution offering was delivered, managed, maintained, and received by the client
- Offeror is required to provide a schedule (i.e. Workplan) impact (either a shortening of the project or an extension of the project) by proposing an alternate solution offering
- Offeror is required to provide a staffing (i.e. resource loading) impact (either an increase or decrease in vendor staff and TCERA staff) by proposing an alternate solution offering
- Offeror is to provide a description of the pricing model and its components and elements in both the Technical Proposal and in the Cost Proposal; in the Technical Proposal NO actual costs are to be disclosed - just how the price is determined
- Offer is to describe the:
  - Rollout - how this approach would differ from a more traditional rollout
  - On-going maintenance and support - how this approach would differ from a more traditional rollout
  - The exit strategy available to TCERA should they wish to terminate their relationship with the solution provider under this model
  - Source code escrow
  - Source code ownership
  - How support and upgrades are provided to the application, to the hardware, to commodity software (i.e., operating system, data base management, etc.)
  - How support is provided to the end-user desktop
  - Where the application is hosted - location and environment
  - Response time guarantees - how this approach would differ from a more traditional rollout
  - If prices are based on the number of users per month – then how is a “user” defined. (i.e., difference between internal TCERA user vs. Internet Users (active, retired)).



## PART C PROPOSAL FORMAT AND EVALUATION

### C-1 Format of Proposals

This section sets forth the format that must be followed by vendors in developing their proposals in response to this RFP. Proposals that vary from this prescribed format are subject to being judged non-compliant and withdrawn from consideration.

The vendor must understand that TCERA will view the degree of compliance with this section as an indication of the degree of cooperation to be expected from the contractor in working with TCERA after contract award. TCERA's request in this vein is not arbitrary; rather it is designed to enable the evaluation team to compare, in as straightforward a manner as possible, the contents of all proposals. Thus, it is in the vendor's best interest to organize its proposal as described below.

Vendors are to submit separately bound and packaged Technical and Cost Proposals. No cost information is to be included in the Technical Proposal – with the exceptions of, Section 1.5 Exceptions and Section B-11 Options, in which it is permissible for vendors to include relative, differential, or explanatory cost information. Please refer to the discussion in 1.5 Exceptions, below.

The proposals are to be prepared on standard 8½" x 11" white paper. All proposals are to be in single-column format and page-numbered from first page to last, with the permitted exception of attachments to the proposal. A Table of Contents must be included. Foldouts containing charts, spreadsheets, and other necessary supporting documentation are permissible, but must be held to a minimum. The pages must be placed in a binder with tabs separating the major sections outlined below. Figures and tables must be numbered and referenced in the text by that number.

The following information must appear on the title page of each copy of both the Technical and Cost Proposal:

**Tulare County Employees' Retirement Association (TCERA)**

Technical or Cost Proposal in Response to

TCERA Request for Proposal

for an

Integrated Pension Administration Solution

Federal Tax ID Number: \_\_\_\_\_ Dun and Bradstreet No.: \_\_\_\_\_

Closing date and time for submission of proposals: \_\_\_\_\_

[Name, title, address, voice, and fax telephone numbers of organization submitting proposal  
and email address of primary vendor contact]

Signature \_\_\_\_\_



An individual authorized to bind the respondents to its provisions must sign proposals. The proposal must remain valid for at least one hundred eighty (180) days from the proposal receipt deadline.

Vendors must provide the following number and type of submissions when submitting their proposals:

- Six (6) color originals (marked as original) of the Technical Proposal.
- Six (6) color originals (marked as original) of the Cost Proposal.
- Two (2) CDs or Flash Drives containing the Technical Proposal; in Microsoft Word and/or Excel format – one folder containing technical proposal as submitted and another folder containing technical proposal with confidential information redacted or removed and in PDF format (refer to Section D-8 for provisions relating to confidential proposal material).
- Two (2) CDs or Flash Drives containing the Cost Proposal; in Microsoft Word and/or Excel format – one folder containing cost proposal as submitted and another folder containing cost proposal in PDF format (refer to Section D-8 for provisions relating to confidential proposal material).

Note that the Word and Excel files should have no locks, controls, or other protections or restrictions that prevent reviewers from inserting comments, revisions, etc. that would expedite reviews.

All printed copies of proposals and the electronic version provided on CDs must be clearly labeled so as to be easily identifiable with the vendor's submission. The Word and Excel files must be provided in an "unlocked" form that will allow TCERA to edit, insert comments, "cut-and-paste" and annotate the documents and spreadsheets with comments and revisions during its evaluation. Finally, we point out that TCERA's internal review of the electronic version of the response is greatly facilitated if the proposal is a single MS Word document.

TCERA recognizes that vendors may wish to copy the required cost spreadsheets into their cost proposals in picture format (to ensure that bid information cannot be altered). While this approach is acceptable, the vendor must also provide the source Excel spreadsheets (unprotected) as .xls files on the CDs containing the cost proposal.

Documents submitted to TCERA may be reviewed at public meetings of the Board of Retirement and/or its subcommittees. As such, the vendor acknowledges that all submitted documents are subject to the California Public Records Act.



## C-1.1 TECHNICAL PROPOSAL FORMAT

The organization and content of the vendor's Technical Proposal must conform to the outline set forth below. Section numbering of the vendor's proposal must agree with the outline. Following the outline is a description of the information that must be included in each section of the proposal.

### Table of Contents

#### Proposal Letter

#### PART A Vendor Information

##### A-1 General Information

###### A-1.1 Vendor Certifications and Affirmations

###### A-1.2 Statement of Understanding

###### A-1.3 High Level Deliverables

###### A-1.4 Assumptions

###### A-1.5 Exceptions

###### A-1.6 Warranty Limitations

##### A-2 Vendor Qualifications

###### A-2.1 Corporate Background

###### A-2.2 Relevant Project Experience

###### A-2.2.1 Client References

###### A-2.2.2 Presentations and Product Demonstrations

###### A-2.3 Financial Information

###### A-2.4 Vendor Staffing

#### PART B Vendor Response to Project Scope

##### B-1 Response to Business Functional Requirements

###### B-1.1 Response to "To Be" Business Functionality

###### B-1.1.1 Activity Tracking

###### B-1.1.2 Audit and Security

...

###### B-1.23 Tax Reporting

##### B-2 Response to Technical Requirements

...

##### B-3 Response to Project Management-Related Required Services and Deliverables

...

##### B-10 Response to Other Required Services and Deliverables

...

##### B-11 Response to Optional Requirements

...

#### ATTACHMENTS

|              |                                                         |
|--------------|---------------------------------------------------------|
| Attachment 1 | Vendor's Annual Financial Report to Stockholders        |
| Attachment 2 | Comprehensive List of all Documentation to be Delivered |
| Attachment 3 | Samples of Application Documentation                    |
| Attachment 4 | Menu and Screen Snapshots                               |
| Attachment 5 | High-level work plan (with and without options)         |
| Attachment 6 | Sample Data Conversion Plan                             |



|               |                                           |
|---------------|-------------------------------------------|
| Attachment 7  | Sample Test Plan                          |
| Attachment 8  | List of Standard Reports                  |
| Attachment 9  | Report Samples                            |
| Attachment 10 | Samples of Previously Used Status Reports |
| Attachment 11 | Proposed System License Agreements        |
| Attachment 12 | Subcontractor Letters of Commitment       |
| Attachment 13 | Subcontractor Agreements                  |

Specific contents to be included in each section of the vendor's proposal are discussed in detail below.

### **Table of Contents**

Each page of the proposal must be numbered (with the possible exception of pre-printed material included in attachments), and each section heading must appear in the proposal Table of Contents.

