

June 15, 2022



REQUEST FOR PROPOSAL

Prepaid Debit Card Service

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**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
REQUEST FOR PROPOSAL (RFP)
PRE-PAID DEBIT CARD SERVICE
JUNE 15, 2022**

1. INTRODUCTION

1.1. Purpose of Request

The Los Angeles County Employees Retirement Association (LACERA), a \$74 billion public pension fund, is seeking proposals from qualified firms to provide pre-paid debit card services that will allow LACERA to electronically distribute monthly benefit payments to participants via a prepaid debit card. LACERA invites qualified firms to respond to this RFP (Respondent).

1.2. Background Information

LACERA is a tax-qualified defined benefit public pension fund established to administer retirement, disability, and death benefits for the employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law of 1937 (CERL) (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), LACERA's Bylaws and Board Policies, and other applicable California law. LACERA also administers the County's medical and dental retiree health benefits program.

LACERA operates as an independent governmental entity separate and distinct from Los Angeles County and the other participating agencies. LACERA has approximately 184,277 participants, including 116,289 active participants and 67,988 retired participants. The majority of whom receive their monthly benefit via direct deposit. We are actively seeking a vendor to provide prepaid debit card services for the remaining 1500-1700 payees who are unable to use or opt not to use direct deposit. Direct deposit is LACERA's primary benefit payment option with the prepaid debit card as a secondary payment option. Our current paper check recipients may opt to choose direct deposit over the prepaid debit card option once LACERA eliminates the use of paper checks; there is a possibility that the 1500-1700 amount may change.

The Respondent(s) selected through this RFP process will be recommended to LACERA's Board of Retirement (BOR). The BOR has responsibility over administration of pension and healthcare benefits and other fund administrative issues. The BOR comprises four Trustees elected by the general, safety, and retired members; four Trustees appointed by the County's Board of Supervisors, and the sitting County Treasurer and Tax Collector as an ex officio Trustee. The BOR also has two alternate Trustees, one elected by safety participants, and one elected by retired participants.

The Boards and their Trustees have fiduciary duties as defined in Article XVI, Section 17 of the California Constitution and CERL, with duties owed to the plan participants and their beneficiaries taking precedence over any other duties.

LACERA is inviting vendors to submit proposals to provide an easily accessible alternative to paper checks for monthly participant retirement and survivor benefit payments. The goals are three-fold: to provide a lower cost alternative to issuing checks for those participants without a banking relationship who are likely to pay fees to access their benefit payment; and to reduce the number of monthly benefit payment checks issued by LACERA, thus realizing the related cost-savings; and to create a more secure payment process in the event of a disaster that impacts the ability to mail monthly paper checks.

The ideal prepaid debit card service will assure that LACERA and service participants incur no costs related to the service; the service should allow participants to select the card for their benefit payment, the ability to access their entire benefit at no cost, allow participants to utilize the card for purchases both online and in person, allow free access to cash at ATMs, and provide free transfer of funds.

At this time, LACERA is interested in both reloadable and non-reloadable cards.

2. SCOPE OF SERVICES

Distribution of the Debit Card

The Prepaid Debit Card Service shall support the following benefit payments to participants:

- Monthly benefit payments
- One-time benefit payments

Vendor shall distribute the debit cards to enrolled participants.

Dormant activated cards shall be valid based on a period specified by LACERA so long as a balance remains in the account. Since these are ongoing benefits, replacement cards should be sent automatically prior to the expiration of existing cards. LACERA should have the ability to “turn off” or “deactivate” the cards as needed. This period shall also be specified by LACERA.

Vendor shall prepare and distribute all instruction materials sent to participants. LACERA shall review and approve all accompanying materials prior to distribution of said materials and/or the cards, including the activation sticker, if used. No advertisements or marketing materials may accompany the card unless approved by LACERA.

Vendor must comply with Federal Regulation E, including those provisions of the regulation that apply specifically to government services compliance, and all other federal and NACHA rules and regulations.

Debit cards shall be issued to participants within no more than four (4) business days after receiving the electronic file transmission of the participant accounts to create, participant identifying information, and dollar amounts to load to the card accounts from LACERA.

Vendor shall credit the associated cardholder accounts immediately upon receipt of the ACH settlement file from LACERA.

The vendor shall: (1) Establish one account\payment record for each single record in the file; (2) Provide LACERA with each account number and the applicable routing number via electronic transmission in a file format agreed to by LACERA; (3) Mail card(s) to participant(s) by first class mail with no forwarding order attached. The return address on the envelope must be within California. (4) Use exact mailing information provided by LACERA. (5) Be responsible for all postage charges and mailing costs associated with distributing debit cards and related materials.

Accounts established shall be FDIC insured. No FDIC fees or assessments shall be passed on to LACERA or the cardholder.

Vendor shall notify LACERA of undeliverable debit cards. In the event a participant notifies the vendor of an address change prior to card activation, vendor is to advise the participant to contact LACERA. LACERA has sole discretion to make updates. Address changes communicated to the Vendor after card activation shall be the responsibility of the vendor.

Vendor shall issue replacement cards. Replacement cards (as a result of lost, stolen, or damaged card) shall be provided at no cost to the participant or LACERA. Re-issued debit cards returned due to an incorrect address shall also be reissued at no cost to the participant or LACERA.

Debit Card Activation

Vendor shall provide cardholder(s) with instructions as to how to activate the card(s), via Interactive Voice Response (IVR), web capability, and other means.

Vendor shall require security authentication before a cardholder can access account information. Such authentication must be acceptable to LACERA.

Vendor shall provide access to funds immediately upon card activation.

Vendor shall provide LACERA with on-line access of debit card and participant information to determine in real-time whether cards have been activated.

Vendor shall return funds to LACERA for any cards that were never activated after a period specified by LACERA has elapsed from LACERA funding the card. Vendor will have (30) days from the time as specified by LACERA to return funds to LACERA. An electronic file including the participant's name(s), social security number(s) and address must be returned to LACERA along with the balances on each card in the National Association of Unclaimed Property Administrators (NAUPA) electronic format.

Vendor shall provide the ability to close any debit card accounts that were never activated upon request of LACERA and provide a file containing a listing of the closed accounts. All file layouts must be approved by LACERA.

Vendor shall return to LACERA the associated funds for closed accounts immediately upon request.

Vendor shall deactivate accounts only as notified by LACERA. The vendor and LACERA will jointly develop processes and procedures for deactivating accounts. (This requirement does not preclude the participant from instructing the vendor to close their account.)

Vendor shall close an account immediately upon request by LACERA for reasons of fraud, error, or any extraordinary reasons as indicated by LACERA.

Use of the Debit Card

The card shall operate as a debit card, stored-value card, or other electronic-access type card. The card shall not offer a line of credit.

The debit cards must be initially issued as reloadable or non-reloadable at LACERA's option.

The debit card must be fully compliant with all federal laws and regulations and meet all industry standards including, but not limited to, ANSI X4.13, "American National Standard for Financial Services - Financial Transaction Cards" and ANSI X4.16, "American National Standard for Financial Services - Financial Transaction Cards - Magnetic Stripe Encoding", for use in ATM and POS terminals so that participants can have broad access to their funds.

Vendor shall offer ATM access and shall identify the locations of ATMs where free services are available and how participants may locate an ATM or branch location via a toll-free customer service telephone service and/or a Web site. Vendor shall provide LACERA and cardholder with map or schematic of all ATMs and branch locations for the issuing financial institution and associated networks within the State of California, nationally and internationally.

LACERA shall not be liable for any transaction that exceeds available funds. LACERA shall not be liable for overdrafts, or any other costs or liabilities incurred by the vendor due to the actions of the cardholders.

Vendor shall ensure that cardholders are provided with all protections available to them resulting from fraud, stolen or lost cards. When a participant's debit card has been designated as lost or stolen, the vendor must ensure that the funds are not available to the lost or stolen debit card.

Cardholder Costs and Fees

Vendor shall provide free teller assisted withdrawal at any bank or credit union that displays the Master Card or Visa logo (as indicated by the vendor's card service).

Vendor may not charge any costs or fees to cardholders which are not included in its proposal.

Vendor shall provide cardholder with notice of any and all possible fees at the time the debit card is issued to the cardholder. A sample is to be provided to LACERA for approval prior to distribution.

Vendor may not assess an account maintenance fee on the underlying card account. However, a one-time, inactivity fee of a minimal amount may be charged on an activated account so long as this fee is included in the vendor's proposal, is clearly disclosed to the cardholder, and does not occur just prior to escheatment.

