



**REQUEST FOR PROPOSAL FOR
PENSION ADMINISTRATION SYSTEM ASSESSMENT**

November 2, 2018

TEXAS MUNICIPAL RETIREMENT SYSTEM

P.O. Box 149153

Austin, TX 78714-9153

**TEXAS MUNICIPAL RETIREMENT SYSTEM
REQUEST FOR PROPOSAL**

Contents

I.	General Information for the Bidder.....	1
	A. Invitation to Submit Proposal.....	1
	B. TMRS Contact Person.....	2
	C. Proposal Timetable.....	3
II.	Description of TMRS and Other Information.....	3
	A. TMRS Description.....	3
	B. Fund Structure.....	4
	C. Financial Overview	5
	D. Computer Systems/Applications.....	6
III.	Nature of Services Required.....	8
	A. General.....	8
	B. Scope of Work.....	9
	C. Project Deliverables and Communication	10
	D. Assistance to be Provided to the Firm.....	11
IV.	Detailed Proposal Requirements	12
	A. General Requirements	12
	B. Technical Proposal Mandatory Requirements	13
	C. Fixed Fees and Hourly Rates (Appendices E and F).....	16
V.	Review and Evaluation of Proposals.....	17
	A. Evaluation Process	17
	B. Oral Presentations.....	18

C. Final Selection	18
D. Right to Reject Proposals.....	18
VI. Term of Engagement.....	19
A. Engagement Length.....	19
B. Subcontracting	19
VII. Notice Regarding the Texas Law and the Texas Public Information Act.....	19
Appendices	21
Appendix A: TMRS Organizational Chart.....	22
Appendix B: List of Key Personnel	23
Appendix C: Firm Guarantees & Warranties	24
Appendix D: Master Services Agreement	25
Appendix E: Summary Schedule of Proposed Fees	34
Appendix G: Notice of Intent (Template) & Non-disclosure Agreement.....	35

**TEXAS MUNICIPAL RETIREMENT SYSTEM
REQUEST FOR PROPOSAL
PENSION ADMINISTRATION SYSTEM ASSESSMENT**

I. General Information for the Bidder

A. Invitation to Submit Proposal

The Texas Municipal Retirement System ("TMRS" or "the System") is issuing this Request for Proposal (RFP) with the intent to select and hire an independent consulting firm ("Firm"). The Firm is to perform the following: (1) assess the current TMRS Pension Administration System with respect to its ability to meet long term business needs, (2) present options for TMRS consideration, and (3) recommend the best option for TMRS to pursue. TMRS expects to enter into a Master Services Agreement ("MSA") with the selected Firm by February 15, 2019.

This request for proposal is only for assessment, options, and recommendation(s) as described above. Once complete, TMRS may publish a separate competitive solicitation to select a contractor or contractors to complete the work related to project management and implementation of recommended option(s) from the assessment. The Firm awarded a contract as a result of this solicitation is precluded from bidding, offering, or proposing on subsequent projects resulting from providing the services to be provided in response to this RFP. However, the Firm awarded a contract as a result of this solicitation would be considered and allowed to participate in any independent verification and validation on subsequent projects resulting from the services provided pursuant to this solicitation.

TMRS does not guarantee subsequent projects as a result of this project.

B. TMRS Contact Person

Direct all questions and correspondence regarding this RFP to:

Contact Person for All Matters Relating to this RFP	
Name & Title	Jesse Pittman – Senior Project Manager
Email	TMRS-PASARFP@tmrs.com
Telephone	512-225-3785
Physical Address	1200 North IH-35 Austin, TX 78701
Mailing Address	P.O. Box 149153, Austin, TX 78714-9153

Only written questions submitted by the question deadline in Section I.C. will be accepted. Written answers to such questions shall be sent to those Firms notifying TMRS of its intent to bid.

From the date of the issuance of this RFP until the selection of a Firm is completed and announced, Firms that intend to submit a Proposal should not contact any TMRS Staff or Board Trustee other than to submit written questions to the "Contact Person." Communicating directly or indirectly with any other TMRS staff or Board Trustee regarding this RFP during this RFP process may result in immediate disqualification.

C. Proposal Timetable

Proposals are due by **5:00 PM CST on Friday, December 5, 2018** marked to the attention of the Contact Person in Section 1.B. It is the responsibility of the Firm to ensure the proposal arrives on or before the time and date in the RFP Schedule below. TMRS reserves the right to reject any or all proposals submitted or to adjust the timetable below. To be considered, Firms must meet the requirements as noted in Section IV.

R F P S c h e d u l e		
Deliverable	Date	Time
RFP Issued	November 2, 2018	
Notice of Intent to Bid & Signed Non-disclosure Agreement Due to TMRS	November 12, 2018	5:00 pm CST
Firm Questions on RFP Due to TMRS	November 19, 2018	5:00 pm CST
TMRS Answers to RFP Questions Sent to Firms	November 28, 2018	
RFP Submission Due Date	December 5, 2018	5:00 pm CST
RFP Review Panel Selects Top Proposals	January 18, 2019	
Contract Executed	February 15, 2019	

II. Description of TMRS and Other Information

A. TMRS Description

TMRS was created by the Texas Legislature in 1947 and began operations in 1948. TMRS is a statewide governmental pension plan qualified under section 401(a) of the Internal Revenue Code ("IRC") and is not subject to Title I of the Employees Retirement Income Security Act of 1974 (ERISA). TMRS is created by statute and administered in accordance with Title 8, Subtitle G, Chapters 851 through 855 of the Texas Government Code (the "TMRS Act") and other applicable provisions of Title 8 of the Texas Government Code. TMRS

administrative rules, adopted by the Board, may be found under the Texas Administrative Code, Title 34.

TMRS is a statewide agent multiple-employer public employee retirement system that provides retirement, disability, and death benefits to its members and their beneficiaries. At the end of 2017, TMRS administered 883 joint contributory, hybrid defined benefit plans for its member municipalities (cash-balance hybrid). Funds available to finance retirement benefits result from the accumulation of municipality contributions and members' deposits plus annual income allocated from investments. An annual actuarial valuation is performed for each municipality (as of Dec. 31) to determine its calendar-year contribution rate.

Board of Trustees: The TMRS Act places the general administration and management of the System with the six-member Board of Trustees (the "Board"). The Governor, with advice and consent of the Senate, appoints the Board. The Board delegates the daily administrative functions of TMRS to its Executive Director. The Executive Director is responsible for employment of the System's staff and for the operation of the System within the scope of the TMRS Act and the Board's regulations.

More detailed information on TMRS and its organizational structure and key personnel can be found in Appendices A and B of this RFP.

B. Fund Structure

TMRS is a public trust fund that has the responsibility of administering the System in accordance with the TMRS Act. The Act establishes accounts that comprise the net assets held in trust. The following accounts are included in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position of the TMRS Pension Trust Fund:

- Benefit Accumulation Fund,
- Supplemental Disability Benefits Fund,
- Endowment Fund, and

- Expense Fund

Member cities may elect by ordinance to provide supplemental death benefits for their active members and retirees. The Supplemental Death Benefits Fund (a

Contributions Received in Fiscal Year Ending December 31, 2017	
Contributor/Fund	Amount
Employer contributions (pension fund)	\$838.4 million
Employee or member contributions (pension fund)	\$410.5 million
Employer contributions (supplemental death fund)	\$7.3 million

cost-sharing, multiple-employer defined benefit, similar to a group-term life insurance plan) is a separate trust administered by the Board.