### **Proposal Letter**

The Proposal Letter must be included and must be signed by a person authorized to legally bind the company. **Failure to include this signed proposal letter may result in needless delays.**

## **PART A Vendor Information**

### **A-1 General Information**

#### **A-1.1 Vendor Certifications and Affirmations**

In this section, the vendor must include the following statements of affirmation:

- A statement regarding the vendor's legal structure (e.g., a LLC, a corporation), Federal tax identification number, and principal place of business
- A list of the people who prepared the vendor's proposal, including their titles
- The name, phone number, fax number and email address of a contact person who has authority to answer questions regarding the vendor's proposal
- A list of all subcontractors, if any, that the vendor will use on the project if the vendor is selected to do the work – for each proposed subcontractor, the vendor must include (in Attachment 13 of the technical proposal) a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following information included in the letter:
  - ✓ The subcontractor's legal status, tax identification number, and principal place of business address
  - ✓ The name and phone number of someone who is authorized to legally bind the subcontractor to contractual obligations
  - ✓ A description of the work the subcontractor will do
  - ✓ A commitment to do the work if the vendor is selected
  - ✓ A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP
- A statement indicating the proposed Project Manager is an employee of the prime contractor
- A statement affirming the vendor's commitment to develop a full set of all of the rules, regulations, procedures, and practices that need to be accommodated in the new solution (refer to Section B-1 for additional information)



- Affirmation of the vendor's responsibility for the life of the contract for all contractual activities, products, and deliverables offered in the proposal whether or not that contractor directly performs or provides them. This includes providing an overall project plan and for each functional rollout phase, the detailed requirements definition, all necessary hardware and software components (if those options are authorized), including fully integrated workflow and imaging capabilities (if the imaging option is authorized), an LOB solution, system integration services, enablement of all interfaces described in this RFP, test preparation and execution (including training and assisting TCERA with its testing responsibilities) of all elements of the vendor's solution (not just customized elements), data conversion, training for users, employer trainers, and IT staff, documentation, and implementation of any other proposed technologies, as well as first-line problem resolution.
- Affirmation that the vendor's organization is the prime contractor and the primary point of contact with regard to contractual matters. The vendor must confirm that should any third-party provider go out of business or otherwise become unable to fulfill its contractual obligations to TCERA with respect to this procurement, then the vendor (prime contractor) will guarantee delivery of the same or equivalent products and services at the contractually agreed upon price.
- Affirmation that the vendor has reviewed the "Current 'As Is' Business Functionality," as provided in the RFP.
- Affirmation that all requirements expressed in this RFP must be met by the solution implemented by the vendor unless an explicit written agreement to delete one or more of the RFP's provisions are signed by both TCERA and the vendor (see Section B-3.3.6).
- Identification of any contact that the vendor, a lobbyist, or any other third-party which has been retained by the vendor in any manner has had with TCERA staff or TCERA Board members. In addition describe the nature of the contact, the dates, and the substance thereof. Failure to do so accurately may be grounds for rejection of your proposal and/or cancellation of any subsequent contract.

The vendor must also include the following seven certifications:

1. Certification as to whether the vendor has ever had a contract terminated for default or cause. If so, the vendor must submit full details, including the other party's name, address, and telephone number.
2. Certification as to whether the vendor has ever been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the vendor must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
3. Certification as to whether a client has ever demanded payment of a performance bond or a bid bond of the vendor. If so, provide the name of the client, client contact information and an explanation of the circumstances.
4. Certification as to whether the vendor has ever been, or is currently, the subject of any governmental action limiting the right of the vendor to do business with that entity or any other governmental entity.
5. Certification as to whether trading in the stock of the offering company has ever been suspended. If so, provide the date(s) and explanation(s).
6. Certification as to whether the vendor, any officer of the vendor, or any owner of a twenty percent (20%) interest or greater in the vendor has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.



7. Certification as to whether the vendor, any officer of the vendor, or any owner with a twenty percent (20%) interest or greater in the vendor has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any of the seven (7) certification items above is affirmative, the vendor must provide complete details about the matter. An affirmative answer to any of these items will not automatically disqualify a vendor from consideration. However, at the sole discretion of the evaluation committee, such an answer and a review of the background details may result in a rejection of the vendor's proposal. The committee will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the vendor's performance on this project, and the best interests of the State.

#### **A-1.2 Statement of Understanding**

In this section, the vendor must summarize its understanding of the requirements set forth in the RFP. The vendor may also reference, in general terms, projects it has successfully completed that met requirements similar to those of TCERA.

#### **A-1.3 High Level Deliverables**

In this section of the proposal, the vendor must identify and briefly describe the high level deliverables to be provided to TCERA over the course of the project. The vendor must make the commitment to include all of the high level deliverables discussed in Section A-3.2 of the RFP. The vendor is encouraged to identify additional deliverables as it deems appropriate. In the cost proposal, the vendor will be required to allocate project costs against the high level project deliverables identified in this section.

#### **A-1.4 Assumptions**

In this section, the vendor must identify and discuss all assumptions it has made in preparing its technical and cost proposals. Further, the vendor must state that there are no further assumptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal.

Please include any assumptions you have made with regard to facilities to be provided by TCERA for office space and meeting / training rooms.

Any assumptions mentioned elsewhere in the vendor's proposal will not be valid unless they are also listed in this section.

In setting forth their assumptions, vendors should note the difference between "assumptions" and "exceptions" and take care that no **exceptions** to the RFP's requirements are included. Valid "assumptions" are suppositions made by the vendor about issues on which the RFP is silent. "Exceptions" are suppositions made by the vendor that contradict, or fail to conform with, one or more of the requirements stated in the RFP. Any items that are actually exceptions to the RFP's requirements, but misrepresented by the vendor as assumptions in Section A-1.4 of the proposal, will be treated as exceptions by TCERA – and will, due to the misrepresentation, have a greater negative affect on the vendor's technical score than would be the case had the item been correctly classified by the vendor as an exception. (See A-1.5 Exceptions below for a discussion of how to set forth exceptions.)

#### **A-1.5 Exceptions**

In this section of the proposal, the vendor must affirm that it has read and understands the RFP, any RFP amendments issued, and the questions and answers provided during the bidders conference. The vendor must state in this section of the proposal any and all exceptions it takes with the technical / functional requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. In particular, vendors must identify all exceptions they take to the TCERA contract included as Appendix E-14. Only those exceptions identified in this single section of the proposal will be



considered by TCERA; any others “distributed” across the proposal will be superseded by the provisions of this RFP and will not be considered or honored by TCERA.

For each exception listed in Section A-1.5 of the proposal, the vendor is required to propose at least one alternative that would still be acceptable to the vendor, as a potential vendor, and that the vendor reasonably believes will be acceptable to TCERA. The alternative versions of each vendor exception may take various forms – again, the vendor is being encouraged to apply creativity in order to accommodate legitimate vendor reservations in a fashion that will not lead TCERA to reject the bid due to onerous exceptions.

#### **A-1.6 Warranty Limitations**

In this section of the proposal, the vendor must state any and all limitations and constraints with respect to software maintenance and warranty. They must be explained in terms of risk, change control, and cost implication. Only those limitations and constraints identified in this single section of the proposal will be considered by TCERA; any others not included in the single, appropriately labeled section will not be considered or honored by TCERA.

#### **A-2 Vendor's Qualifications**

This section shall include details on the experience of the vendor and vendor's recent clients having requirements similar to those of TCERA.

##### **A-2.1 Corporate Background**

This is an introduction to the vendor's company: its history, scope of operations, organization, size, and any other relevant information about the company that the vendor desires to include.

In this section, the vendor must provide basic information about its organization, including the following:

- The name of the vendor and the location of its principal place of business and all other offices, including the location of the office which will perform work on behalf of TCERA
- The names, titles and length of tenure of the top five officers of the company (or its subsidiary or operating division responsible for this project). For any whose time in the position is less than a year, provide the name of his or her predecessor and the reason for the change in position
- Any change in the ownership status of the company in the past three years (and any forthcoming change)
- The average number of employees over the past five years, the average number of full time employees, the average number of contract employees, and the average number of total employees (state explicitly the number of professional employees)
- Number of years in business
- Brief history of company, products, and services
- Company and product visions; must demonstrate commitment to product life and enhancement for at least eight years
- Industry innovations or best practices
- Number, nature, and name of subsidiaries and operating divisions
- Where incorporated or otherwise legally established



- Representative client list.