Debit Card Reports

The vendor shall provide LACERA with an online daily report of account numbers of debit cards issued, related data for rejected files, debit cards returned by mail, and debit card cancellations. There should be separate sections for account numbers, rejected files, returned mail, and cancellations, and each section must clearly indicate the reason for any returns or rejections.

Vendor shall provide an online detailed monthly report to LACERA for the preceding month's activities, including the total number of debit cards issued, cancelled, reissued, reasons for all reissues, the daily count and amounts of deposits made to participant accounts by LACERA, participant account balances for cards that have not been activated and other items as requested.

Vendor shall provide online summary data reports to assist LACERA in monitoring this card service. Such summary data shall include, card usage statistics, card account balances (reported in dollar ranges), inactivity data, and other items as requested.

Customer Service

Vendor shall provide the following for cardholders: (1) A unique LACERA branded toll-free number for all card activations and customer service (2) Customer service to all cardholders, regardless of the cardholder's location, including debit card activation; (3) Account statements (itemizing loaded amounts and detailed transaction history of the debit card); (4) Customer Service Representatives (CSR) available toll-free or (when not available a local number) twenty four hours a day, seven days a week; and (5) Access to IVR available via a local toll-free number for balance inquiry and other account information for domestic and international payees.

Vendor shall provide a customer support package that complies with the Americans with Disabilities Act.

Vendor to have self-service and live service options available

Vendor shall provide LACERA with a toll-free, direct telephone line that LACERA's staff may use to transfer a participant from LACERA's line to the vendor's customer service center.

Vendor shall provide a direct link to the LACERA website from the vendor's web pages in order to provide participants access to benefit information. (The participant will be required to login with identifying information at LACERA's website.)

Vendor shall transfer customer questions or complaints under LACERA jurisdiction from the vendor's customer call center to LACERA's call center in a seamless, customer-oriented fashion.

Vendor shall convey event specific messages (e.g., bank and postal holidays, service changes, or weather emergencies) that have an impact on customer access to the vendor's systems; the vendor's ability to provide uninterrupted service through vendor's secure Web site, IVR system, and CSRs; or any service outages that impact card usage at the point of sale, at ATMs, or at other methods of access. Vendor shall notify LACERA within two hours of the occurrence of any of these events.

Vendor shall monitor calls to ensure quality customer service. All customer complaints must be addressed immediately, and at the latest within twenty-four (24) hours.

Vendor shall handle each type of call from cardholders, including call escalation procedures, issue resolution, call closures, and ongoing quality assurance and continuous improvement efforts. Vendor shall provide card status data to LACERA electronically so this information can be integrated with LACERA's Pension Administration System. The format and the frequency of this data shall be agreed upon by both parties.

Vendor shall support a surge in call volumes due to increased participant activity and increased call volumes during peak retirement application processing season(s) and at month-end when benefit payments are issued.

Vendor shall allow a cardholder to select and/or change his or her debit card personal identification number (PIN) via the Internet or IVR services twenty-four hours per day, seven days per week.

Vendor shall ensure that no call is transferred to voice mail or automatically disconnected from the queue.

Vendor shall provide a secure web site for cardholders to view and print account balances and the financial transactions detail posted to the account.

Vendor shall notify cardholder of all the policies and procedures related to the use of the debit card at the time the debit card is issued to the cardholder.

Vendor shall communicate any errors, changes in policy or procedures, returned mail, and requests for address changes to LACERA and cardholders. No changes in policy can violate the terms of the RFP or resulting contract.

Vendor shall make the call centers and operating/processing facilities accessible for visits from LACERA staff.

Vendor shall reimburse cardholder for bank-related expenses/fees for failure to deposit funds to cardholder's account as directed by LACERA.

Data Management and Security

Vendor shall provide a procedure for using an industry standard electronically secure data communication, which allows LACERA to transmit account information on a daily basis.

Vendor shall provide electronically to LACERA the following information in file format(s) specified by LACERA: (1) The account numbers for debit card accounts once they are established. (2) Payment related data for rejected files, returned files and cancellations.

Vendor shall provide a reconciliation process and on-line reporting that includes confirmation of the amounts loaded to card accounts, provides details on any return, or reject items, confirmation of any transactions canceled by LACERA, and confirmation of other amounts returned to LACERA under the terms of this Contract.

Vendor will be responsible for safeguarding all stored data; particularly files that contain participant/cardholder information, so as to be compliant with all state and federal laws and regulations, and individual card brand requirements. Vendor must be compliant with Payment Card Industry Data Security Standards (PCI DSS) and must be able to show proof of such certification in accordance with its policies, standards, and guidelines.

Vendor must provide written notice to LACERA as soon as possible, and no later than one (1) business day, following the reasonable belief of any unauthorized access or breach of confidential information provided to the vendor under the Contract. Vendor's written notice shall include, at a minimum: (1) The nature of the unauthorized use or disclosure; (2) The specific confidential information involved; vendor must similarly provide the following additional information as it becomes available: (3) Who gained unauthorized access to the confidential information; (4) What steps the vendor has taken or will take to mitigate any negative effect of the unauthorized use or disclosure; (5) What corrective action vendor has taken or shall take to prevent future similar unauthorized use or disclosure.

Vendor must comply with any applicable state or federal law, regarding providing notice to consumers of a breach of personal information. Any notifications provided under this section, or otherwise, must be made in consultation with LACERA. All costs associated with a security breach as a result of vendor's failure to comply with the terms of this Contract, including any notification, will be the full responsibility of vendor. Any costs incurred by LACERA directly resulting from a breach of security on the part of vendor under the Contract must be reimbursed by vendor. Vendor will indemnify and hold LACERA harmless from any and all claims,

damages, and liability arising as a result of a security breach due to vendor's failure to comply with the terms of this Contract, including vendor's failure to comply with any applicable state or federal law regarding providing notice to consumers of a breach of personal information.

The Prepaid Debit Card Services provided shall include:

- Electronic data exchange from LACERA to receive new payee information
- Electronic data exchange to LACERA to relay debit card account information
- Electronic data exchange to LACERA to relay debit card status information

Additional Service Requirements

The vendor shall monitor the quality of service provided to LACERA and recipients of cards issued under this Contract and shall promptly correct any deficiencies noted by LACERA or the vendor's staff with relation to the services provided.

The vendor shall maintain complete confidentiality of all data and all records including, but not limited to, information regarding any participant data, relating to services performed under the Contract. No data, list, report, or other materials received or generated under the Contract may be disclosed or transferred by vendor to any other person or entity. Specifically, vendor affirms that it shall abide by all applicable state and federal laws, rules, and regulations regarding the confidentiality of such information, including, but not limited to 26 USC 7213. Vendor shall take all steps necessary, in the discretion of LACERA, to ensure that its employees, sub vendors and/or any other persons under vendor's control with access to such information (1) are aware of and abide by such laws, rules and regulations regarding the confidentiality of such information and (2) are aware of the potential for criminal prosecution for failing to abide by such laws, rules and regulations.

Transfer of Funds to LACERA

The vendor shall promptly transfer to LACERA by wire transfer, ACH, or by other means acceptable to LACERA, any funds removed from card accounts at the instruction of LACERA.

Collateral

If applicable, collateral acceptable to LACERA will be required on the total of any compensating balances and any other funds (collected and uncollected) in LACERA accounts in excess of FDIC insurance coverage. Funds in sweep repurchase agreements must be secured by United States Treasury obligations or obligations of United States government agencies or instrumentalities. Similar products or services offered must be appropriately collateralized or secured in accordance with California law.

3. MINIMUM QUALIFICATIONS

All respondents must clearly show and document in the proposal the following minimum qualifications:

Debit Card Service

- The card shall be Visa or MasterCard branded
 - LACERA reserves the right to approve the name, design, content, and graphics of the debit card used by the vendor.
 - No waiver, levy or encumbrance of levies may be placed upon the debit card except as authorized under State or Federal Law.
- The respondent is administering or has administered a public benefit prepaid reloadable debit card service.
- The respondent is either a federal government or state government-chartered banking institution.
- The respondent is a federally insured banking institution.
- The respondent complies with Federal Regulation guidelines indicating respondent is well capitalized.
- The respondent has a Community Reinvestment Act (CRA) rating of “satisfactory” or better for the most recent examination conducted.
- The respondent has sufficient equity capital to hold the compensating balances required by the respondent’s proposal.
- The respondent understands and acknowledges that a successful respondent must have an IDC rating of 165 or better to qualify as the vendor for this service. Should the vendor’s IDC rating fall below a 125 during the contract period, the contract may be moved to the next highest scoring respondent.
- All services provided under contract must occur within the United States.
- The respondent must be PCI compliant.
- Respondent must provide a list of all federal, state, and international financial regulations they are subject to.