C. Financial Overview

1) Investment Funds

TMRS held investments of \$28.6 billion in market value as of December 31, 2017.

2) Contributions

The contribution rates for employees are 3% (no longer allowed for new cities), 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are 100%, 150%, or 200%, both as adopted by the governing body of each city. The contribution rate for each city is determined annually by the System's consulting actuary, using the Entry Age Normal actuarial cost method. Gabriel, Roeder, Smith & Company (GRS) currently provides actuarial services to the System.

Employee contributions are withheld from the individual's compensation and forwarded to TMRS monthly, along with the employer's monthly contribution amount. Monthly contributions are due to TMRS by the 15th of the month following the effective payroll period, and are remitted via Automatic Clearing House ("ACH") or by check payment.

3) Benefit Payments

As of December 31, 2017, TMRS had approximately 63,000 retirees receiving benefits. Monthly annuity payments are made primarily via ACH direct deposit, with some paper check payments issued, and totaled \$1.25 billion in 2017. At retirement, a member may choose to receive a partial lump-sum distribution ("PLSD"), which is a portion of the member's deposits and interest. PLSD payments during 2017 totaled \$156.9 million.

Benefits paid by the supplemental death benefit fund in 2017 totaled \$9.9 million.

4) Withdrawals

Members who leave covered employment may withdraw their contributions made to TMRS in a lump sum. Withdrawal payments, or refunds, issued during 2017 totaled \$59.4 million. TMRS will allow eligible rollover distributions to be paid directly to a financial institution of the member's choice, to the extent allowed by the Internal Revenue Code.

5) Fiscal Year

The fiscal year for TMRS begins January 1 and ends December 31.

D. Computer Systems/Applications

The TMRS Pension Administration System includes four custom built components: a member benefits application written in Java, two customer facing web portals, and a contribution application written in Oracle Forms. These components are:

- The Next Generation Member Benefits System ("NextGen MBS") is the core component of TMRS' Pension Administration System. NextGen MBS is a custom-built application written in Java. It went into production in 2002 and is maintained by TMRS staff with routine updates to underlying software and application releases.

It is used by TMRS to manage, track, and administer member benefits. NextGen MBS supports four main functions: (1) creation and maintenance of city retirement plan options; (2) creation and maintenance of member and annuitant data; (3) creation and maintenance of payment processing (refund, annuity, partial lump-sum distributions, and supplemental death benefits); and (4) the application of member's interest.

- City Portal is a custom-built web based portal application written in Java. It went into production in 2010 and is maintained by TMRS staff with routine updates to underlying software and application releases.

City Portal is used by administrative staff in cities participating in the TMRS plan to enroll new members, upload contribution data, and access member account information.

- MyTMRS® is a web based portal custom-built application written in Java. MyTMRS went into production in 2002, was completely redesigned in 2014, and is maintained by TMRS staff with routine updates to underlying software and application releases.

MyTMRS is used by individual members of the TMRS plan who are currently employed, were previously employed, or have retired from cities participating in the TMRS plan. Members can use this portal to update personal information, designate or update beneficiary information, and update other account information.

- The City Contribution System is a custom-built application written in Oracle Forms. The City Contribution System went into production in 2000, and has remained largely unchanged since its deployment.

TMRS staff use this system to manage and process city and member contribution funds.

TMRS purchased and implemented the Perceptive Content Management System in 2015 to primarily support the Member Services department. It is the repository in which images of TMRS's city information, member forms, and correspondence are stored. It has since been expanded to manage some accounting records, including accounts payable invoices, check images, and some banking documents.

Microsoft Dynamics ("Great Plains") is the accounting application used by the System to track all general ledger activity. The modules currently in use are: general ledger, payables management, bank reconciliation, and fixed asset management. Great Plains was implemented at TMRS in December of 1998 and has been maintained with routine software upgrades.

More detailed technical information such as system diagrams, application server software version information, database version information, etc. can be obtained after submitting "Notice of Intent" and signing the TMRS non-disclosure agreement in Appendix G.

III. Nature of Services Required

A. General

TMRS is soliciting the services of an independent consulting firm with experience in the Pension industry to perform the following: (1) assess the current TMRS Pension Administration System with respect to its ability to meet long term business needs and associated customer service processes, (2) present options for TMRS consideration, and (3) recommend the best option for TMRS to pursue.

- These services are to be performed in accordance with the provisions in this RFP.
- TMRS reserves the right to use the Proposals to hire a Firm to provide additional services as TMRS deems necessary on a non-exclusive basis upon

mutual agreement of the scope and fees.

B. Scope of Work

The selected firm will be required to perform the Pension Administration System assessment and provide recommended option(s) for TMRS to pursue based on TMRS Strategic Plan goals, customer service goals, information technology goals, and industry best practices for business and technology operations of pension administrators.

TMRS' mission of providing secure, reliable retirement benefits relies on having an effective Pension Administration System. Moreover, TMRS' strategic objectives include to:

- Evaluate and present recommendations to the Board regarding the current Pension Administration System's ability to continue to support TMRS customer service operations in the most comprehensive, cost-effective, efficient, and secure way.
- Expand delivery of self-service capabilities.
- Enhance internal systems to improve customer service operational efficiencies.

The assessment should include a review and analysis of TMRS' ability to meet short and long term strategic, customer service, and information technology goals with the current Pension Administration System, identifying strengths and weaknesses of current business processes and technology used to provide customer service and self-service features to our members and participating cities and municipalities. Among other factors, the Pension Administration System applications should be assessed on usability, sustainability, and maintainability. TMRS' current and planned information security controls and privacy practices should also be reviewed, analyzed, and compared to industry best practices.

The technology used for the TMRS Pension Administration System should be reviewed and assessed on its ability to meet current and future needs of TMRS.

Supporting technologies such as servers, databases, data network, network storage, and the content management system should be reviewed and analyzed only on their ability to support the Pension Administration System applications (NextGen MBS, MyTMRS, City Portal, and City Contribution System). Review and analysis of the supporting technologies need not be to the same level of detail as the Pension Administration System (PAS) applications, rather they only need to be categorized as enablers or inhibitors to the PAS applications with a brief rationale.

C. Project Deliverables and Communication

The Pension Administration System Assessment will consist of two phases: the current assessment and recommendations for a future state.

Project Communication

The Firm shall communicate regularly with TMRS. The Firm shall immediately notify TMRS if a security vulnerability or other critical issue is identified during the assessment. For general issues, the Firm will provide these written communication:

- Bi-weekly project status reports
- Updated project schedule showing completed tasks, pending tasks, overdue tasks, etc.

Phase I Deliverable: Gap Assessment

For purposes of this RFP response, the Firm should anticipate the requirements of Phase I to be a report that answers, at a minimum, these questions:

- Will the technology supporting the Pension Administrative System become obsolete?
- How does TMRS' technology (hardware and software) and practices (policies) compare with pension industry "best practices"?
- How does the functionality of TMRS Pension Administration System compare with pension industry "best practices"?
- What issues require TMRS' immediate attention?