The same information must be provided for all subcontractors or other third-party providers of products or services.

In addition, for each subcontractor or other third-party, the vendor's proposal must include:

- A description of all work to be subcontracted to and/or products to be provided by third parties.
- Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and/or third parties with the prime contractor.
- Explanation of any existing contractual relationships between the prime and subcontractors, or among subcontractors.

Failure to identify subcontractors may be grounds for rejection of the proposal or, after award, cancellation of the contract.

### **A-2.2 Relevant Project Experience**

The details of vendor's experience relevant to the project shall include a summary of the vendor's experience over the past five (5) years in implementing new, integrated pension administration systems for multi-employer, 10,000 members and annuitants combined (minimum), defined benefit, public employee retirement systems. To meet TCERA's minimum qualifications, the vendor must be able to cite three or more such previous projects, at least **two** of which must be complete, i.e., in the warranty period or later. This section shall also include a discussion by the vendor regarding similarities between TCERA and the client implementations cited.

#### **A-2.2.1 Client References**

Vendors should submit a list of at least three (3) current and former (within the past five years) clients and describe the work performed for each, together with an analysis of the degree of similarity in the scope of the project TCERA desires to that of the referenced client, the hardware configuration used, and the application systems produced. Indicate whether the client is a current client (i.e., one with whom a project is currently underway) or a former client (i.e., one for whom no work is being performed or whose project is in the warranty / maintenance period). For all references, include the site name, the name / title / phone / address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance, start and end dates of the contract, and the initial and final project cost, including all change orders. Provide a brief summary of the project including but not limited to business problem, scope, approach, and resources applied. In addition, provide for each reference a list of the major subcontractors that supported the project and a list of all vendor staff members proposed to TCERA who also participated in the referenced client project.

Vendors are cautioned that the previous project experience being sought by TCERA should be recent, but should not include projects only recently initiated. Ideally, the vendor can cite several references for projects that have been completed within the last three (3) years and at least one that began more than a year ago but remains in progress.

All references may be contacted by TCERA to verify the vendor's claims. Vendors are advised to ensure that the contact person's telephone number is current and that each reference contact is willing to discuss the vendor's performance with the evaluation committee.



References must be for at least three (3) different projects, as similar as possible to the TCERA project, and three (3) different individuals with knowledge of the vendor's performance on those respective projects. One (1) person with knowledge of several projects qualifies as only a single reference.

Vendors are encouraged to include more than three references if they wish. If subcontractors are being proposed, preference will be given to vendors who can cite multiple projects on which the vendor / subcontractor **team** being proposed to TCERA previously collaborated.

Reference information should be provided by using the form on the following page. Replicate the form as necessary to provide profiles of all client references.



**Form 1. Vendor Client Reference Form**

| <b>Tulare County Employees' Retirement Association<br/>Pension Administration Solution Project – Vendor Client Reference</b>                                                                                                              |                               |                                    |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|----------------------------|
| <b>Reference #:</b>                                                                                                                                                                                                                       | <b>Vendor Name:</b>           | <b>Project Name:</b>               |                            |
| <b>Client:</b>                                                                                                                                                                                                                            | <b>Client Address:</b>        |                                    |                            |
| <b>Type of Organization:</b>                                                                                                                                                                                                              |                               |                                    |                            |
| <b>Client Phone:</b>                                                                                                                                                                                                                      |                               |                                    |                            |
| <b>Contact Name:</b>                                                                                                                                                                                                                      | <b>Contact Address:</b>       |                                    |                            |
| <b>Contact Title:</b>                                                                                                                                                                                                                     |                               |                                    |                            |
| <b>Contact Phone:</b>                                                                                                                                                                                                                     | <b>Contact Email Address:</b> |                                    |                            |
| <b>Start Date:</b>                                                                                                                                                                                                                        | <b>End Date:</b>              | <b>Initial Project Cost:</b>       | <b>Final Project Cost:</b> |
| <b>Hardware Configuration:</b>                                                                                                                                                                                                            |                               | <b>Description of Application:</b> |                            |
| <b>Project Summary (business problem, scope, approach, resources applied):</b><br><br><br><br><br><br><br><br><br><br>                                                                                                                    |                               |                                    |                            |
| <b>Major Subcontractors Supporting the Referenced Project –</b><br><b>Subcontractors:</b><br><br><br><br><b>Roles:</b><br><br><br><br>                                                                                                    |                               |                                    |                            |
| <b>Similarity to TCERA Project:</b><br><br><br><br><br><br><br><br><br><br>                                                                                                                                                               |                               |                                    |                            |
| <b>List all vendor staff members proposed to TCERA who also supported the referenced project:</b><br><b>Staff Member Name:</b> <b>Proposed Role for TCERA:</b> <b>Role on Referenced Project:</b><br><br><br><br><br><br><br><br><br><br> |                               |                                    |                            |



#### **A-2.2.2 Presentations and Product Demonstrations**

In this section, affirm the vendor's commitment to provide oral presentations and/or product demonstrations (led by the vendor-proposed Project Manager) at TCERA's offices, if so requested by TCERA, in response to Section A-1.5 of the RFP.

#### **A-2.3 Financial Information**

This section of the proposal must contain vendor's current and two previous years' audited financial statements, including consolidated balance sheets and income statements (statement of profit and loss). Failure to provide this information may be grounds for rejecting vendor's proposal. (The vendor's annual report to shareholders should be included as an attachment – see below.) The vendor must describe the trends of the last five years in revenues, employees, and profitability. If the vendor is a subsidiary of a larger corporation, financial information specific to the vendor is required. An overall corporate information package may also be submitted.

Identify any legal actions, lawsuits, arbitration or formal protests related to public employee retirement systems projects in which the vendor, or the vendor's subcontractors, is currently involved as a defendant at the time the proposal is submitted. Additionally, identify any other such actions in which the vendor has been involved during the past five (5) years.

Any delisting of vendor's stock must be disclosed and described.

Any material changes in corporate ownership in the past 5 years or projected in the next 6 months must be described.

The vendor must inform TCERA if any site used as a reference has a financial relationship with the vendor whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or credits based on references leading to sales of vendor's software, hardware, other products, or services.

The same financial information described above must be provided for any subcontractors and/or third parties proposed to participate in the project.

The vendor must summarize the percentage of its organization's current revenue that is derived from retirement system solution implementations (and, as a separate calculation, the percentage of revenue derived from retirement system consulting, actuarial engagements, and the like). Similar information must be provided for each of the previous two (2) years.

#### **A-2.4 Vendor Staffing**

In this section, the vendor must provide detailed descriptions of how the vendor's team experience will meet the project requirements. Include team members' resumes (as discussed below), tailored to highlight experience and skills specifically relevant to their role on this effort. This section of the proposal must include the qualifications of the project manager and staff to be assigned to accomplish this project.

The vendor must designate a single full-time project manager to represent and oversee the project. This person will serve as the focal and contact point for all business matters relating to the project.

Additionally, in this section, confirm that the project manager will:



- Be responsible for timely completion of all phases of the project
- Be responsible for meeting all contractual requirements for the duration of the project
- Attend status, quality review and acceptance meetings as required and present status and progress reports on the project
- Remain assigned to the project full time through for the first 12 months of the project.

The vendor must provide a list of all the key personnel, as defined in Section B-5.4 of the RFP, to be assigned to any part of the project. Vendors are encouraged to specifically identify additional project staff members if possible. Each staff member proposed shall be identified by title and by firm, as well as by project responsibilities and job functions and current client / home office location. The number of other personnel to be assigned shall be identified by job function and by firm.