4. INSTRUCTIONS TO RESPONDENTS

4.1. RFP Important Dates

The following table provides a tentative schedule of important dates and deadlines for this RFP. All dates are subject to modification by LACERA without notice.

Event Description	Date
RFP release date	6/15/2022
Intent to Respond Closing Date	8/17/2022
Written questions from Respondents due date	8/31/2022
LACERA's response to Respondents' questions	9/14/2022
Proposal Due Date	9/30/2022
Finalist Interviews	11/08/2022
Selection Notification	12/08/2022
Commencement of work	Upon contract execution

4.2. Response Requirements and Formatting

4.2.1. Respondents to this RFP must submit the following for delivery no later than **5:00 PM PDT on August 17, 2022** to the Project Manager specified in Section 4.3. below.

4.2.2. Response to this RFP should be submitted as an electronic copy in PDF or Microsoft Word format via email to prepaiddebitcard@lacera.com, (if the file is too large, it may be submitted on a USB flash drive). To the extent applicable, submissions should also include an **electronic copy**, marked "**REDACTED**". The redacted copies should exclude all material from the proposal that the respondent believes in good faith is exempt from disclosure under the California Public Records Act, (California Government Code section 6250 et seq. the "Act"). Individual redactions should appear as blacked out material. Large sections, tables, or entire blank page(s) shall include the word "REDACTED" or "PROPRIETARY" inserted. Each respondent must indicate the basis for each redaction under the Act (defined below) with a citation to the code section and subsection relied upon. Please see the **Section 5** below "*Notice to Respondents Regarding the Public Records Act AND RALPH M. BROWN ACT*" for further information. An electronic copy of both the original and the redacted response in PDF format saved on separate DVDs, each labeled accordingly.

4.2.3. All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the submission deadline. Responses to this RFP may be changed or withdrawn in writing if modifications are received prior to the submission deadline. Modification to or withdrawal of a proposal received after the submission deadline will not be considered. Responses received after the specified deadline may be considered for evaluation solely at the discretion of LACERA. In addition, LACERA reserves the right to request more information or clarifications from respondents, or to allow corrections of errors or omissions.

4.2.4. All responses to this RFP should follow the outline of the RFP requirements and should fully respond to each section as appropriate and to all questions in Exhibit C. Proposals shall be organized with the corresponding numbering of this RFP, include a Table of Contents, and Fee Schedule. Proposals not following these instructions or not including complete information as requested may result in a lower evaluation score or the proposal being declared non-responsive. For each part of the response, restate the RFP item immediately above the response. Pages in the proposal shall be numbered. When asked, please provide details, and state all qualifications or exceptions. All information supplied should be concise and relevant to qualifications.

4.3. Contacts with LACERA Personnel Contacts with LACERA personnel about this RFP, and all inquiries and requests for information shall be directed to the Point of Contact identified below:

Louis Gittens
Section Head PMG
LACERA

Gateway Plaza
300 North Lake Avenue, Suite [5]
Pasadena, CA 91101-4199

Email: prepaiddebitcard@lacera.com
Phone: 626-564-6000 ext. [3646]

4.4. Quiet Period

To ensure that prospective Respondents to this RFP have equal access to information about the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the selection of one or more respondents is completed and announced.

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be available to the public at lacera.com. Each respondent to this RFP will be subject to the same terms and conditions and will receive the same information.

During the quiet period, respondents are not allowed to communicate with any LACERA staff participant or Board participant regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion.

Respondents who have existing relationships with LACERA must limit their communications between LACERA staff and Board participants to the subject of the existing services provided by them.

4.5. RFP Scoring and Selection Criteria

RFPs will be scored according to [Exhibit G], *Selection Criteria*. LACERA staff may select Respondents based upon the selection criteria or using a combination of onsite interviews and reference verification.

The highest scoring Respondents may be invited to an interview by LACERA's Board(s). At LACERA's discretion, selected Respondents may be offered the opportunity to present their materials to the Board(s).

5. NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND THE RALPH M. BROWN ACT

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," a respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Act. Fee and pricing proposals are not considered "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY".

If LACERA receives a request pursuant to the Act for materials that a respondent has marked "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY," and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will either notify the respondent so that it can seek a protective order at its own cost and expense, or LACERA will deny disclosure of those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed

appropriate in LACERA's sole discretion. LACERA retains the right to disclose all information provided by a respondent.

If LACERA denies public disclosure of any materials designated as "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY", the respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees, and agents from and against:

1. All claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation attorneys' fees, expenses, and court costs of any nature whatsoever (collectively, Claims) arising from or relating to LACERA's non-disclosure of any such designated portions of a proposal; and
2. All Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if LACERA determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any respondent to the Boards for hiring, such recommendation, the reasons for the recommendation and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.

6. NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION

LACERA, its consultants, vendors, and vendors have a duty to protect all LACERA data, including without limitation, information related to participants and beneficiaries, finances, systems, and operations.

Depending upon the scope of work, the finalist selected through this procurement may have access to sensitive information protected by LACERA's internal policies, state law, and federal law. In such a case, by submitting a proposal, respondent agrees to subject itself to certain contractual terms designed to protect such information, including without limitation cyber liability insurance, SOC-2 reports (or, in the alternative, a Security Controls Report as per Exhibit G), systems penetration testing, and HIPAA Business Associate agreements, as the case may be. Respondents shall inform LACERA in their response if they have any limitations to agreeing to such terms. Respondents that do not make reservations shall lose their right to do so at the contracting phase.

7. CONTRACT NEGOTIATIONS

Upon Board approval, staff will enter contract negotiations with the approved Respondent(s). LACERA may end negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate a) for its convenience, b) if funds are not appropriated for the services to be provided, and c) for default.

The general form of the contract LACERA intends to use for this engagement is attached as **Exhibit D**. By sending a proposal without comment on the general form contract, Respondent agrees to each term in the contract, and will not seek any modifications to the contract. LACERA has the right to change or negotiate contract terms different than those in Exhibit E in our sole discretion.

Respondents are required to clarify, identify, and explain any exception that it desires to take to any of the terms and conditions of this RFP. In addition, a respondent will be deemed to have agreed to each clause in the retainer agreement (and not to seek inclusion of additional clauses), unless the respondent identifies an objection or inclusion, sets forth the basis for the objection or inclusion, and provides substitute language to make the clause acceptable to the respondent or to address an issue the respondent feels is not addressed by the agreement in its response to this RFP. If a satisfactory agreement cannot be negotiated with one or more of the firms, LACERA may, at its sole discretion, terminate such negotiations. LACERA, may then, at its option, initiate fee negotiations with another firm, and so on.

At LACERA's discretion, the term of the contract entered under this RFP may be for an initial period of up to five (5) years, beginning from the date of final execution. There may be two (2) one-year extensions under the same terms and conditions at LACERA's option. All contracts may be terminated at LACERA's convenience at any time.

8. RESERVATIONS BY LACERA

In addition to the other provisions of this RFP, LACERA reserves the right to:

- 4.6. Cancel or modify this RFP, in whole or in part, at any time.
- 4.7. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as LACERA may request.

- 4.8. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.
- 4.9. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
- 4.10. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.
- 4.11. Request additional documentation or information from respondents. Requested information may vary by respondent. LACERA may ask questions of any respondent to seek clarification of a proposal or to ensure the respondent understands the scope of the work or other terms of the RFP.
- 4.12. The right to choose to not enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
- 4.13. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.
- 4.14. Defer selection of a winning respondent to a time of LACERA's choosing.
- 4.15. Consider information about a respondent in addition to the information submitted in the response or interview.
- 4.16. Add terms and conditions during contract negotiations.

The information that a respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a proposal.

(The rest of this page is left intentionally blank)

EXHIBIT A – PROPOSAL COVER PAGE AND CHECKLIST
(TO BE SUBMITTED ON RESPONDENT’S LETTERHEAD)

Respondent Name:

Respondent Address:

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the respondent has reviewed the entire RFP and intends to follow all requirements.

Respondent specifically acknowledges the following facts:

1. Respondent has the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions about the RFP and believes that there are no ambiguities in the scope of work.
3. The fee schedule or price proposal sent in response to the RFP is for the entire scope of work and no extra charges or expenses will be paid by LACERA.
4. Respondent has completely disclosed to LACERA all facts bearing upon any possible interests, direct or indirect, that Respondent believes any participant of LACERA, or other officer, agent, or employee of LACERA presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in proposals and all correspondence and written questions sent during the RFP process may be subject to disclosure pursuant to the Act.
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
7. The signatory below is authorized to bind the respondent contractually.