Following completion of the current Pension Administration System review and analysis, the Firm shall provide TMRS a PAS report including at a minimum:

- Description of the current state of TMRS' technology and practices compared to pension industry best practices
- Description of current functionality and features available in the TMRS Pension Administration System applications compared to pension industry best practices
- Initial Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis of TMRS' technology, practices, and PAS applications
- Direct and indirect costs of current PAS applications

Phase II Deliverable: Recommendations for Future State

- Based on its analysis of the Phase I deliverable, TMRS may provide the Firm with additional guidance or areas of focus for the Phase II deliverable.

Where the Firm identified gaps in Phase I between TMRS and pension industry best practices, the Firm should provide TMRS with:

- Firm's recommendation and rationale for the recommendation, including potential upgrade, expansion, and/or replacement of the current TMRS Pension Administration System component applications and enhanced information security and privacy
- A proposed strategy with an implementation timeline
- Estimated cost for implementing the strategy. Costs should include staffing needs and five (5) years of maintenance and operations and
- Possible alternatives to the recommended changes

D. Assistance to be Provided to the Firm

The Information Resources Department staff will be the lead contact to assist the Firm by providing information, documentation, and explanations.

The Information Resources department will be available as needed to provide information and documentation on the existing Pension Administration System

applications and supporting technology as needed by the Firm. The Firm may also be provided with "read only" access to NextGen MBS.

TMRS management personnel from Project Management, Information Resources and Member Services will be available to assist in providing information and/or access to their team members for the duration of the Pension Administration System assessment.

IV. Detailed Proposal Requirements

A. General Requirements

1) Submittal of Notice of Intent

Firms interested in submitting a proposal must submit their "Notice of Intent" and the signed Non-disclosure Agreement by 5:00 pm CST on November 12, 2018 in the formats included in Appendices G and H to the [TMRS Contact Person](#). Failure to do so will disqualify firms from submitting a proposal.

2) Submission of Proposals

The following material must be received by the [TMRS Contact Person](#) electronically and in hard copy by 5:00 p.m. CST on December 5, 2018 for a proposing Firm to be considered:

- **Transmittal Letter.** A signed letter of transmittal briefly stating the Firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the Firm believes itself to be best qualified to perform the engagements, and a statement that the proposal is a firm and irrevocable offer.
- **Detailed Proposal.** The detailed proposal (both Technical and Fees) should follow the order set forth in Section IV B and C of this RFP.
- **Firm Guarantees and Warranties.** The Firm will guarantee to provide the services set forth in Section III: Nature of Services Required and warranty their compliance with Section IV. Detailed Proposal Requirements (Appendix C).

- **Hard Copies of Proposal.** The Firm will provide seven (7) hard copies of the proposal. The electronic copy of the proposal will be the copy of record, and the hard copies should match the electronic copy and not include any additional materials.

B. Technical Proposal Mandatory Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Firm. The Technical Proposal should demonstrate the qualifications of the Firm and of the proposed staff to be assigned to this engagement. It should also address items 1 through 6 below.

1) Firm Qualifications

The Firm is required to:

- Provide information related to its experience within the last 5 years in the pension administration industry; experience consulting on or implementing pension administration systems with multi-plan pension systems that have more than 100,000 members.
- Provide a brief profile of the Firm, including the types of services offered, form of the organization (corporation, partnership, sole proprietorship), size and location of the Firm, the size of the Firm's pension consulting staff, the location of the office from which the work on these engagements is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and on a part-time basis.
- Provide the names of any affiliations or other business relationships between the Firm and any other software or services organization that could be construed as posing a conflict of interest or that could provide a reputational, monetary or other benefit to the Firm or the other software or service organization. For any organization listed, provide a description of the relationship.
- List and describe the Firm's relationships, if any, involving current TMRS employees or Board members for the past five (5) years, with a statement

explaining why such relationships do not constitute a conflict of interest relative to performing the proposed professional services.

- Affirm that it maintains--or asserts it will obtain if the selected Firm-- insurance coverage, as specified in the MSA (Appendix D).

2) Principal, Supervisory, and Staff Qualifications and Experience

- The Firm shall identify all individuals to be assigned to this engagement by name and title, and include a resume of each.
- The Firm shall provide information on specific pension administration system consulting and system implementation experience for each person.

Managers, other supervisory staff, and specialists may be changed if those personnel leave the Firm. These personnel may also be changed for other reasons with the express prior written permission of TMRS. However, in either case, TMRS retains the right to approve or reject replacements.

3) Business References of Other Clients

- The Firm, must confirm that it has conducted at least two similar engagements within the last 5 years for pension systems with multi-plan pension systems that have more than 100,000 members and annuitants.
- The Firm must list two clients from the last five years for which the Firm provided similar services described in this RFP (especially for multi-employer public pension systems). Each should include the following:
 - Client's name and address
 - Principal client contact name, title, email, and phone number
 - A brief statement on scope of work

By submitting a proposal, the Firm authorizes TMRS to contact the clients listed for comments regarding the consulting services.

The firm should also list all public pension system customers they have done business with, regardless of size, in the last 5 years, however detailed contact

names, statements on scopes of work, etc. are not required to be included.

4) Specific Approach for the Consulting Services

The proposal should set forth a detailed work plan that includes a description of the deliverables to be provided, including an explanation of the assessment methodology to be followed, to perform the services required in Section III of this RFP, and include the estimated number of hours for consultant staff and TMRS staff by role, separately. The work plan should also detail the specific activities and associated hours for all work to be performed on-site at TMRS facilities located at 1200 North Interstate 35, Austin, TX 78701, and associated hours for all work to be performed remotely. Proposers will be required to provide sufficient information on their assessment approach and their expertise to conduct a quality assessment that encompasses strategic goals, customer service goals, and information technology implications.

5) Attendance at TMRS Board Meetings

The Firm may be required to attend TMRS Board meetings to provide status updates throughout the assessment and present the final assessment report and recommendations to the Board. The Firm should provide an affirmative statement that its representatives (minimum of engagement principal) will attend required Board meetings. TMRS will provide at least 30 days prior notice of requested meeting date(s).

6) Sample Deliverables

The Firm is required to provide sample deliverables, including but not limited to the status report, prior reports similar in nature, and a template for Phase I and II deliverables.

C. Fixed Fees and Hourly Rates (Appendices E and F)

1) Authorized Official

The fee proposal should include a certification that the person signing the proposal is entitled to represent the Firm, empowered to submit the proposal, and authorized to enter a contract with TMRS.

2) Total All-inclusive Fixed Fee Pricing

The fixed fee proposal should contain all pricing information relative to performing the engagement as described in this RFP for the TMRS Pension Administration System Assessment. The total all-inclusive fixed fee is to contain all direct and indirect costs, including out-of-pocket expenses (see Appendix E).

3) Hourly Rates of Staff

The fee proposal should include a schedule of professional hourly rates and anticipated number of hours that support the fixed price. The schedule should include rates by staff level (manager, supervisory and staff) multiplied by the number of hours anticipated for each (see Appendix F—Schedule of Professional Rates).