TCERA understands that the vendor may have one or more other proposals open and under consideration by other prospective clients and that vendor staff included in the TCERA proposal may have been included in these other proposals. For any vendor resource so allocated, the vendor shall indicate in its proposal the role for which each such resource was assigned for each open proposal and the capacity (e.g., hours, % FTE) for which they have been proposed. In addition, the vendor will indicate what method it will use to resolve any conflict arising from the award of contracts competing for these resources.

Vendors shall also include the resumes of all key employees (project manager, lead analyst / deputy project manager, and the other five key staff), and any other proposed staff members who are identified by name in the proposal. Those resumes must describe in detail the employee's experience in similar efforts as well as past education and training. Each resume shall include as its first page a Resume Summary prepared by the vendor using the form provided on the following page. Each Resume Summary **must** include three (3) professional personal references for the particular staff member. These professional references must be provided by vendor client staff members, from three different clients. Professional references from within the vendor organization are **not** acceptable.

For all key personnel being proposed to TCERA, the vendor must identify all other projects / procurements for which the same staff members are being proposed. Further, the vendor must describe its approach for resolving the situation wherein it is awarded multiple projects (including TCERA's) for which the same staff members were proposed.

Vendor must provide its staff volatility index, i.e., percent turnover over the past three (3) years and how that number is calculated. This volatility index should be provided both for the entire company and for the three referenced public employees' or teachers' retirement system implementation projects used as references.

Vendors must also confirm in this section of the proposal their understanding that:

- personnel whose names and resumes are submitted in the proposal shall not be removed from this project without prior approval of TCERA. Substitute or additional personnel shall not be used for this project until a resume is received and approved by TCERA.
- TCERA shall have the right to request, and the contractor will comply with any such request, the removal of any vendor staff member from all work on this project immediately.
- The replacement for any staff member who is removed from or leaves the project for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements



are subject to TCERA approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement begins work on the project.

- Vendor will pay to TCERA a penalty of \$20,000 should it remove from the project any key staff member or any other staff member who was more than 50% dedicated to the TCERA project, except in the case of serious illness, death, or termination of employment with vendor.



**Form 2. Vendor Staff Resume Summary Form**

| <b>Tulare County Employees' Retirement Association<br/>Pension Administration Solution Project – Resume Summary</b>                                         |                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Staff Member Name:</b>                                                                                                                                   |                                          |
| <b>Proposed Role on TCERA Project:</b>                                                                                                                      |                                          |
| <b>Number of years of professional experience –</b><br><b>Total:</b> _____ <b>Retirement system:</b> _____ <b>In role proposed for TCERA project:</b> _____ |                                          |
| <b>Education (indicate institutions attended and degrees obtained):</b><br><br>                                                                             |                                          |
| <b>Professional Reference #1</b>                                                                                                                            |                                          |
| <b>Client Name and Address:</b>                                                                                                                             | <b>Project Title:</b>                    |
|                                                                                                                                                             | <b>Staff Member's Role on Project:</b>   |
| <b>Contact Name:</b>                                                                                                                                        | <b>Description of Services Provided:</b> |
| <b>Contact Title:</b>                                                                                                                                       |                                          |
| <b>Contact Phone:</b>                                                                                                                                       |                                          |
| <b>Contact E-mail:</b>                                                                                                                                      |                                          |
| <b>Start Date:</b> <b>End Date:</b>                                                                                                                         |                                          |
| <b>Professional Reference #2</b>                                                                                                                            |                                          |
| <b>Client Name and Address:</b>                                                                                                                             | <b>Project Title:</b>                    |
|                                                                                                                                                             | <b>Staff Member's Role on Project:</b>   |
| <b>Contact Name:</b>                                                                                                                                        | <b>Description of Services Provided:</b> |
| <b>Contact Title:</b>                                                                                                                                       |                                          |
| <b>Contact Phone:</b>                                                                                                                                       |                                          |
| <b>Contact E-mail:</b>                                                                                                                                      |                                          |
| <b>Start Date:</b> <b>End Date:</b>                                                                                                                         |                                          |
| <b>Professional Reference #3</b>                                                                                                                            |                                          |
| <b>Client Name and Address:</b>                                                                                                                             | <b>Project Title:</b>                    |
|                                                                                                                                                             | <b>Staff Member's Role on Project:</b>   |
| <b>Contact Name:</b>                                                                                                                                        | <b>Description of Services Provided:</b> |
| <b>Contact Title:</b>                                                                                                                                       |                                          |
| <b>Contact Phone:</b>                                                                                                                                       |                                          |
| <b>Contact E-mail:</b>                                                                                                                                      |                                          |
| <b>Start Date:</b> <b>End Date:</b>                                                                                                                         |                                          |



## **PART B Vendor Response to Project Scope**

PART B of the proposal will contain the vendor's response to the project scope. It is to include all of the sections of PART B of the RFP, numbered identically. Each section of PART B of the proposal will provide a complete response to the corresponding section of the RFP.

## **ATTACHMENTS**

### **Attachment 1 Vendor's Annual Financial Report to Stockholders and Audited Financial Statements**

### **Attachment 2 Comprehensive List of all Documentation to be Delivered**

### **Attachment 3 Samples of Application Documentation**

Attach samples of end-user and technical documentation.

### **Attachment 4 Menu and Screen Snapshots**

Attach samples / "snapshots" of menus and screens from vendor's implementation most similar to TCERA's.

### **Attachment 5 High-level work plan (with and without options)**

### **Attachment 6 Sample Data Conversion Plan**

### **Attachment 7 Sample Test Plan**

### **Attachment 8 List of Standard Reports**

List all standard reports included in the proposed solution, classified as management, operational, or financial.

### **Attachment 9 Report Samples**

Provide actual samples of reports included in the proposed solution. Of particular interest is a sample of the member's annual statement and calculation worksheet produced by the proposed system. Be sure to include a sample of a standard audit trail history report.

### **Attachment 10 Samples of Previously Used Status Reports**

### **Attachment 11 Proposed System License Agreement**

### **Attachment 12 Subcontractor Letters of Commitment**

### **Attachment 13 Subcontractor Agreements**



## C-1.2 COST PROPOSAL FORMAT

The cost proposal shall identify the costs of each phase, such that the total project cost will be the total of all project phases. It is recognized that post-proposal negotiation with TCERA and initial efforts by the vendor may result in some modifications to the by-phase costing contained in the proposal. The total cost of all phases must be consistent with the details of each phase, and must be clearly discernible (Vendors are to use the attached Excel File as part of the RFP to record their Cost Proposal).

Adherence to and consistency with the work plan are considered critical acceptance criteria for any phase.

The vendor should bear in mind the specific terms and conditions presented in Section D when preparing its cost schedules. In addition, TCERA provides the following reminders:

- Vendors must include in the cost proposal a summary, by staff position, of the number of hours and the hourly rate for all contractor support services included in the proposal.
- Vendor's cost information will be evaluated on the basis of its consistency with the information provided in the vendor's technical proposal. All calculations in vendor's cost schedules will be verified for correctness.
- Although the lowest overall price may not necessarily be the primary determining factor for award, TCERA shall make every effort to substantiate prices for products and services to ensure that those prices are considered fair and reasonable.
- Any proposal that does not meet the requirements outlined in Section C-1.1 and in the points above, or for which a fixed-dollar proposal amount cannot be precisely determined, may be considered a non-responsive proposal and may be rejected by TCERA.

For terms relating to invoicing and payments, please refer to Section D-6.

Schedules for presenting the vendor's cost bid are provided on the following pages. **Vendors should add line items to the cost schedules as necessary to include all project costs and suitable breakdowns.** Vendors should request a copy of the Excel spreadsheets from TCERA to be used for the cost bid. The spreadsheets are provided as a single Excel workbook. All subtotals and totals will be computed automatically.