[/s]

EXHIBIT B – MINIMUM QUALIFICATIONS CERTIFICATION
(TO BE SUBMITTED ON RESPONDENT’S LETTERHEAD)

All Respondents must sign and return this attachment, along with written evidence of how you meet each qualification. The undersigned hereby certifies that the Respondent submitting this response fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

Minimum Qualifications include:

Debit Card Service

- The card shall be Visa or MasterCard branded
 - LACERA reserves the right to approve the name, design, content, and graphics of the debit card used by the vendor.
 - No waiver, levy or encumbrance of levies may be placed upon the debit card except as authorized under State or Federal Law.
- The respondent is administering or has administered a public benefit prepaid reloadable debit card service.
- The respondent is either a federal government or state government-chartered banking institution.
- The respondent is a federally insured banking institution.
- The respondent complies with Federal Regulation guidelines indicating respondent is well capitalized.
- The respondent has a Community Reinvestment Act (CRA) rating of “satisfactory” or better for the most recent examination conducted.
- The respondent has sufficient equity capital to hold the compensating balances required by the respondent’s proposal.
- The respondent understands and acknowledges that a successful respondent must have an IDC rating of 165 or better to qualify as the vendor for this service. Should the vendor’s IDC rating fall below a 125 during the contract period, the contract may be moved to the next highest scoring respondent.

- All services provided under contract must occur within the United States.
- The respondent must be PCI compliant.
- Respondent must provide a list of all federal, state, and international financial regulations they are subject to.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

Authorized Signature

Date

Name and Title (please print)

Name of Firm

EXHIBIT C – QUESTIONNAIRE

(RESPONDENT SHALL USE QUESTIONNAIRE NUMBERING IN ITS PROPOSAL)

Organization and Experience

1. How long have you maintained pre-paid debit card services? How many customers are you currently providing pre-paid debit card services (distinguish between single load and reloadable card services)? How many of these customers are state or large local governments?
2. In the last three years, what, if any, significant organizational changes (i.e., mergers, acquisitions, business concerns, etc.) have occurred?
3. Provide a summary of current and previous work performed within the last five (5) years for a comparable public sector client which is similar in nature to that proposed for LACERA under this RFP. Provide a contact name, e-mail address, and phone number.
4. Respondents shall: (1) Note any instances in the last three (3) years where a client receiving services similar to one (1) or more of the service areas requested in this RFP discontinued such services. (2) Indicate why services were discontinued. (3) List a reference person(s) from organizations which were provided the services. Include a current telephone number.
5. If respondent is dependent on any other company as a partner, co-respondent, sub vendor, or any other business relationship in order to provide the services included in the proposal, please describe in detail.
6. Any respondent contemplating using a third-party subcontracting arrangement should supply customer references that utilize similar arrangements and identify the structure of the relationship for each reference.
7. Provide the following credit and financial information: (1) Net equity capital (2) Your bank's rating as determined by a Nationally Recognized Statistical Ratings Organization (NRSRO), as defined by the Securities and Exchange Commission. (3)

8. Provide details with respect to significant litigation against your firm for the last ten (10) years and any significant regulatory actions taken or pending that will impact your business.

Debit Card Service

1. Provide a brief description and general workflow of your pre-paid debit card service solution, including, but not limited to, its brand and ability to provide single load or a reloadable debit card. Attach any diagrams that would assist in understanding the service.
2. LACERA has members who are also survivors that receive a continuance payment. Is your debit card capable of accepting benefits from two or more payment streams?
3. Is your pre-paid debit card product signature-based, PIN based, or both? Please describe capabilities of both.
4. Does your pre-paid debit card comply with rules, regulations, and guidelines for prepaid debit cards, e.g., NACHA rules and Federal Reserve Regulation E? Explain.
5. Do the pre-paid debit cards have an expiration date? If yes, how often do they expire and how are the cards replaced?
6. What differentiates your pre-paid debit card service from other providers?
7. Describe in detail the options that are available for LACERA to fund the debit cards. When will the funds settle to the individual cards?
8. Describe the process by which the LACERA can reverse a payment made in error or if fraud is discovered prior to activation of the card and if fraud is discovered after activation.
9. What is your organization's minimum load for your debit card service? Maximum load? Are these limits subject to change as instructed by LACERA?
10. What liability, if any, does LACERA have for card fraud? If applicable, provide examples of scenarios.

11. Describe the processes surrounding overpayments produced by LACERA and recollection efforts.

Distribution of the Debit Card

1. Describe in detail your process for new card enrollment/issuance. Please detail all parameters necessary for enrollment and how parameters are created, identified, maintained, and managed.
2. Describe the proposed solution for the creation and mailing of a debit card to a designated monthly benefit recipient.
3. How does your organization handle joint account owners? Will you provide a unique card number to each account owner? Does the activation of one card automatically activate the second card? Will each card have a unique PIN number? Explain the process.
4. Will your debit cards include an activation sticker? If so, please provide an example and the information to be displayed. If not, what is your proposed method of activation notification?
5. Once the issuance file is received from LACERA, how long does it take for the card to be produced and placed in the mail? For a cardholder to receive the card via US Mail, what city is the card mailed from?
6. Does your organization have the capability to distribute cards to cardholders living in Canada and those with FPO and APO addresses? Delivery shall be provided by regular U.S. mail delivery service.
7. Does your organization have the capability to distribute debit cards overseas? If LACERA has participant benefits that need to be sent overseas, what is your proposed solution? How is that impacted by COVID-19?
8. Describe the process the vendor will utilize to handle the return of undeliverable debit cards.

Debit Card Activation

1. List the specific information you will require LACERA to provide for each participant account for activation verification. What alternatives are available if the LACERA does not have a required piece of information?
2. Describe how the cardholder may change/choose their PIN after receipt of the pre-paid debit card including how this process works. How many times can the PIN be changed? Will there be any charge to the cardholder for changing their PIN multiple times? Describe all of the methods available to the cardholder to choose or change their PIN under the following circumstances: (1) After initial issuance (2) Lost/Stolen Card (3) Forgets PIN (4) PIN compromised.
3. Provide samples of reporting, i.e., cards that have not been activated or cards that have been activated but dormant, etc.
4. How long would your institution prefer to leave a \$0.00 balance account open? Explain your reasoning for this time period.
5. What happens to funds that are sent to an incorrect account number/ loaded to the wrong card? Will an effort to post the funds to the correct account be made prior to returning the funds to LACERA? How does the respondent propose the impacted participant(s) be notified?
6. Describe how you handle escheatment?
7. How are balances transferred from one card to a replacement card? How quickly is this transfer accomplished? Please describe.

Use of Debit Card

1. How may a cardholder use their card to make payments, obtain cash, and transfer funds? List options available and proposed fees for each service/method in a table.
2. Does each cardholder have inquiry and transaction history access to his/her account? Describe the formats or methods offered and any applicable fees for each option. (1) Mailed monthly paper statement (2) Automated IVR (3) Internet (4) Customer Service (5) E-Mail (6) ATM (7) Other
3. What methods may a cardholder use to check the balance on their card? Indicate the methods and any applicable charges. Are free balance inquiry options listed on the back of the card?
4. What liability, if any, does a cardholder have for fraud? If applicable, provide examples of scenarios that would trigger the liability.
5. Describe methods of monitoring account transactions to identify any unusual spending patterns or frequencies, attempted purchases at excluded merchants, or purchases made on dates and times that are outside of normal cardholder spending patterns. Additionally, describe procedures for contacting the cardholder when fraudulent card usage is suspected.
6. What is the process for lost or stolen cards? How are the cards replaced? Describe the process when the participant reports non-receipt of their initial or replacement card.
7. Provide the conditions by which the network would allow for the possibility of a card to be overdrawn (such as: gas pump sales, hotel stays, internet sales, etc.) and your method for getting reimbursements of those overdraft amounts from the cardholder. If overdrafts are not possible, describe any limitations this may place on the use of the card.
8. Does the respondent provide a number of fee free denials when the balance is insufficient? Is there an overdraft charge when the payment is made without system authorization against an insufficient balance? Explain.
9. Indicate the system available for use by LACERA staff to place stop payments on outstanding payments. Describe and illustrate the process to release a stop payment.

10. Identify any special communications capabilities or equipment requirements that would be necessary for LACERA to effectively place stop payments on outstanding payments when utilizing the system made available by the respondent.
11. Describe the marketing materials/techniques you intend to use in the promotion and marketing of the debit card service and, if possible, provide examples.