4) Out-of-Pocket Costs

TMRS will not reimburse for out-of-pocket costs. Out-of-pocket costs should be included in professional fees.

5) Additional Services

If it should become necessary for TMRS to request the Firm render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in a separate statement of work between TMRS and the Firm, after TMRS determines no organizational conflicts of interest exist. Any such additional work agreed to between TMRS and the

Firm shall be performed at the same hourly rates as set forth in the schedule of rates in Appendix F (see Section III.A.) As stated in Section I.A., the selected Firm providing the assessment services pursuant to this RFP will not be eligible to bid on implementation of upgrade, expansion, and/or replacement of the current TMRS Pension Administration System resulting from or related to that Firm's recommendations, but would be considered for independent verification and validation services, or other similar separate consulting services, regarding evaluation of any such implementation projects.

6) Manner of Payment

Firm shall not invoice TMRS more than monthly. Invoices will be paid within 30 days of receipt.

V. Review and Evaluation of Proposals

A. Evaluation Process

Proposals submitted will be evaluated by select members of TMRS staff, with recommendation of finalist(s) made to the Executive Director and/or the TMRS Board Technology Committee. Proposals will be evaluated on the quality of responses to all items included in Section IV as follows:

Weighted Factors for Evaluating Responses	
Fee proposal	20%
Firm's qualifications and references	15%
Professional personnel	30%
Engagement approach, including timeframes, work plan, and sample deliverables	35%

- During the evaluation process, TMRS reserves the right to request additional information or clarification from Firms, or to allow corrections of errors or omissions where it may serve the System's best interest.
- By submitting a response to this RFP, the respondent agrees to acceptance of the terms and conditions contained in this RFP, including

the terms and conditions in the MSA in Appendix D.

- TMRS reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between TMRS and the Firm selected.
- When selecting a Firm, emphasis will be on attaining the best value for TMRS in terms of quality and expertise.
- TMRS reserves the right to use the Proposals to hire a Firm to provide additional services as TMRS deems necessary on a non-exclusive basis upon mutual agreement of the scope and fees.

B. Oral Presentations

At the discretion of TMRS, Firms submitting proposals may be requested to make an oral presentation of approximately one hour at no cost to TMRS (see tentative schedule at I.C.). Not all Firms may be asked to make such oral presentations.

C. Final Selection

The TMRS Executive Director will select a Firm with input from TMRS staff. It is anticipated that a Firm will be selected by January 18, 2019. Following the notification to the selected Firm, it is expected that a Master Services Agreement will be executed by February 15, 2019. These dates are estimates and are subject to change with notice.

D. Right to Reject Proposals

Submission of a proposal indicates the Firm accepts the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between TMRS and the Firm selected. TMRS reserves the right in its sole discretion to accept or reject any or all proposals, to negotiate modifications or revisions to a response, and to negotiate with any

Firms responding to the RFP.

VI. Term of Engagement

A. Engagement Length

- 1) TMRS will enter into a Master Services Agreement subject to the satisfactory negotiation of terms, including a price acceptable to both TMRS and the selected Firm.
- 2) TMRS reserves the right to terminate any engagement at any time, with or without cause, upon 30 days written notice to the Firm, in which event compensation will be paid only for services rendered through the date of termination.

B. Subcontracting

If the Firm plans to subcontract any portion of the work, that fact, and the name of the proposed subcontracting Firms, must be clearly identified in the Firm's response to the RFP. Following the award of the contract, no additional subcontracting will be allowed without the express prior written consent of TMRS.

VII. Notice Regarding the Texas Law and the Texas Public Information Act

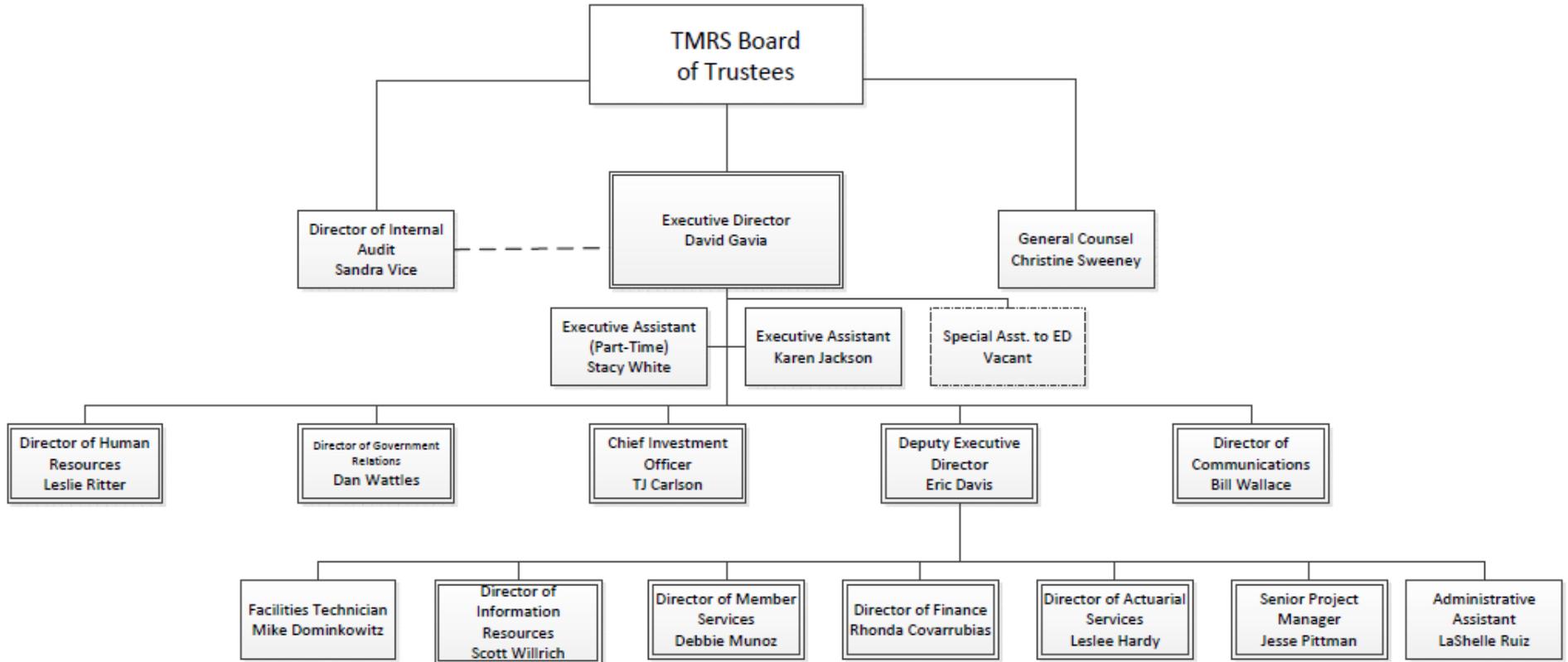
TMRS is a statewide public retirement system created under the laws of the State of Texas, and as such, there are constitutional and statutory limitations on the authority of TMRS to enter into certain terms and conditions. Firms participating in the proposal process understand and agree that TMRS is limited on terms and conditions it may accept, including, but not limited to, terms and conditions relating to liens on TMRS assets and property; granting control of litigation or settlement to another party; liability for acts or omissions of third parties, payment of attorneys' fees, dispute resolution; indemnification obligations; jurisdiction, venue, and confidentiality. The contract will be construed under Texas state law.