Please ensure that all ongoing license fees, renewals, and maintenance fees for all Hardware and Software components are included in Schedule 1 and Schedule 2 accordingly for a four-year period based on the purchase date.

Following is a list of the cost schedules that must be completed and a description of the information to be provided in each:

- Bid Summary: On this worksheet, fill in the vendor name. All other entries will be automatically populated based on the vendor entries in the following worksheets.
- Schedule 1 – Hardware Costs for Mandatory Project Elements: Enter all hardware components required to affect the mandatory portion of the proposed solution. Include servers, hubs, routers, workstations, uninterruptible power supplies, cables, connectors, labels, and equipment racks. For each required item, provide the manufacturer, model, a description, the quantity, and the unit cost. Cost extensions and totals will be computed automatically.



- Schedule 2 – Commodity Software Costs for Mandatory Project Elements: Enter all commodity software products required to affect the mandatory portion of the proposed solution. Include all required products such as operating systems, network software, database management software, software tools, and office suite software. For each required item, provide the manufacturer, model, a description, the number of copies required, and the unit cost. Cost extensions and totals will be computed automatically.
- Schedule 3 – Services: This schedule consists primarily of service related costs to implement the mandatory portion of the proposed solution. For each area of service section (e.g., Requirements Analysis, Software Modifications Development), list the applicable staff positions, number of hours, and hourly rates. Hourly rates must be fully loaded to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses. TCERA's expectation is that the project can be completed in three years from contract execution. (If the vendor believes that a longer schedule is indicated, the vendor should expand this and the other cost schedules appropriately.)

For most service categories, therefore, it is expected that hours will be entered only for years 1 through 3, and no entries will be made in the columns designated "6 Mo Warranty Period." The only exception is the *LOB Application Software Warranty* section, for which the only entries should be in the "6 Mo Warranty Period" columns.

When filling in the Training section of the spreadsheet, be sure to include the cost for TCERA IT staff travel if any IT training will be conducted outside the Visalia area (see Section B-7.2.1).

In the Post-Implementation Support section of the spreadsheet, enter the staff positions, and the number of hours and hourly rates (fully loaded) for each proposed position, for providing maintenance, enhancement, and operational support of the new solution for each of the five years after final cutover. All subtotals and totals will be generated automatically. In the last row of the Post-Implementation Support section enter the incremental hourly rate for providing additional support, if requested by TCERA, in each year. Recall that year 1 of post-implementation support will coincide with, but be separate from, the 6 month LOB warranty support. See Section B-10.2.5 for further information.

In the Incremental Costs section at the bottom of the spreadsheet, enter the not-to-exceed cost for a one-month slip in any of the project's phases attributable to the actions or inaction of TCERA (see Section B-10.2.3) and the hourly rate (including all expenses) applicable to extending the Post Implementation Support beyond the five-year support period (see Section B-10.2.5).

- Schedule 4 - Option 1 Hardware Procurement
- Schedule 4 - Option 2 Commodity Software Procurement
- Schedule 4 - Option 3 Application Hosting: In Schedule 4, under Services, enter applicable staff positions, number of hours, and hourly rates for services to provide application hosting support. Hourly rates must be fully loaded to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses (if any). In the spaces provided, also enter the cost of any additional hardware and software necessary to affect hosting support that was not identified in Schedule 1. At the bottom of the schedule, if applicable, enter the annual application hosting subscription cost / fee for each of the three years of the implementation period and the warranty period. Refer to Section B-11.3.



- Schedule 4 – Option 4 Disaster Recovery Alternatives: Vendor may propose Disaster Recovery alternatives for the purpose of recovering the TCERA Pension Administration Software (PAS) computing environment in the event of a disaster. Each proposed solution must be comprehensive enough to ensure that business interruptions will be minimized. TCERA desires a solution that allows access to online functionality, ability to process batch jobs, generate and print reports, and save files to multiple media types. The scope of the disaster for the purpose of this RFP, is any event that has caused physical damage to the TCERA building and/or the computer room, and is physically inaccessible or non operational.

The winning vendor of the RFP may be asked to work with the TCERA staff to integrate the selected alternative with the existing MIS Disaster Recovery Plan (see Exhibit L item 13 MIS Disaster Recovery Plan).

Vendors must bid all hardware, software, licensing fees, building/facilities fees, services, etc. to support each alternative.

- Schedule 4 – Option 5 Single Implementation of Solution (“Big Bang”): Vendor must show cost savings per year as a result of implementing a Big Bang approach. Vendors may provide details regarding the calculation of the cost reduction in order to clarify the vendor’s approach to this option.
- Schedule 4 – Option 6 Letter of Credit: Vendor must enter the cost for a financial-institution issued letter of credit. This value is composed of costs for each of the three years anticipated for implementation. The cost must reflect the letter of credit being in place from the scheduled project start date through to a signed Certificate of Completion delivered following the 60-Day Acceptance period of the last functional phase cutover. Refer to Section B-11.6.
- Schedule 5 - Cost Estimate by Project Phase: Cost figures for the project phases assume mandatory project elements only and are computed automatically. No additional input is required by the vendor. Please note that the total of Schedule 5 should equal the total of Mandatory Items on Schedule 1.

Any cost not listed in this section may result in the Vendor providing those products or services at no charge to TCERA or face disqualification.



## **C-2 Proposal Evaluation**

The evaluation and vendor selection process will be based on “best value”. This procurement method will be used so as to result in the “best buy” for TCERA in terms of the functions to be performed.

The evaluation committee may request written clarifications of any offer received. However, TCERA in its sole discretion may refuse to accept in full or partially the response to a clarification request given by any vendor.

Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable possible terms. TCERA may elect to conduct negotiations with one or more vendors and make requests of vendors as may be necessary or proper for best and final offers (BAFOs).

The best and final offers must be received at the address identified in Section **A-1.2** at a time and date to be specified by TCERA. If a best and final offer is not submitted, the previous submittal will be construed as the best and final offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1.1). Final ranking of responses and award of the contract will be made after TCERA reviews all bids and completes its evaluation, including the evaluation of best and final offers, if they are requested. An award will be made to the vendor making the most advantageous offer.



## C-2.1 EVALUATION CRITERIA

For this procurement, proposals will be evaluated based on the following criteria (in decreasing order of importance):

**Table 36. Proposal Evaluation Criteria**

| Criteria                                         | Weight |
|--------------------------------------------------|--------|
| Solution Features                                | 30%    |
| Vendor Qualifications and Product Demonstrations | 30%    |
| Cost                                             | 15%    |
| Proposed Project Methodology and Work Plan       | 15%    |
| Vendor Reference Checks                          | 10%    |



## **C-2.2 EVALUATION METHODOLOGY SUMMARY**

Presented herein is an overview of the evaluation methodology being used for this procurement.

### **C-2.2.1 Evaluation Committee**

An Evaluation Committee will be established consisting of members of TCERA's management team and staff. At the discretion of the Board of Retirement, one or more Board Member may be included on the committee. When the committee has completed the evaluation process, the committee chair will make a recommendation to the TCERA Board of Retirement.

### **C-2.2.2 Initial Activities**

When the proposals are submitted, they will be evaluated and responses scored. The highest-rated vendors from this assessment will be further evaluated. Customer references, and client site-visits to existing customer sites that are running the proposed retirement system software in production may be conducted by TCERA staff.

### **C-2.2.3 Presentations and Product Demonstrations**

Selected vendors are also expected to demonstrate their solutions and their ability to implement and customize the selected products in a scripted demonstration, based on scenarios to be provided by TCERA, to be conducted at a site selected by TCERA.

Vendors will be offered alternative dates from which to select to provide the demonstrations. TCERA will provide the vendors with actual data and demonstration scripts on which to base their product demonstrations in order to assure an objective comparison among vendors' proposed solutions.