Cardholder Costs

1. Other than the mandatory free teller assisted withdrawal, what are the free points of access for the cardholder? List free access points and chargeable access points in a table with the applicable fees.
2. Provide a sample of the fee schedule/card enclosure that will be provided to cardholders as notice of the applicable fees as well as any information provided to assist them in avoiding incurring fees in their use of the debit card. Information regarding international fees and/or exchange rates should be included in the fee schedule/card enclosure.
3. How would a cardholder have to-the-penny access to their balance at no cost to the cardholder? List all options available.
4. What ATM/POS/Debit Networks are available with your debit card product? How many of these ATMs are in California? Please provide a map of ATM locations in the State of California.
5. How much money can a cardholder obtain via one transaction at an in-network ATM? At an out-of-network ATM?
6. Are there any daily POS limits? Explain.
7. When being used with a PIN, how much can a cardholder receive as cash back during a POS transaction? Is there a cost to the cardholder for cash back with a purchase?
8. Describe the free points of access for balance inquiries.

9. Describe options available to a cardholder to transfer funds to a different or separate account and any applicable costs.
10. Provide three (3) likely scenarios of debit card usage by a recipient participant (not including the participant withdrawing the entire amount as a teller cash withdrawal) based on your experience with similar card services. Indicate the amount of fees the participant will incur based on each usage scenario.

Reports

1. List all means by which the respondent could make reports available to LACERA (Internet, on-line, paper, fax, etc.) Identify any special communications capability or equipment requirements that would be necessary for LACERA to access the reports. (Any expense for LACERA to access reports via means not currently possessed by or available to LACERA will be the responsibility of the vendor.)
2. The vendor must provide activity reports to LACERA on an agreed upon basis (e.g., daily, monthly, quarterly, annually). Provide sample reports that include the following types of information: (1) Funding amounts received/daily transfers (2) Record count of daily transmission file (3) Dollar amount and record count of funding applied to cardholder accounts (4) Funding amounts returned or any transfer rejections along with account information (5) Number of new accounts established (6) Undeliverable/Returned cards (7) Number of Debit Cards not activated and details on these accounts (8) Dormant Accounts
3. Identify the various standard reports that are available (e.g. – Days before Card Expires, Account Creation, Account Activation, ACH Rejects, Lost/Stolen Cards, Non-Activated and Re-Issued Accounts). Provide samples and explain how reports shall be accessed.
4. Identify any reports that are customizable or sortable by LACERA. Provide samples and explain options available.
5. Describe how LACERA personnel will access the vendor's on-line system for management information/reports that will be made available to LACERA; include any specific hardware and software requirements.
6. Provide a description of the reporting packages you offer. Include whether your package has exporting or e-mail capabilities.

7. Identify the reports available to assist LACERA in monitoring the card service and its usage. (e.g. – In total and broken down by refund amount ranges: the number of accounts drained in one over-the-counter withdrawal; the average number of POS transactions per account; the average number of ATM transactions per account; the number of free and number of chargeable transactions utilized per account).
8. How does the respondent recommend LACERA monitor the prepaid debit card service and what reports does the respondent suggest we utilize for these purposes?

Customer Service

1. Briefly describe the respondent's customer service capabilities for a retirement system or government agency similar in size to LACERA's approximate 70,000 retired members (or \$74 billion investment portfolio) including those items which set you apart from your competition.
2. Describe your organization's Customer Support Package. (1) List all free points of access to the cardholder regarding account balances, financial transactions detail, cardholder questions, the ability to select or change their PIN, etc. (2) Include a diagram of the call flow and internet inquiries including the menu and options for the participants will encounter when requiring customer service. (3) Provide examples of computer screen shots and explanations.
3. Describe how your organization will meet the following customer services issues: (1) How cardholders are notified of changes in policy or procedures that affect them. (2) How cardholder complaints are resolved, and the timeframes associated with that process. List the types of issues you anticipate and explain how they will be resolved. (3) How errors are resolved, and timeframes associated with the process. (4) Describe how issues of fraud and liability are handled. (5) Describe how returned mail is handled and how it will be reported to DOR. (6) Explain your process for reporting lost, stolen, or damaged cards and describe the procedure and timeline for the replacement card. (7) Detail all services that will be provided to cardholders including those living outside of the continental United States and those with FPO and APO addresses. (8) Describe how your secure internet-based management tool will work and include in your response how technical support will be provided to those participants that are having problems using the website. (9) Describe any transactions that will be disallowed through this contract.

4. Who is the primary customer service representative and how do you ensure continuity of service when they are unavailable?
5. Who will manage resolution of any day-to-day operational problems? What is the current client load of this person?
6. Who will handle policy issues?
7. Who will handle pricing issues?
8. What daily hours will the above-stated contacts be available?
9. Describe the responsibilities of the customer service personnel, including their supervisors and the chain of command for problem resolution.
10. Include resumés of key representatives LACERA will interact with, including each of the above-stated contacts. Each resumé should include the representative's education and relevant experience providing the services covered by this RFP and applicable ongoing training.
11. Explain how the quality of customer service will be monitored and how the results will be reported to LACERA.
12. Explain how customer complaints will be handled and how the complaints and resolution will be reported to LACERA.

Data Management

1. What security procedures are in place to minimize the risk of unauthorized transactions (e.g., encryption/authentication)?
2. What controls are in place to protect against lost files and duplication of transmissions?
3. What support do you provide for recreating files that may have been corrupted, lost, or destroyed?

4. Describe what technical support is available and the hours it is available to LACERA staff.
5. What physical and software security measures does the provider take to protect the confidentiality of the company's transaction information?
6. Please describe in detail how your company will successfully process a daily electronic file and notification capabilities.
7. What information is required from LACERA in order to setup cardholder information? Please describe your preferred data file and format/layout and the information needed in detail.
8. What type of secure data connection does your financial institution provide? Please describe procedures for using an industry standard electronically secure data connection, using point-to-point data encryption, which allows LACERA to transmit account information (i.e., new accounts, updates, payments, etc.). Vendor must provide an electronic confirmation to LACERA of the receipt of files.
9. Vendor must describe how it will establish and maintain security safeguards and procedures to guarantee the confidentiality of all data obtained from LACERA. Vendor must provide a copy of all confidentiality agreements signed by its employees or sub vendors, if any, and/or all information provided to its employees or sub vendors with regard to the confidentiality of data obtained from LACERA.

Additional Service Requirements

1. Will any portion of this contract be handled outside the United States?

Transfer of Funds to LACERA

1. Indicate what time of day LACERA will expect to receive the wire transfer or ACH payment of funds removed from card accounts as instructed by LACERA.
2. If the respondent has an alternate method to timely transfer these funds to LACERA, please explain. (Note: LACERA is interested in solutions that will have the least financial impact.)

Collateral

1. If applicable, indicate how the respondent will provide sufficient collateral to secure LACERA public fund balances on deposit.

Quality of Service

1. How will the respondent monitor the quality of service provided to LACERA?
2. What steps will be taken to correct deficiencies noted by LACERA?
3. What quality standards will the respondent use to measure the prepaid debit card services?
4. What safeguards are built into the respondent's system to prevent fraud, incorrectly reported items, and misapplied transactions due to encoding errors?

Disaster Recovery

1. Provide a summary of the bank's as well as any third-party vendor's disaster recovery plan as it relates to the services requested. The summary should clearly outline how your organization will ensure LACERA members have uninterrupted access to their funds, and access to any support services provided in terms of customer service and assistance with accessing their funds.
2. Where are off-site facilities for disaster recovery purposes located?
3. Where is the "hot" site for disaster recovery located?
4. How quickly can the "hot" site be implemented in the event of an emergency?

Implementation

1. Provide an implementation plan for assuming responsibilities for and implementing pre-paid debit card services, including testing and a suggested implementation schedule. The implementation schedule must outline the milestone dates to accomplish the deployment of issuing debit cards for participants. This should include detailed tasks, dates and resources assigned and identified for each milestone.
2. Please include LACERA's responsibilities and critical timing during the implementation.
3. Provide a copy of all agreements and forms the respondent desires LACERA to complete and approve to contract for pre-paid debit card services and any other services associated with this contract. (Acceptance of a respondent's proposal does not indicate acceptance of the terms of any agreements provided in response to this item.)
4. Will a project manager be assigned to manage implementation? If so, provide the name and resumé of the project manager, including past implementation experience.
5. Indicate your plans for educating and training LACERA employees in the use of your systems before and after implementation. Describe support provided during implementation, including training, technical assistance, and user manuals.