Firms submitting proposals pursuant to this request should understand and acknowledge that their bids may be subject to release under the Texas Public Information Act. However, certain information may be confidential and fall under exceptions to disclosure, including, but not limited to proprietary information, trade secrets, working papers, and where disclosure might cause substantial competitive harm. If a Firm believes its proposal contains confidential information in those categories, the Firm must specifically document this on either the top or bottom of each page that contains the information the Firm considers confidential, and must describe the specific nature of the exception to the Texas Public Information Act that the Firm believes applies. A general disclaimer that the bidder's response contains confidential information will not be sufficient to meet this requirement. This will not ensure that these provisions will be determined to be confidential under state law, however, it will simplify the process of requesting a Texas Attorney General's opinion regarding their status. Firms submitting proposals should be prepared to defend any claimed exemption under the Texas Public Information Act.

Appendices

- A. Organizational Chart
- B. List of Key Personnel
- C. Firm Guarantees and Warranties
- D. Standard Terms and Conditions
- E. Summary Schedule of Proposed Fees
- F. Schedule of Professional Rates
- G. Notice of Intent – Template & Non-Disclosure Agreement

Appendix A: TMRS Organizational Chart



Appendix B: List of Key Personnel

TMRS Board of Trustees

Jim Parrish, Chair
Bill Philibert, Vice Chair
Jesus A. Garza
James "Jim" Paul Jeffers
David Landis
Julie Oakley

TMRS Executive Management

David Gavia	Executive Director
Eric W. Davis	Deputy Executive Director
TJ Carlson	Chief Investment Officer
Christine Sweeney	General Counsel
Sandra Vice	Director of Internal Audit
Rhonda H. Covarrubias Leslie	Director of Finance
Leslie Ritter	Director of Human Resources
Leslee Hardy	Director of Actuarial Services
Debbie Munoz	Director of Member Services
Dan Wattles	Director of Government Relations
Bill Wallace	Director of Communication
Scott Willrich	Director of Information Resources
Jesse Pittman	Senior Project Manager

Appendix C: Firm Guarantees & Warranties

The Firm certifies it can and will provide and make available, as a minimum, all services set forth in Section III, "Nature of Services Required."

- A. Firm warrants that it is willing and able to comply with the Master Services Agreement terms and conditions set forth in Appendix D.

- B. Firm warrants that all information provided by it in connection with this proposal is true and accurate.

Exception to or additional information regarding the above warranties are noted as follows:

Signature

Date

Name & Title (typed or printed)

Firm

Appendix D: Master Services Agreement

MASTER SERVICES AGREEMENT

This **MASTER SERVICES AGREEMENT** (this "Agreement") is entered into by and between the Texas Municipal Retirement System, a public retirement system of the State of Texas ("TMRS") and _____, a _____ ("Consultant"), and is effective as of ____ 1, 2018.

WHEREAS TMRS issued a Request for Proposals for Professional Services dated November 2, 2018 (the "RFP"), attached as Exhibit A and incorporated by reference to this Agreement; and

WHEREAS Consultant responded to such RFP with Consultant's Response to Proposal for Services to Texas Municipal Retirement System (the "RFP Response"), attached as Exhibit B and incorporated by reference to this Agreement; and

WHEREAS the Board of Trustees of TMRS selected Consultant to provide professional services for TMRS as set forth in the RFP and the RFP Response, and annual engagement letters regarding the services to be provided each year, and the parties wish to agree to certain terms and conditions that will consistently apply to the parties throughout the term of this Agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. SERVICES. Consultant will perform services ("Services") set forth in the RFP, the RFP Response and any other Statement of Work ("SOW") as may be hereafter executed by the parties in accordance with the terms and conditions set forth in this Agreement. Services shall be performed to the satisfaction of TMRS. Consultant personnel providing the Services will be identified in the Consultant's RFP Proposal as per the RFP requirements.

2. TERM. The term of this Agreement shall commence on _____, 2018 and shall continue for the duration of the Services or any SOW executed hereunder, unless terminated earlier by either party in accordance with the termination provisions found in Paragraph 10 below.

3. COMPENSATION. Consultant's fees shall be as agreed to by the parties and set forth in Exhibit C, Fees For Professional Services, for the Services described in the RFP. TMRS will pay Consultant within 30 days of receipt by TMRS of a detailed invoice. If circumstances arise that warrant additional work in excess of the Services, the parties will agree to and execute a SOW with agreed upon fees and scope of services. TMRS will not reimburse Consultant for any out-of-pocket expenses incurred in providing the Services. If TMRS disapproves any amount submitted for payment by Consultant, TMRS shall give Consultant specific reasons for disapproval in writing. Upon resolution of any disputed charges, Consultant shall re-invoice such remaining charges to TMRS.

4. CONFLICTING TERMS OR INCONSISTENCIES. In the event of a conflict or inconsistency between the terms and conditions found in this Agreement, its Exhibits, attachments or related documents, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- a. this Agreement;
- b. the SOW or the RFP;
- c. the RFP Response.

This Agreement cannot be modified or changed by any oral promise made by any person, officer, or employee of either party, nor shall any written modification of it be binding on either party until signed by authorized representatives of both parties.

5. WARRANTIES & REPRESENTATIONS

In this Section 5, the term “Consultant” includes all Consultant Personnel. Consultant warrants and represents the following:

- 5.1 Compliance with Laws and Policy.** That Consultant shall perform the Services and conduct all operations in conformity with all federal, state, and local laws, rules, regulations, and ordinances applicable to Consultant in its capacity as a service provider.
- 5.2 Licenses and Certifications.** That Consultant has or will obtain at its own cost, prior to providing the Services, any and all approvals, licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, required for the performance of the Services.
- 5.3 Performance.** That the Consultant Personnel providing the services under this Agreement have the experience, and knowledge necessary to qualify Consultant for the particular duties to be performed under this Agreement. Consultant warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional industry standards.
- 5.4 Authority.** That if (i) it is a corporation or limited liability company, then it is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, or a foreign corporation or limited liability company duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary corporate power and has received all necessary corporate approvals to execute and deliver this Agreement, and the individual executing this Agreement on behalf of Consultant has been duly authorized to act for and bind Consultant; or (ii) if it is a partnership, limited partnership, or limited liability partnership, then it has all necessary partnership power and has secured all necessary approvals to execute and deliver this Agreement and perform all its obligations hereunder, and the individual executing this Agreement on behalf of Consultant has been duly authorized to act for and bind Consultant.
- 5.5 Conflict of Interest.** That Consultant has no direct or indirect personal or private commercial or business relationship, unrelated to the services that Consultant is providing through this Agreement, with any other party to a transaction with TMRS that could reasonably be expected to diminish the independence of judgment being provided in the performance of Consultant’s responsibilities to TMRS. Consultant has no personal or private business or commercial relationship with any third party, including a TMRS Trustee or employee that has not been disclosed by Consultant to TMRS that would violate professional standards or create any appearance of impropriety. That Consultant presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Consultant’s ability to perform the Services.
- 5.6 No Violations.** The terms of this Agreement do not violate any obligations by which Consultant is bound, whether arising by contract, operation of law, or otherwise. This Agreement constitutes a legal, valid and binding agreement of Consultant enforceable against Consultant in accordance with its terms except as limited by bankruptcy, insolvency, receivership and similar laws of general application. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of Consultant.
- 5.7 No Gifts.** Consultant has not given, offered to give, nor does it intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a TMRS trustee or employee in connection with this Agreement, except as permitted under the TMRS Code of Ethics, Chapter 572, Government Code or Chapter 36, Penal Code.
- 5.8 Other.** Consultant does not boycott Israel and will not boycott Israel during the term of this Agreement.
- 5.9 Ongoing Compliance.** Consultant agrees to notify TMRS immediately if any of the representations or warranties described in this Article 5 change or are no longer true.