TCERA reserves the right not to conduct vendor presentations and product demonstrations. Should the presentations and/or demonstrations be held, TCERA requires that they be led by the proposed Project Manager.

### **C-2.2.4 Best and Final Offers**

At TCERA's discretion, best and final offers (BAFOs) may be solicited.

After best and final offers are received, final evaluations and negotiations will be conducted for an award.

### **C-2.2.5 Negotiations**

Negotiation is the last step in selecting the apparent winner. TCERA will initiate negotiations with the top-rated vendors. If negotiations with the highest ranked vendor cannot be concluded to TCERA's satisfaction within two weeks, TCERA will initiate negotiations with the next lower ranked vendor. Similarly, if negotiations with the next lower ranked vendor cannot be concluded to TCERA's satisfaction within two weeks, TCERA will initiate negotiations with the next lower ranked vendor. This process will continue until negotiations are successfully concluded to TCERA's satisfaction.

Upon the successful conclusion of negotiations, the winning vendor will be announced.



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## **PART D TCERA TERMS AND CONDITIONS**

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This section sets forth the standard TCERA terms and conditions that the vendor must abide by in preparing its response to this RFP and/or in conducting the effort after award.

### **D-1 RFP Amendments**

TCERA reserves the right to amend the RFP prior to the date of proposal submission. Amendments will be posted to the TCERA Web site at the following address: [www.TCERA.org](http://www.TCERA.org).

### **D-2 Proposal Modification or Withdrawal**

Vendors who submit proposals in advance of the deadline may withdraw, modify, and resubmit proposals at any time prior to the deadline for submitting proposals. Vendors must notify the TCERA Point of Contact, as identified in Section A-1.2, in writing if they wish to withdraw their proposals. If a vendor notifies TCERA of its intent to withdraw its bid prior to the bid closing deadline, the bid will be returned to the vendor unopened. Notifications of intent to withdraw proposals may be delivered electronically via email, but responsibility for confirmation of the delivery and receipt by TCERA rests solely with the vendor.

### **D-3 Cost for Preparing Proposals**

The costs for preparation and delivery of the proposal, as well as any other costs incurred in the pursuit of contract award (e.g., travel to bidders conference, preparation and presentation of product demonstrations), are the sole responsibility of the vendor. TCERA will not provide reimbursement for such costs.

### **D-4 Contract**

The contract that TCERA expects to award as a result of this Request for Proposal will be based upon the bid proposal submitted by the successful vendor and this RFP. The contract between TCERA and the successful vendor shall be a combination of the specifications, terms, and conditions of the Request for Proposal, including the terms contained in this PART D of the RFP, the vendor's technical and cost proposals, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by TCERA.

The contract, which TCERA intends to use with the successful vendor, is attached to this RFP and identified as Appendix E-14. Prospective vendors are urged to carefully read this contract prior to making their offers. TCERA reserves the right to add provisions to the contract to be consistent with the successful vendor's offer and to negotiate with the successful vendor other additions to, deletions from, and/or changes in the language in the Contract, provided that no such addition, deletion or change in Contract language would, in the sole discretion of TCERA, affect the evaluation criteria set forth herein or give the successful vendor a competitive advantage. Vendor will not retype the enclosed contract. Contractor should review and return the contract with its Proposal.

Any exceptions to the contract must be clearly identified and accompany the vendor's proposal. Vendors are cautioned that any exception submitted that will give the vendor a competitive advantage over another



vendor or that will cause a failure to meet a mandatory requirement of the RFP will not be accepted. See Section C-1.1 for instructions relating to presentation of vendor's assumptions and exceptions.

Prior to award, the apparent winning vendor will be required to enter into discussions with TCERA to resolve any contractual differences before an award is made. These discussions are to be finalized and all exceptions resolved within one (1) week of notification; if not, the vendor's proposal may be rejected and discussions may be initiated with other vendors.

By submitting a proposal, each vendor acknowledges its acceptance of these specifications, terms and conditions without change except as otherwise expressly stated in its proposal.

## D-5 Order of Precedence

The executed contract between TCERA and the selected vendor shall have precedence over all other documents relating to the project. In the event that there is a conflict or ambiguity within the text of the contract and any other incorporated documents, the order of precedence shall be:

- The executed contract and any incorporated documents
- Addenda to this RFP (if any)
- This RFP
- Vendor Evaluation Questions and Answers (issued subsequent to the Bidder's Conference)
- Additional responses from selected vendor
- Vendor response to this RFP, i.e., the proposal.

## D-6 Invoicing, Payments, Holdbacks, and Tracking Thereof

Although it is understood that many project deliverables will be submitted to TCERA by the selected vendor, the number of payments made will be limited to the sum of the **13 contractual deliverable payment points** identified in Table 37 below. Each functional rollout will be addressed with 2 payments: one associated with putting the functionality into production and another following 60 days' successful use of the functionality in production. Invoices for the contractual deliverables may be rendered only after each has been completed and formally accepted by TCERA.

Figure 8 and Table 37, below, are provided to illustrate the sequence and number of payment points. Phases 4a, 4b and 4c, shown as examples on Figure 8, represent the functional rollout of the new LOB solution. Each will result in 2 payment points (as described in the previous paragraph). The sum of the cost of all contractual deliverables will equal the total fixed cost of the project.

There is a significant difference between TCERA's receipt of a contractual deliverable and TCERA's acceptance of that deliverable. It must be understood that in most cases, TCERA will require a minimum of thirty (30) days to provide formal written acceptance of a contractual deliverable. Only upon receipt by the vendor of written acceptance from TCERA's Project Manager, may the contractual deliverable be invoiced to TCERA. All invoices must include a copy of the signed acceptance(s) by TCERA. Payments of invoices by TCERA will be made within 30 days of receipt of the invoice for an accepted contractual deliverable.



**Each invoice submitted to TCERA by the vendor must reflect a 20% holdback amount.**

The successful vendor will provide a monthly, updated spreadsheet indicating what has been billed (and when), what has been paid (and when), what invoices may be in dispute, and the remaining project budget. The format of this tracking spreadsheet and the detail will be reviewed and approved by TCERA. Invoice dates, invoice numbers, warrant numbers, and warrant dates must be included.

Upon acceptance of the final rollout of the system by TCERA's Project Manager, the vendor will submit an invoice which includes one-half the sum of all holdback amounts (10% of the total project cost), for payment by TCERA. Vendors are cautioned that *when* TCERA's final acceptance of the system will occur cannot be pre-defined. Acceptance will not be forthcoming until the solution is delivered in final form – that is to say, not until all Requirements Traceability Matrix line items have been accepted AND all documentation is updated to reflect the "as-built" condition of the system AND all authorized change orders have been completed AND all "punch lists" have been resolved to TCERA's satisfaction. Recall that the vendor's project manager cannot be reassigned until this point in the project.

Upon the conclusion of the warranty period (6 months after TCERA's acceptance of the final rollout), the vendor will submit an invoice which includes the remainder of all holdback amounts (the last 10% of the total project cost), for payment by TCERA.