General Requirements

1. Provide information on any related service offerings currently provided or planned by the respondent in the next twelve (12) months that may benefit LACERA and its participants.
2. Describe your current planned enhancements with regard to services and technology.
3. Will the respondent outsource any of the services contained in this RFP, or have plans to do so? Please explain.
4. Is the respondent currently involved in, or planning any major system changes, acquisitions, or conversions? If so, please explain your plans and include the potential impact to LACERA and this Contract.

EXHIBIT D – AGREEMENT FOR SERVICES

THIS IS THE GENERAL FORM AND CONTENT OF THE CONTRACT LACERA INTENDS TO USE. IN SUBMITTING A PROPOSAL WITHOUT COMMENT ON THE CONTRACT, THE RESPONDENT WILL BE DEEMED TO HAVE AGREED TO EACH CLAUSE IN THE AGREEMENT BELOW (AND TO NOT SEEK ANY MODIFICATIONS TO THE AGREEMENT), UNLESS RESPONDENT'S PROPOSAL IDENTIFIES AN OBJECTION OR INCLUSION, SETS FORTH THE BASIS FOR THE OBJECTION OR INCLUSION, AND PROVIDES SUBSTITUTE LANGUAGE TO MAKE THE CLAUSE ACCEPTABLE TO RESPONDENT.

LACERA RESERVES THE UNILATERAL RIGHT IN ITS SOLE DISCRETION TO MAKE CHANGES TO THE CONTRACT PRIOR TO EXECUTION, WHICH CHANGES WILL NOT PROVIDE RESPONDENT WITH AN OPPORTUNITY TO MAKE FURTHER CHANGES TO THE OTHER TERMS OF THE CONTRACT.

CONTRACT FOR PREPAID DEBIT CARD SERVICES IMPLEMENTATION

This Contract for Prepaid Debit Card Services Implementation ("Contract") is made and entered into by and between Los Angeles County Employees Retirement Association ("LACERA") and [NAME] ("Vendor") and is effective as of the date shown in Section 5.

Recitals

LACERA seeks the services of a firm that offers prepaid debit card services that will allow LACERA to electronically distribute monthly benefit payments to participants via a prepaid debit card.

Vendor represents that they offer the Prepaid Debit Card Services that LACERA seeks.

Contract

1. Services to be Provided.

1. Vendor agrees to perform the services ("Services") described in the Statement of Work ("Statement of Work") attached to this Contract as Attachment A.
2. Vendor agrees to perform the Services at LACERA's offices, and with LACERA's consent, via telephone or email, and when appropriate, at a location of Vendor's choice.
3. All writings prepared or furnished by Vendor to LACERA in the performance of this Contract shall be the exclusive property of LACERA and may be used by LACERA, as LACERA deems appropriate.
4. Vendor's quality of service will be at least equivalent to that which Vendor provides to other clients it serves in the same capacity. Vendor will be held to the same standard of care, skill, prudence, and diligence that applies to other experts practicing in a like enterprise.

2. Independent Contractor.

1. Vendor agrees to perform the Services as an independent contractor and agrees they will be always acting as such. Neither party intends, and this Contract may not to be construed, to create any relationship of agent, servant, employee, partnership, joint venture, or association between Vendor and LACERA. Vendor is not and will not be deemed to be for any purpose (including, without limitation, Workers' Compensation) an employee of Los Angeles County (the "County"). Vendor is not entitled to any rights, benefits, or privileges of County employees. Vendor is not eligible to participate in any insurance, savings, pension or deferred compensation offered by LACERA or the County.
2. Vendor has no power or authority to assume or create any obligation or responsibility, express or implied, on behalf of LACERA or the County, or to bind LACERA or the County in any way whatsoever.
3. Vendor accepts full and complete responsibility for filing all tax returns and paying all taxes, which may be required, or due for payments received from LACERA under this Contract. LACERA will memorialize payments for Vendor's services on a Form 1099.
4. Vendor represents and warrants that it will comply with all applicable federal, state, and local laws, including without limitation, those laws respecting business licenses, withholding, reporting, and payment of taxes. Vendor further represents and warrants that it will report any income accruing to it from this Contract to the appropriate taxing authorities.

3. LACERA's Project Management Group.

LACERA's Project Management Group, composed of the Section Head and Project Manager has responsibility for determining whether the Services are performed to LACERA's satisfaction. LACERA's Section Head is Louis Gittens and Project Manager is Shonita Peterson. Correspondence can be sent to the following email address prepaiddebitcard@lacera.com

4. Indemnification and Insurance.

- 4.1 Vendor shall indemnify, defend and save harmless LACERA, its agents, off and employees from and against any and all liability, damage, suit, cost of suit, or expense, including defense costs and attorney's fees, arising out of or connected with claims for damages of any nature whatsoever arising from or connected with Vendor's operations or its services, including, without limitation, claims for bodily injury, death, personal injury, or property damage, including damage to Vendor's property.

4.2. Without limiting Vendor's obligations to indemnify LACERA, Vendor will provide and maintain at its own expense during the term of this Contract the programs of insurance programs specified in this Contract. Such insurance will be primary and not contributing with any other insurance of self-insurance programs maintained by LACERA, and Vendor agrees to provide and maintain such insurance at its own cost and expense.

4.2.1 Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to prior to commencing services under this Contract and annually thereafter to:

Contract Administrator
LACERA
300 N. Lake Avenue, Suite 650
Pasadena, CA 91101-4199

4.3 Such certificates or other evidence shall:

4.3.1 Specifically identify this Contract.

4.3.2 Clearly evidence all coverage's required in this Contract.

4.3.3. Contain the express condition that LACERA is to be given written notice by mail at least 45 days in advance of cancellation for all policies, or, alternatively, in the event the insurers that otherwise provide satisfactory insurance hereunder do not assume third-party notification provisions, Vendor hereby agrees to notify LACERA at least 45 days in advance of any cancellation of any of the policies provided for herein.

4.3.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding that LACERA, its trustees, officers and employees as insureds for all activities arising from this Contract.

4.3.5 Self-Insured Retentions must be declared to and approved by the LACERA. LACERA may require Vendor to purchase coverage with no retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention will be satisfied by the named Vendor

4.3.6 LACERA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

4.4 Insurer Financial Ratings. Insurance is to be provided by an insurance company acceptable to LACERA with an A.M. Best rating of not less than A-, X, unless otherwise approved by LACERA.

4.5 Failure to Maintain Coverage. Vendor's failure to maintain the required insurance, or to provide evidence of insurance coverage acceptable to LACERA, shall constitute a material breach of the contract upon which LACERA may immediately terminate or suspend this Contract. LACERA, at its sole option, may obtain damages from Vendor resulting from said breach.

4.6 Compensation for LACERA Costs. In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.

4.7 Cooperation Regarding Insurance. LACERA may elect to procure insurance against loss or damage it may sustain in connection with Vendor's performance under this Contract. Vendor will promptly cooperate with any reasonable request for information regarding Vendor which is required to obtain such insurance.

4.8 Survival of Obligations. Vendor's obligations under this Section 4 shall survive expiration or termination of this Contract.

4.9 Commercial General Liability. Vendor shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Vendor's business operations and services that Vendor provides pursuant to this Contract. Such policy shall include, without limitation, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least \$1,000,000 per occurrence and an annual aggregate of at least 2,000,000. If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Contract.

4.10 Auto Liability. Vendor shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "non-owned", and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.

4.11 Workers' Compensation. Vendor shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to Vendor's employees for injuries arising from or connected with any services provided to LACERA under this Contract. Vendor shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000, disease, covering all of Vendor's employees.

4.12 Errors and Omissions. Vendor shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Vendor, its officers, employees or Agents, with limits of at least \$1,000,000 per claim and an annual aggregate of

at least \$2,000,000. The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Contract.

4.13 Cyber Liability Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy coverage shall include, but not be limited to:

4.13.1 Privacy Liability Coverage. This coverage shall include LACERA and its members for breaches of their private information in the case of a data breach.

4.13.2 Notification Costs. This coverage shall cover the costs of notifying third parties and LACERA members potentially affected by a data breach.

4.13.3 Crisis Management. This coverage shall include the costs of managing the public relations outfall from most data breach scenarios.

4.13.4 Credit/Identity Monitoring. This coverage shall include coverage for affected members for at least 24 months or the minimum legally required period, whichever is longer.

4.13.5 Theft and Fraud Coverage. This coverage shall include the costs of theft or destruction of the LACERA's data and theft of funds.

4.13.6 Network and Business Interruption. This coverage shall include any expense due to an intentional interruption of the LACERA's computer systems.

4.13.7 Data Loss and Restoration. This coverage shall include the costs of diagnosing and repairing the cause of the loss and restoring all data.