6. DELIVERABLES AND USE OF DOCUMENTS.

- 6.1 TMRS Information.** The documents and other tools furnished to Consultant by TMRS and used by Consultant in performing the work shall remain the exclusive property of TMRS (“TMRS Information”).

- 6.2 Licenses.** TMRS grants to Contractor a license to use such TMRS Information to provide the Services. Any Contractor work product which the parties expressly agree is created solely and exclusively to be owned by TMRS (the "Deliverables"), if any, shall become the property of TMRS.
- 6.3 Return of Materials.** Upon termination or expiration of this Agreement, Contractor shall surrender to TMRS all TMRS Information and Deliverables, whether complete or incomplete, on which Contractor worked prior to the termination of this Agreement.

7. CONFIDENTIALITY. Consultant acknowledges that it may obtain confidential information and materials concerning TMRS, its employees, employers, members and annuitants and its assets, investments or the operations of its investment program (the "Confidential Information") while providing the Services. Consultant (as defined below) acknowledges and agrees that certain Confidential Information received from TMRS or from certain third party vendors, consultants, investment funds, or investment managers (individually a "Third Party" and collectively, the "Third Parties") relating to TMRS or its assets or investments may be proprietary, confidential, or privileged commercial and financial property of TMRS or such Third Parties. Consultant (as defined below) agrees that all Confidential Information that is communicated to, learned, developed or otherwise acquired by Consultant, any affiliate, subsidiary, parent company, employee, vendor, agent or subcontractor (collectively for this paragraph, "Consultant") in the performance of the Services, that is not generally known to the public, will be confidential and Consultant will not, beginning on the date of first association or communication between TMRS and Consultant and continuing through the term of this Agreement and any time thereafter, disclose, communicate or divulge, or permit disclosure, communication or divulgence of the Confidential Information to another or use such Confidential Information for Consultant's own benefit or the benefit of another, unless required by law, legal process or to fulfill professional standards or obligations. If any third person or entity seeks to compel Consultant to disclose or produce any information, including without limitation any Confidential Information, provided to Consultant by, through, or on behalf of TMRS, or claims an entitlement to any such information on the grounds that such information is alleged or claimed to be generally available to the public or to constitute in whole or in part a public record, document or report under applicable law, Consultant agrees to notify TMRS within two (2) business days of such demand and, to the extent permitted by law, provide TMRS adequate opportunity to request a legal opinion or to consent to or seek to prevent such disclosure through protective order or other appropriate remedy. Consultant shall notify TMRS immediately if Consultant becomes aware that the confidentiality of any of the Confidential Information has been breached.

Except when defined as part of the Services, Consultant will not make any press releases, public statements, or advertisement referring to the Services or the engagement of Consultant as an independent contractor of TMRS in connection with the Services, or release any information relative to the Services for publication, advertisement or any other purpose without the prior written approval of TMRS.

8. INDEMNITY. CONSULTANT SHALL INDEMNIFY AND DEFEND TMRS, ITS TRUSTEES, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES, FROM AND AGAINST ALL LIABILITIES, DAMAGES, CLAIMS, DEMANDS, ACTIONS (LEGAL OR EQUITABLE), AND ALL REASONABLE COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES, OF ANY KIND OR NATURE (COLLECTIVELY "LOSS" OR "LOSSES"), RELATED TO OR ARISING FROM ACTUAL OR ALLEGED (A) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONSULTANT, OR ANY ONE OR MORE OF ITS PRINCIPALS, PARTNERS, MEMBERS, DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES; (B) INFRINGEMENT OF ANY PATENT, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHT, OR MISAPPROPRIATION OR THEFT OF TRADE SECRETS BY CONSULTANT, ITS PRINCIPALS, PARTNERS, MEMBERS, DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES; OR (C) INJURY TO OR DEATH OF ANY INDIVIDUAL, OR ANY LOSS OF OR DAMAGE TO REAL OR TANGIBLE PERSONAL PROPERTY, CAUSED BY THE NEGLIGENCE OF CONSULTANT OR ANY OF ITS AGENTS, SUBCONTRACTORS OR EMPLOYEES. TMRS WILL HAVE THE RIGHT TO APPROVE THE TERMS OF ANY SETTLEMENT OR COMPROMISE THAT RESTRICTS ITS RIGHTS GRANTED UNDER THIS AGREEMENT OR SUBJECTS IT TO ANY ONGOING OBLIGATIONS.

9. INSURANCE. Consultant shall, at its sole cost and expense, secure and maintain as a minimum, from the effective date and thereafter during the term of this Agreement, for its own protection and the protection of TMRS, the following insurance coverage with insurance companies:

- a. Professional/Errors & Omissions insurance with a limit of no less than \$5,000,000 per claim made and \$5,000,000 annual aggregate;
- b. Commercial general liability, on ISO "occurrence" form or its equivalent, with a limit of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate covering bodily injury and tangible property damage claims; \$1,000,000 Products/Completed Operations and \$1,000,000 Personal/Advertising Injury;
- c. Auto Liability insurance for any owned, hired or non-owned auto coverage at \$1,000,000 per accident; and
- d. Statutory workers' compensation coverage – minimum coverage for employer liability as determined by law with employer's liability minimum of \$500,000/\$500,000/\$500,000.

If the policy is a claims-made policy and such policy is cancelled or nonrenewed during the term of this Agreement, Consultant also agrees to provide, at its sole expense, certificates evidencing continuing coverage or tail coverage, with extended reporting, under such insurance policy for not less than three (3) years after the termination or expiration of this Agreement. Consultant shall deliver or cause to be delivered to TMRS not later than the thirtieth day after the effective date of this Agreement, and annually thereafter, certificates of insurance, with ISO form endorsements (CG 20 10 or CG 20 37 or equivalent), evidencing the coverage, which includes products and completed operations, required herein. Consultant shall provide thirty (30) days' written notice to TMRS prior to any material alteration, reduction, cancellation or change by endorsement of the coverage evidenced by such certificate. Insurance coverages are to be provided by Texas admitted insurance companies with a Best's rating of at least A, unless otherwise approved in writing by TMRS. Consultant's insurance shall be primary and any insurance or self-insurance maintained by TMRS shall be excess and not contribute with the coverage maintained by Consultant. When any of the foregoing insurance coverages are required to remain in force after final payment, an additional certificate with appropriate endorsements evidencing continuation of such coverages shall be submitted along with the application for final payment. All coverages for subcontractors shall be subject to all of the requirements stated herein. The above are minimum acceptable coverage limits and do not infer or place a limit on the liability of the Consultant, nor has TMRS assessed the risk that may be applicable to Consultant, which shall assess its own risks and may maintain higher limits and/or broader coverages as it deems appropriate or prudent.