The vendor should bear in mind the following terms:

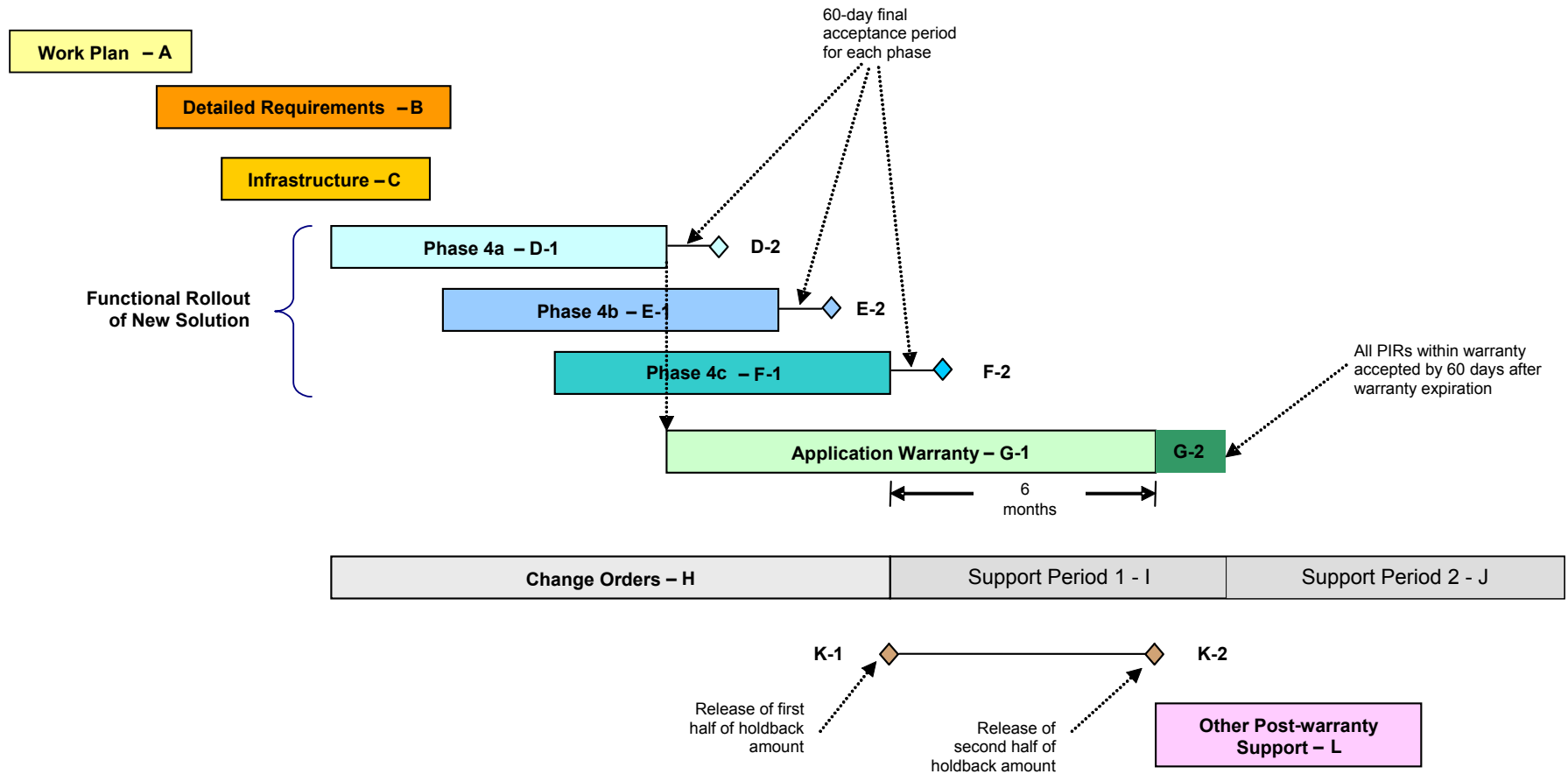
- The **"firm fixed price"** will be defined in the contract resulting from this procurement based on the mandatory requirements and the **selected** (authorized) option areas.
- In the event of contract award, all agreements between the prime contractor and any subcontractors must be signed prior to the execution of the contract with the prime contractor by TCERA.
- All prices quoted must be good for a period of one hundred eighty (180) days after the proposal submission due date to TCERA.

Figure 8 on the next page defines the contractual deliverables against which payments will be made and the percentage of the total project's cost allocated to each of the payments. It is provided to assist vendors in understanding the scope of the contractual deliverables and the timing of the related payments. Following the diagram, Table 37 explains each contractual deliverable, its acceptance criteria, and the magnitude of the payment to be associated with it.

**Vendors are encouraged to propose an alternative payment schedule (albeit for the same deliverables) as an option. In addition to the proposed alternative payment points the vendor should identify the effect on the overall costs that the alternative payment points would have. TCERA will evaluate the option weighing the anticipated costs savings against the increased risk.**



**Figure 8. Public Pension Administration System Life Cycle, Acceptance Criteria, Payment Points**





**Table 37. Public Pension Administration System Life Cycle, Acceptance Criteria, Payment Points**

| Phase | Title                                    | Description                                                                           | Acceptance Criteria                                                                                                                                                                                                                                                                                                                                    | Amount <sup>+</sup> |
|-------|------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1     | Project Setup / Administration; Workplan | Project Setup, Administration, and Acceptance of complete detailed project work plan. | Complete and comprehensive project plan reviewed, revised, and accepted by client.                                                                                                                                                                                                                                                                     | 5%                  |
| 2     | Top-level Requirements                   | Complete more-detailed requirements documented.                                       | Base system installed and demonstrated to achieve requirements definition; completion of JADs, GADs and the next level down, more detailed definition of requirements; documents reviewed, revised, and accepted by client. Conference room pilot must be completed.                                                                                   | 10%                 |
| 3     | Infrastructure                           | Infrastructure and Technical Environments                                             | All infrastructure installed, configured, documented, and labeled; all warranty and maintenance information documented and turned over to client staff; all software licenses in client's name; upgrade, maintenance, and configuration control plans delivered and accepted by client; detailed performance monitoring scheme agreed to and in place. | 5%                  |
| 4a    | Phase 4A into Production                 | Phase 4A in production.                                                               | Phase 4a in production; all phase 4a data converted and cleaned; data bridging procedures in place; user acceptance testing completed; completed; all user training completed; data cleansing/conversion audit report complete and accepted by client; no critical PIR's open; fewer than 5 high level PIR's open.                                     | 10%                 |
| 4a    | Phase 4A – 60 Day Acceptance             | Satisfactory completion of 60 day usage for Phase 4A.                                 | 60 days after Phase 4a in production and being used; no major problems; all critical and high level PIR's closed that were identified up to 30 days before go live closed; an acceptable plan in place to resolve additional ones identified in the last 60 days.                                                                                      | 10%                 |
| 4b    | Phase 4B into Production                 | Phase 4B in production.                                                               | Phase 4b in production; all phase 4b data converted and cleaned; data bridging procedures in place; user acceptance testing completed; completed; all user training completed; data cleansing/conversion audit report complete and accepted by client; no critical PIR's open; fewer than 5 high level PIR's open.                                     | 10%                 |

<sup>+</sup> All costs except #2 (Infrastructure – B) do not include hardware or software licenses.