5. Term.

The term of this Contract begins on [DATE] (the "Start Date"), and unless terminated for convenience, ends on the earlier of (i) full performance of the Services by Vendor and acceptance by LACERA or [ONE YEAR] after the Start Date. This Contract automatically renews up to four times for subsequent and successive one year periods under the same terms, conditions and compensation, unless either party delivers its written request for changes not less than ninety (90) days prior to the end of the then current term of the Contract. Neither party is required to renew or extend this Contract.

6. Non-Exclusive Services.

This Contract is not exclusive. Vendor has the right to perform services for others during the term of this Contract, but Vendor agrees not to engage in any business, work or services of any kind under contract, or otherwise, for any person, organization or agency, which in the opinion of LACERA is detrimental to the interests of LACERA or that would materially interfere with the performance of the Services. Vendor agrees to disclose such information regarding business, work or services they perform on behalf of any person, organization or agency as LACERA may reasonably require verifying Vendor's compliance with this Section.

7. Compensation.

LACERA agrees to pay Vendor according to the Fee Schedule attached as Attachment B for performing the Services. Vendor's expenses are included in the compensation described in Attachment B and therefore Vendor is not entitled to any separate reimbursement for any expenses incurred by it in discharging its duties under this Contract, unless otherwise agreed by LACERA.

8. Invoices.

Vendor agrees to submit invoices to LACERA's Project Director, in arrears, by the tenth day of each calendar month for Services performed during the previous calendar month. Each invoice must (a) describe in detail the Services performed and expenses incurred by Vendor during the invoice period, (b) show the cumulative charges year-to-date (based on a fiscal year beginning July 1) for all Services and expenses, and (c) include such other information as LACERA may reasonably request. Each invoice will be payable within thirty days of receipt by LACERA. If LACERA's Project Director disputes any portion of an invoice, however, LACERA will pay the undisputed portion only and notify Vendor in writing of the disputed portion. Vendor and LACERA agree to act in good faith to resolve such disputes.

9. Contract Not Assignable.

Vendor may not assign any of its rights, duties, or obligations under this Contract without the prior written consent of LACERA, which LACERA may grant or withhold in its sole discretion.

10. Confidentiality.

10.1 Confidential Information. Vendor understands that, during the performance of this Contract, it will have access to confidential and proprietary LACERA information, policies and procedures, benefits, business practices, and technology concerning LACERA's operations, as well as sensitive confidential member information and business critical non-member information (collectively, "Confidential Information"). For clarity, Confidential Information includes all information of any and every kind provided to Vendor, regardless of whether it may previously have been disclosed by LACERA or others in other contexts, in that LACERA needs to know to whom, when, where, and how all of its information has been disseminated and reserves to itself the right to determine to whom, when, where, and how such

information is released. Confidential Information further includes all information related in any way to LACERA provided to Vendor.

Confidential Information may be provided to Vendor or generated or stored by Vendor in written, electronic, verbal, and all other forms. Vendor understands and agrees that:

10.1.1 Vendor shall not disclose Confidential Information to any person within its organization except those persons required to perform the services of the Contract.

10.1.2 Vendor shall not disclose Confidential Information to any third party without LACERA's advance written approval.

10.1.3 Vendor's agreement not to disclose Confidential Information includes an agreement not to disclose information even on a no-names basis.

10.1.4 Vendor will use best efforts, including but not limited to the highest level of care Vendor accords to its own most sensitive information and the most sensitive information of its other clients, to secure and maintain the confidential nature of the Confidential Information.

10.1.5 Vendor will not use the Confidential Information for any purpose other than to perform the services required by this Contract. This confidentiality provision will survive the termination of the Contract.

11. Nondiscrimination.

Vendor hereby promises and agrees that it will comply with Subchapter VII of the Civil Rights Act of 1964, 43USC Section 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract, or under any project, program or activity supported by this Contract.

Vendor shall take affirmative action to ensure that applicants and employees are treated in an unbiased manner without regard to their race, color, religion, sex, age, ancestry, or national origin, physical or mental handicap, marital status, or political affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

12. Compliance with Laws.

Vendor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, and directives, and all provisions required to be included in this Contract are incorporated by this reference. Vendor shall indemnify and hold LACERA harmless from any loss, damage or liability resulting from a violation by Vendor of any such laws, rules, regulations, ordinances, and directives.

13. Conflict of Interest.

No officer or employee of LACERA whose position enables them to influence the award of this Contract or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity or in any way remunerated by Vendor or have any direct or indirect financial interest in this Contract or in Vendor.

14. Modifications.

Any modification to this Contract must be in writing, signed by Vendor and LACERA, to be effective.

15. Termination for Default.

Services performed under this Contract may be terminated in whole or in part by LACERA providing to Vendor a written Notice of Default if (1) Vendor fails to perform the services within the time specified in this Contract or any extension approved by LACERA, or (2) Vendor fails to perform any other covenant or condition of this Contract, or (3) Vendor fails to make progress so as to endanger its performance under this Contract.

Vendor shall have ten (10) calendar days from the date of the Notice of Default in which to cure the Default(s), however, in its sole discretion, LACERA may extend this period or authorize a longer period for cure.

Without limitation of any additional rights or remedies to which it may be entitled, if LACERA terminates all or part of the services for Vendor's Default, LACERA, in its sole discretion, may procure replacement services and Vendor shall be liable for all excess costs incurred by LACERA in connection with those replacement services, as determined by LACERA in its sole discretion.

If it is determined that Vendor was not in Default under the provisions of this Contract, or that the Default was excusable, then the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued under Section 16. Termination for Convenience.

16. Termination for Convenience.

Services performed under this Contract may be terminated in whole or in part at any time LACERA or Vendor deems that termination is in its best interest. LACERA or Vendor shall terminate services by delivering a written Termination Notice which specifies the extent to which services are terminated and the effective termination date.

After receiving a Termination Notice under this section, and unless otherwise expressly directed by LACERA, Vendor shall take all necessary steps and shall stop services on the date and to the extent specified in the Termination Notice and shall complete services not so terminated.

17. SOC-2

SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm. The audits shall include the Vendor's and any subcontractor's handling of Confidential Information and shall address all areas relating to information technology security and operational processes to provide such security. The audits shall be performed in accordance with the guidance set forth in Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2), as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization, as agreed to in writing by LACERA. The audit shall assess the security of information technology security and operational process to provide such security as follows:

17.1 The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). The initial SOC 2 Audit shall be scheduled and completed within six months of executing the Contract. All subsequent SOC 2 Audits that are arranged after this first audit shall be performed and submitted annually.

17.2 The SOC 2 Audit shall report in writing on the Vendor's and any subcontractor's system(s) and the suitability of the design and operating effectiveness of controls of the information functions and/or processes to meet the requirements of the Contract, including the security requirements.

17.3 The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the Vendor for the information functions or processes for the services offered to LACERA under the Contract. The Vendor shall ensure the audit includes all subcontractors operating in the performance of the Contract.

17.4 All SOC 2 Audits, including those of the Vendor and any subcontractors, shall be performed at no additional expense to LACERA.

17.5 The Vendor and all relevant subcontractors shall promptly provide a complete copy of the final SOC 2 Report(s) to the Project Director upon completion of each SOC 2 Audit engagement.

17.6 The Vendor shall provide to LACERA, within 30 calendar days of the issuance of each SOC 2 Report, a documented corrective action plan that addresses each audit finding or exception contained in a SOC 2 Report. The corrective action plan shall identify in detail the required remedial action by the Vendor or subcontractor(s) along with the implementation date(s) for each remedial action.

17.7 If the Vendor or any subcontractor fails to obtain an annual SOC 2 Report, LACERA shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report. The audit will include the information functions and processes utilized or provided by the Vendor and any relevant subcontractor under the Contract. The Vendor and any subcontractor agree to allow the independent audit firm to access its facilities for purposes

of conducting this audit engagement. They will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. LACERA will invoice the Vendor for the expense of the SOC 2 Report(s) or deduct the cost from future payments to the Vendor.

18. Disaster Recovery & Business Continuity

Vendor will implement and maintain disaster recovery and business continuity procedures that are reasonably designed to recover data processing systems, data communications facilities, information, data and other business-related functions of LACERA in a manner and time frame consistent with legal, regulatory and business requirements applicable to LACERA.

19. Data Breach Verification

19.1 Vendor shall provide an annual written, signed attestation that to the best of its knowledge, no data breach, hacking, or incidental divulging of Member Records has occurred and that no Member Record has been compromised. The attestation shall verify that adequate internal policies and procedures exist to prevent data theft and unauthorized access.