10. RIGHT TO AUDIT. Consultant shall maintain adequate records to establish compliance with this Agreement until the later of a period of seven (7) years after termination of this Agreement or until full, final and unappealable resolution of all compliance or litigation issues that arise under this Agreement. Consultant shall grant access to all paper and electronic records, books, documents, accounting procedures, practices and any other items relevant to the performance of this Agreement to the internal auditors or contract management of TMRS, and such other persons or entities designated by TMRS for the purposes of inspecting, compliance checking and/or copying such books and records during regular office hours at a mutually agreed time.

11. FORCE MAJEURE. Neither TMRS nor Consultant shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

13. TERMINATION. TMRS may terminate this Agreement with or without cause upon thirty (30) days prior written notice to the Consultant.

- a. If TMRS wishes to terminate this Agreement for cause while Consultant is actively performing the Services, the written notice to Consultant shall identify the alleged deficiencies in Consultant's performance. If Consultant fails to cure the identified deficiencies within the thirty (30) days of its

receipt of notice, the Agreement will immediately terminate. Upon such termination, TMRS shall pay Consultant, at the rate set out in the Engagement Letter, for Services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, TMRS will not be required to pay or reimburse Consultant for any services performed or for expenses incurred by Consultant after the date of the termination notice that could have been avoided or mitigated by Consultant.

c. Paragraphs 7, 8, 10, 13.b., 15.1 and 15.2 shall survive termination of this Agreement.

14. NOTICE. Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given upon hand delivery, verified delivery by facsimile (followed by copy sent by United States Mail), or three days after deposit in the United States Mail:

If by hand delivery:
TMRS
1200 N IH 35
Austin, Texas 78701

If by hand delivery:

If by US MAIL:
TMRS
P. O. Box 149153
Austin, Texas 78714-9153

If by US MAIL:
Consultant

If by facsimile:
TMRS
Attn: General Counsel
512.225.3786

If by facsimile:

Attn: _____

15. ADDITIONAL STATUTORY PROVISIONS.

15.1 Governing Law & Venue. In any lawsuit or legal dispute arising from the operation of this Agreement, the parties agree that the laws of the State of Texas shall govern, without regard to the principles of conflicts of laws. Subject to TMRS' sovereign immunity, to the extent it is necessary to resolve in a court any dispute under this Agreement, and if resolution by a court is consistent with the provisions hereof, courts of the State of Texas shall have jurisdiction over any and all disputes between the parties hereto, whether in law or equity, and exclusive venue in any such dispute shall be laid in Travis County, Texas.

15.2 Dispute Resolution. The dispute resolution process provided in Chapter 2260, Texas Government Code, will be used by TMRS and Consultant to attempt to resolve any claim for breach of contract made by Consultant that cannot be resolved in the ordinary course of business. The Executive Director of TMRS or his designee will examine Consultant's claim and any counterclaim and negotiate with Consultant in an effort to resolve such claims. The parties specifically agree that (i) neither the execution of the Agreement by TMRS nor any other conduct, action or inaction of any representative of TMRS relating to the Agreement constitutes or is intended to constitute a waiver of TMRS' sovereign immunity to suit; and (ii) TMRS has not waived its right to seek redress in the courts or a jury trial.

15.3 No Waiver. No action or failure to act by a party hereto shall constitute a waiver of a right or duty afforded under this Agreement, or constitute approval or acquiescence in a breach of this Agreement, except as may be specifically set forth in this Agreement.

15.4 Invalidity of Prior Agreements. This Agreement, which shall include the RFP, RFP Proposal, the Exhibits, attachments or related documents, including any SOW, supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the Services described herein

and expresses the entire agreement and understanding between the parties with reference to said Services.

15.5 Amendment. This Agreement cannot be modified or changed by any oral promise made by any person, officer, or employee of either party, nor shall any written modification of it be binding on TMRS until approved in writing by authorized representatives of both TMRS and Consultant. No statement, promise, condition, understanding, inducement or representation, oral or written, express or implied, this Agreement shall be binding or valid on TMRS.

15.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

15.7 Exhibits. Exhibits A, B and C to this Agreement are hereby incorporated and made a part hereof as if fully set forth herein.

15.8 Severability. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, this instrument shall in all other respects remain in full force and effect as if the invalid provision had never been included, and the remaining provisions shall be construed as consistently as possible with the Agreement's original purpose.

15.9 No Assignment by Consultant. Consultant may not assign, transfer, or convey this Agreement or assign, transfer or delegate any of its rights, duties, or obligations hereunder, and any such attempted assignment by Consultant shall be void. This Agreement shall be binding upon TMRS and Consultant, and, their respective successors and permitted assigns.

15.10 Relationship of the Parties. For all purposes of this Agreement, and notwithstanding any provision of this Agreement to the contrary, Consultant is an independent contractor and is not an employee, partner, joint venturer, or agent of TMRS. As an independent contractor, Consultant is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort related to its business, including, but not limited to, workers' compensation insurance. Consultant is solely liable for the acts and omissions of its employees and agents. Consultant has no authority to make any statement, representation or commitment of any kind or to take any action binding upon TMRS, without TMRS's prior written authorization. Neither the Consultant, nor any employees or subcontractors of the Consultant, shall be deemed to be employees of TMRS for any purpose whatsoever. Consultant is solely responsible for all work performed under this Agreement and assumes prime contractor responsibility for all Services offered and delivered under this Agreement. **IN WITNESS WHEREOF**, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

TEXAS MUNICIPAL RETIREMENT SYSTEM

BY: _____

BY: _____

NAME: _____

NAME: DAVID GAVIA

TITLE: _____

TITLE: EXECUTIVE DIRECTOR

DATE: _____

DATE: _____

EXHIBIT A
REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES DATED NOVEMBER 2, 2018
BY TEXAS MUNICIPAL RETIREMENT SYSTEM

EXHIBIT B
CONSULTANT'S RESPONSE TO PROPOSAL FOR PROFESSIONAL SERVICES TO TEXAS MUNICIPAL
RETIREMENT SYSTEM

Proposal to be attached and incorporated by reference.

**EXHIBIT C
FEES FOR PROFESSIONAL SERVICES**

Maximum fixed price for the engagement

\$ _____

Appendix E: Summary Schedule of Proposed Fees

The Firm must state a firm, fixed price for the professional services as described in, and in accordance with the RFP.

1. Maximum fixed price for the engagement \$

Appendix G: Notice of Intent (Template) & Non-disclosure Agreement

[FIRM'S LETTERHEAD]

[DATE]

Jesse Pittman
Texas Municipal Retirement
System
P.O. Box 149153
Austin, Texas 78714-9153

Via Email: TMRS-PASARFP@tmrs.com

NOTICE OF INTENT

Dear Mr. Jesse Pittman:

Our Firm will be submitting a proposal for services to the Texas Municipal Retirement System (TMRS), as set forth in the request for proposal (RFP) dated November 2, 2018.