| Phase | Title                                          | Description                                                                | Acceptance Criteria                                                                                                                                                                                                                                                                                                | Amount <sup>+</sup>                  |
|-------|------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 4b    | Phase 4B – 60 Day Acceptance                   | Satisfactory completion of 60 day usage for Phase 4B.                      | 60 days after Phase 4b in production and being used; no major problems; all critical and high level PIR's closed that were identified up to 30 days before go live closed; an acceptable plan in place to resolve additional ones identified in the last 60 days.                                                  | 10%                                  |
| 4c    | Phase 4C – Self Service into Production        | Phase 4C Self Service in production.                                       | Phase 4c in production; all phase 4c data converted and cleaned; data bridging procedures in place; user acceptance testing completed; completed; all user training completed; data cleansing/conversion audit report complete and accepted by client; no critical PIR's open; fewer than 5 high level PIR's open. | 10%                                  |
| 4c    | Phase 4C – Self Service – 60 Day Acceptance    | Satisfactory completion of 60 day usage for Phase 4C.                      | 60 days after Phase 4c in production and being used; no major problems; all critical and high level PIR's closed that were identified up to 30 days before go live closed; an acceptable plan in place to resolve additional ones identified in the last 60 days.                                                  | 10%                                  |
| 5     | Application Warranty                           | Warranty period completed.                                                 | All support necessary provided; all PIR's identified during Warranty resolved. No more PIR's will be reported after the end of this period. Includes application, operational, and infrastructure support. All agreed upon upgrades provided – e.g., software, tax tables, federal reporting.                      | 10%                                  |
| 6     | Application Support                            | Application / Operation Support throughout Production and Warranty Periods | All application and operation support from day-1 of production thru end of Warranty Period.                                                                                                                                                                                                                        | 10%                                  |
| 7     | Release of Initial Holdback                    | Release of Initial Holdback.                                               | Satisfactory compliance with contract performance through rollout of the last phase to go into production; resolution and completion of RTM (punch list) items; identification of how remaining items will be closed.                                                                                              | ½ of the agreed upon holdback amount |
| 8     | Release of Remainder of Holdback               | Release of Remainder of Holdback.                                          | Conclusion of the warranty period (6 months after TCERA's acceptance of the final rollout).                                                                                                                                                                                                                        | ½ of the agreed upon holdback amount |
| n/a   | Ongoing Yearly Application / Operation Support | Ongoing Yearly Application / Operation Support                             | Agreement to be reached in contract negotiations                                                                                                                                                                                                                                                                   | n/a                                  |



## **D-7 Conflict of Interest**

If a vendor has any existing client relationship(s) that involve the County of Tulare or TCERA that would compromise its objectivity or might be perceived as a conflict of interest, the vendor must disclose such relationship(s) in its proposal.

The vendor hereby represents and agrees that it will not enter into any contingent fee arrangement with any firm or person concerning the obtaining of an agreement with TCERA. The vendor has received from TCERA no incentive or special payments, nor considerations not related to the provision of automation systems and services described in this RFP.

## **D-8 Confidentiality Requirements**

TCERA may treat all information submitted by a vendor as public information following the conclusion of the selection process unless the vendor properly requests that information be treated as confidential at the time of submitting the bid proposal. TCERA will copy public records as required to comply with the public records laws.

Any request for confidential treatment of information must be included in the transmittal letter with the vendor's bid proposal. In addition, the vendor must enumerate the specific statutory grounds or other applicable law that support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the vendor to respond to any inquiries by TCERA concerning the confidential status of the materials.

Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal as confidential may be deemed non-responsive and disqualify the vendor.

All materials submitted in response to this RFP become the property of TCERA. Any and all proposals received by TCERA shall be subject to public disclosure and inspection, except to the extent the vendor designates trade secrets or other proprietary data to be confidential as provided in this section, after the Evaluation Committee has completed its deliberative process and either the vendor has been informed that it is not the vendor selected by the Evaluation Committee for recommendation to the Board of Retirement, or the matter has been set for consideration before the Board of Retirement, whichever comes first. Material designated as proprietary or confidential shall accompany the proposal and each page shall be clearly marked and readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal. Prices, makes and models or catalog numbers of the items offered, deliverables, and terms of payment shall be publicly available regardless of any designation to the contrary. TCERA will endeavor to restrict distribution of material designated as confidential or proprietary to only those individuals involved in the review and analysis of the proposals. Vendors are cautioned that materials designated as confidential may nevertheless be subject to disclosure. Vendors are advised that TCERA does not wish to receive confidential or proprietary information and those vendors are not to supply such information except when it is absolutely necessary. If any information or materials in any proposal submitted is labeled confidential or proprietary, the proposal shall include the following clause:

\_\_\_\_\_ (legal name of proposer) shall indemnify,  
defend and hold harmless the Tulare County Employees' Retirement



Association, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) arising out of, concerning or in any way involving any materials or information in this proposal that \_\_\_\_\_ (legal name of vendor) has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.

If the vendor designates any portion of the proposal as confidential, the vendor must submit one copy of the bid proposal from which the confidential information has been excised or redacted. This excised copy is in addition to the number of copies requested in Section C-1 of this RFP. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible.

TCERA will treat the information marked confidential as confidential information to the extent such information is determined confidential under applicable Federal or California law or by a court of competent jurisdiction.

The vendor's failure to request confidential treatment of material will be deemed by TCERA as a waiver of any right to confidentiality which the vendor may have had. Submission by a vendor constitutes a complete waiver of any claims whatsoever against TCERA and/or its agents, officers, or employees, that TCERA has violated the vendor's right to privacy, disclosed trade secrets, or caused any damage by allowing the vendor's bid proposal to be inspected.

By submitting a bid proposal, the vendor agrees that TCERA may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The vendor consents to such copying by submitting a bid proposal and warrants that such copying will not violate its rights or the rights of any third-party. TCERA shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals.

## **D-9 Insurance**

All insurance requirements shall be adhered to by the vendor throughout the duration of the agreement with TCERA, and as may otherwise be specified therein. The successful vendor shall procure and maintain insurance, which shall protect the vendor and TCERA from any claims for bodily injury, property damage, and/or personal injury, which may arise out of operations under the agreement. The successful vendor shall procure the insurance policies at the vendor's own expense and shall furnish TCERA an insurance certificate(s) indicating the coverage's required in the agreement.

**Insurance certificates must be submitted and accepted by TCERA prior to the commencement of work under this RFP and the accompanying contract. Failure to obtain insurance satisfactory to TCERA will result in the rescission of any Notice of Award to the vendor. Any contract awarded shall be void if this requirement is not met.**

## **D-10 Ownership of Work Product and Intellectual Capital**

TCERA requires a nonexclusive, unlimited perpetual license to the LOB software and source code, as well as associated documentation designed, developed, or installed. Such nonexclusive license shall apply to all data, technical information, materials gathered, originated, developed, prepared, used, or obtained in



the performance of activities associated with the procurement. Additionally, the scope of this license shall include, but not be limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, that are prepared for or are a result of the services required and to be delivered under this procurement.

Source code is to be escrowed and release notes delivered with each functional cutover and with each fix or enhancement to the software through the warranty period and during any maintenance period beyond that TCERA requires that the line-of-business (LOB) source code be provided under a non-exclusive license, including appropriate intellectual property protections for the offeror. TCERA is not requiring nor intends to purchase, use, maintain, etc. the software; but needs to have this requirement as part of the non-exclusive license should any unforeseen future situations arise that affect the offeror's ability to deliver and/or support the solution.

All additional material (e.g., reports, surveys, plans, etc.) shall be delivered to TCERA upon 30 days' notice by TCERA. TCERA may exercise the license to retain third-party entities in the maintenance of such software if it so chooses without infringing on this license.

## **D-11 Project Termination**

Vendors are advised that TCERA expects to complete the effort with a single vendor. However, the proposals and ensuing contracts shall provide that at the end of any phase, TCERA may, at its sole discretion and with no penalty, terminate the effort and not move forward with the vendor to a subsequent phase (see Appendix E--11 for an illustrative sample contract which includes relevant termination).



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## **PART E APPENDICES**

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The following appendices are available on CD and will be provided to the vendor upon request. All requests for the Appendices CD should be directed to the TCERA Point of Contact named in Section A-1.2 of this RFP.

- E-1 TCERA Bylaws and Regulations**
- E-2 2008 Comprehensive Annual Financial Report (CAFR)**
- E-3 Member Handbook(s)**
- E-4 County Employees Retirement Law (CERL)**
- E-5 Samples of all Forms used in Current System**
- E-6 Samples of all Letters used in Current System**
- E-7 Samples of all Reports used in Current System**
- E-8 Live Samples of all Excel Spreadsheets used in Current System**
- E-9 TCERA Chart of Accounts**
- E-10 Documentation of Current TCERA Processes (User Manuals)**
- E-11 TCERA Contract**
- E-12 Current Application Inventory**
- E-13 Recent Auditor and Actuarial Reports**
- E-14 TCERA Data Security Policy**
- E-15 Network Diagram**