By our signature below, we affirm that we meet the mandatory requirements as set forth in Section IV.B. and as noted below:

- a. Our Firm is able to provide consulting services in Texas and confirms attendance at TMRS Board meetings if requested.
- b. Our Firm has no conflict of interest with regard to any other work performed by the Firm for TMRS.
- c. Our Firm will adhere to the instructions in this RFP on preparing and submitting the proposal.
- d. Our Firm has conducted at least two similar engagements for multi-plan pension systems with at least 100,000 members in the past five years.
- e. Our Firm maintains--or asserts it will obtain and maintain if the selected Firm-- insurance coverage, as specified in Standard Terms and Conditions (Appendix D).

Our completed proposal will be sent to you by no later than 5:00 p.m. CST on Friday, December 5, 2018.

Sincerely,

[FIRM]

Contact information for our Firm is as follows:

Name & Title

Email Address

Phone Number

Texas Municipal Retirement System
Non-Disclosure Agreement

This Non-Disclosure Agreement (the "Agreement") is made as of _____, 20__ between Texas Municipal Retirement System ("TMRS" or the "Discloser") and _____(the "Recipient"), at _____(business address).

WHEREAS, Recipient desires to receive, and Discloser is willing to supply certain Confidential Information (defined below) on the terms and conditions set forth herein, solely for the purpose of developing a proposal in response to the Request for Proposal for Pension Administration System Assessment issued November 2, 2018 (the "Purpose");

NOW THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

1. "Confidential Information" is defined as (i) financial, investment, technical, legal marketing, network and other business information, know-how, plans, records, files, manuals, documentation, processes, procedures, reports or data and (ii) records and information that is confidential and exempt from disclosure pursuant to Sections 552.0038 and 855.115 of the Texas Government Code and the Texas Public Information Act (Chapter 552 of Subtitle A of Title 5 of the Texas Government Code).
2. Discloser shall, at its discretion, provide such of the Confidential Information to Recipient as is required for the Purpose, verbally or in writing. Nothing in this Agreement obligates Discloser to make any particular disclosure of Confidential Information.
3. All right, title and interest in and to the Confidential Information shall remain the exclusive property of Discloser and the Confidential Information shall be held in trust and confidence by Recipient for Discloser. No interest, license or any right respecting the Confidential Information, other than expressly set out herein, is granted to Recipient under this Agreement by implication or otherwise.
4. Recipient shall use all reasonable efforts to protect Discloser's interest in the Confidential Information and keep it confidential, using a standard of care no less than the degree of care that Recipient would employ for its own similar confidential information. In particular, Recipient shall not directly or indirectly disclose, allow access to, transmit or transfer the Confidential Information to a third party without the Discloser's prior written consent. Recipient shall disclose the Confidential Information only to those persons who have a need to know the Confidential Information for the Purpose and who have been approved by the Discloser to receive the Confidential Information. Recipient shall, prior to disclosing the Confidential Information to such employees and consultants, issue appropriate instructions to them to satisfy its obligations herein and obtain their written agreement to receive and use the Confidential Information on a confidential basis on no less than the conditions contained in this Agreement.
5. The Confidential Information shall not be copied, reproduced in any form or stored in a retrieval system or data base by Recipient without the prior written consent of Discloser, except for such copies and storage as may reasonably be required internally by Recipient for the Purpose. Recipient shall not keep a backup copy of the Confidential Information whether internally or offsite.

6. The obligations of the Recipient under paragraphs 4, 5 and 8 shall not apply to Confidential Information:
 - (a) which at the time of disclosure is readily available to the public;
 - (b) which Recipient can establish, by documented and competent evidence, was in its possession prior to the date of disclosure of such Confidential Information by Discloser; or
 - (c) any Confidential Information that the Recipient is by law required to disclose.
7. This Agreement shall not constitute any representation, warranty or guarantee to Recipient by Discloser with respect to the Confidential Information infringing any rights of third parties. Discloser shall not be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
8. Recipient shall, upon request of Discloser, (i) immediately return the Confidential Information and all copies thereof in any form whatsoever under the power or control of Recipient to Discloser, and delete the Confidential Information from all retrieval systems and databases or (ii) destroy all Confidential Information in its possession as directed by Discloser and furnish Discloser with a certificate by an officer of Recipient of such deletion or destruction.
9. When requested by Discloser, Recipient will promptly provide a list containing the full name and address of any person having access to or copies of the Confidential Information and the reason such access is necessary.
10. Due to the sensitive, valuable and proprietary nature of and the statutory requirements regarding the Confidential Information, the obligations assumed by Recipient hereunder shall (a) be unlimited in time or territory or (b) if it is held by a court of competent jurisdiction that this provision is illegal, invalid or unenforceable, shall apply only within those territories within which Discloser then carries on business and only up to 10 years after disclosure of such Confidential Information. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and remaining part of such provision and all other provisions hereof shall continue in full force and effect.
11. The Recipient shall indemnify, defend and hold harmless the Discloser, and its directors, officers, employees and agents from all claims, suits, damages, losses, expenses and costs (including reasonable attorney's fees) related to an actual or alleged breach of this Agreement by the Recipient or its employees, officers, directors, affiliates, contractors or agents.
12. Either party may terminate this Agreement by providing thirty days' written notice to the other. Any terms of this Agreement which by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective successors or assignees.
13. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understanding and agreement between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.
14. In accordance with the dispute resolution process in Chapter 2260 of the Texas Government Code, TMRS and Recipient shall attempt to resolve any claim for breach of contract made by Recipient that

cannot be resolved in the ordinary course of business. The Executive Director of TMRS or his designee will examine Recipient's claim and any counterclaim and negotiate with Recipient in an effort to resolve such claims. The parties specifically agree that (i) neither the execution of the Agreement by TMRS nor any other conduct, action or inaction of any representative of TMRS relating to the Agreement constitutes or is intended to constitute a waiver of TMRS' sovereign immunity to suit; and (ii) TMRS has not waived its right to seek redress in the courts or a jury trial.

15. This Agreement may not be assigned by either party without the prior written consent of the other party. Any attempt to do so is void.
16. Only a written agreement signed by authorized representatives of both parties can modify this Agreement.
17. The parties agree that the laws of the State of Texas shall govern, without regard to the principles of conflicts of laws. Subject to TMRS' sovereign immunity, to the extent it is necessary to resolve in a court any dispute under this Agreement, and if resolution by a court is consistent with the provisions hereof, courts of the State of Texas shall have jurisdiction over any and all disputes between the parties hereto, whether in law or equity, and exclusive venue in any such dispute shall be laid in Travis County, Texas.
18. No action or failure to act by a party hereto shall constitute a waiver of a right or duty afforded under this Agreement, or constitute approval or acquiescence in a breach of this Agreement, except as may be specifically set forth in this Agreement.
19. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Digital or facsimile signatures are acceptable to execute this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

Texas Municipal Retirement System

FIRM: _____

Signature

Signature

David R. Gavia, Executive Director

Name

Name (Printed)