19.2 Vendor shall provide an annual system penetration test in support of the attestation made in item A above. Vendor shall provide the results of penetration tests to LACERA.

19.3 Vendor shall comply with California Civil Code §1798.29(e) and California Civ. Code §1798.82(f). In the event of a security breach of more than 500 records, the Vendor shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General.

19.4 Vendor shall notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person as required by California Civil Code §1798.29(a) and California Civ. Code §1798.82(a).

19.5 Notwithstanding the legal notification requirements in the preceding paragraphs, Vendor will immediately notify LACERA upon its discovery of any incident or data breach.

20. Entire Contract and Severability.

This document (including Attachments A and B) constitutes the final, complete, and exclusive statement of the terms of the Contract between LACERA and Vendor for the services to be performed and supersedes all prior and contemporaneous understandings or Contracts of the parties. The provisions of this Contract are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision which comes closest to the intent of the parties.

21. Governing Law and Venue.

21.1 This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws.

21.2 Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court or in any court of the State of California sitting in Los Angeles County.

21.3 Each party to this Contract consents to the exclusive personal and subject matter jurisdiction of any United States District Court sitting in the County of Los Angeles and any court of the State of California sitting in the County of Los Angeles, and their appellate courts for the purpose of all legal actions and proceedings arising out of or relating to this Contract or the transactions it contemplates, including all claims of any nature or type, whether in contract, tort, statutory, equitable, legal, or otherwise.

22. Attorney's Fees.

In the event of litigation between the parties concerning this Contract, the prevailing party shall be entitled to recover reasonable costs and expenses incurred therein, including without limitation attorney's fees. These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

23. Interpretation.

Vendor acknowledges they have been given the opportunity to have counsel of their own choosing to participate fully and equally in the review and negotiation of this Contract. The language in all parts of this Contract shall be construed in all cases according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

24. Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, Vendor has signed this Contract, and the [SIGNATORY TITLE] of LACERA has signed this Contract, effective as of the date indicated in Section 5.

LACERA: [Vendor Name]:

Los Angeles County Employees
Retirement Association

By: _____
[TITLE] [Authorized Signatory Title]

Address for notices:

[NAME]
LACERA
300 N. Lake Avenue, Suite [XXX]
Pasadena, CA 91101

Approved as to form:

John Harrington
LACERA Staff Counsel

EXHIBIT E – IT SECURITY CONTROLS

If selected through this RFP process respondent shall provide an initial Security Controls Report in the form attached hereto prior to executing an agreement with LACERA. All subsequent Security Controls Reports that are required after this first report shall be performed and submitted annually. The questionnaires are to focus on security as it applies to the technologies impacting services provided in relation to the scope of work. If a control is found to be inadequate, respondent will develop a remediation plan within 30 days. Respondent will implement the plan and inform LACERA of the change within a mutually agreed upon and reasonable time.

The Security Controls Reports shall report in writing on the respondent's system(s) and the suitability of the design and operating effectiveness of controls, information functions, and/or processes applicable to the environment in which the respondent receives and maintains LACERA records, including the security requirements.

Respondent shall provide to LACERA, within 30 calendar days of the issuance of each Security Controls Report, a documented corrective action plan that addresses each audit finding or exception contained therein. The corrective action plan shall show in detail the required remedial action by respondent along with the implementation date(s) for each remedial action.

If respondent does not obtain an annual Security Controls Report, LACERA shall have the right to retain an independent audit firm to perform such an audit engagement for such a report. The audit will include the controls, information functions, and processes used or provided by respondent. Respondent agrees to allow the independent audit firm to access its facilities for purposes of conducting this audit engagement. They will provide the necessary support and cooperation to the independent audit firm.

The independent audit firm will be engaged by LACERA's legal department and subject to the same confidentiality requirements supported in this agreement, and any disclosure will be on a need-to-know basis only for the purpose of the Security Controls Report. LACERA will invoice respondent for the expense of the report(s) or deduct the cost from future payments to the respondent.

REQUEST FOR PROPOSAL: PREPAID DEBIT CARD

LACERA Supply Chain IT Security Controls Assessment			Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
Control Identifier	Control Name	Control Description		
LACERA-0		LACERA Conducts supplier assessment of risk prior to the acquisition or outsourcing of information Systems, Security Services; and will verify that the acquisition or outsourcing of dedicated information security services is approved by the CISO.		
LACERA-1	Supplier	Legal Name of Supplier		
LACERA-2	Supplier	Legal form of business (e.g., U.S. Corporation)		
LACERA-3	Supplier	Parent Corporation		
LACERA-4	Supplier	Web Site		
LACERA-5	Supplier	Dun & Bradstreet Number		
LACERA-6	Supplier	U.S. Federal Taxpayer ID		
LACERA-7	Supplier	What percentage of product/service - development/support is off-shore (non-U.S.)		
LACERA-8	Supplier	What is Supplier's 3rd-Party Security Assessment Validation (e.g., ISO, 27001:13, SOC 2 Type 2)		
LACERA-8	Supplier	Is your product FIPS 140-2 or 140-3 Certified (if yes, provide cert #)		
AC-1	Policy and Procedures	Are Access Control Policy(s) supported		
AC-2(1)	Account Management	Are System Accounts / Service Accounts / Privileged Accounts supported or required		
AC-2(3)	Account Management Disable Accounts	Documented procedure or automated tool to Disable accounts		
AC-2(4)	Account Management Automated Audit Actions	Automatic logging for audit of account creation, modification, enabling, disabling, and removal actions.		
AC-2(5)	Account Management Inactivity Logout	Automatically log out users when [defined time period of inactivity].		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
AC-2(12)	Account Management Account Monitoring for Atypical Usage	(a) Monitor / log system accounts login; and (b) Report usage of system accounts to [actions].		
AC-3(7)	Access Enforcement Role-based Access Control	Enforce a role-based access control policy over defined subjects and objects and control access based upon [defined roles and users authorized to assume such roles].		
AC-3(9)	Access Enforcement Controlled Release	Release information outside of the system only if: (a) The receiving [destination] provides [authentication]; and (b) [user roles] are used to validate the appropriateness of the information designated for release.		
AC-3(11)	Access Enforcement Restrict Access to Specific Information Types	Restrict access to data repositories containing [Customer-defined information types].		
AC-3(12)	Access Enforcement Assert and Enforce Application Access	(a) Require integration / API applications to use validated certificates. (c) Validate access changes after initial installation of the application.		
AC-3(14)	Access Enforcement Individual Access	Provide [mechanisms] to enable individuals (Subjects) to have access to [defined elements] of their personally identifiable information.		
AC-4	Information Flow Enforcement	Enforce approved authorizations for controlling the flow of information within the system and between connected systems based on [defined information flow control policies].		
AC-4(2)	Information Flow Enforcement Processing Domains	Use protected processing domains to enforce [defined information flow control policies] as a basis for flow control decisions.		
AC-4(5)	Information Flow Enforcement Embedded Data Types	Enforce [defined limitations] on embedding data types within other data types.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
AC-4(11)	Information Flow Enforcement Configuration of Security or Privacy Policy Filters	Provide the capability for privileged administrators to configure [defined] security or privacy policy filters to support different security or privacy policies.		
AC-4(26)	Information Flow Enforcement Audit Filtering Actions	When transferring information between different security domains, record and audit content filtering actions and results for the information being filtered.		
AC-6(6)	Least Privilege Privileged Access by Non-organizational Users	Prohibit privileged access to the system by non-organizational users.		
AC-6(9)	Least Privilege Log Use of Privileged Functions	Log the execution of privileged functions.		
AC-6(10)	Least Privilege Prohibit Non-privileged Users from Executing Privileged Functions	Prevent non-privileged users from executing privileged functions.		
AC-7	Unsuccessful Logon Attempts	Enforce a limit of [defined number] consecutive invalid logon attempts by a user during a [organization-defined time period]; and automatically lock the account for an [organization-defined time period] or lock the account until released by an administrator and notify system administrator when the maximum number of unsuccessful attempts is exceeded.		
AC-8	System Use Notification	a. Display system use notification message or banner to users before granting access to the system		
AC-12(2)	Session Termination Termination Message	Display an explicit logout message to users indicating the termination of authenticated communications sessions.		
AC-12(3)	Session Termination Timeout Warning Message	Display an explicit message to users indicating that the session will end in [defined time until end of session].		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
AC-14	Permitted Actions Without Identification or Authentication	a. Identify [user actions] that can be performed on the system without identification or authentication; and b. Document and provide supporting rationale in the security plan for the system, user actions not requiring identification or authentication.		
AC-16(10)	Security and Privacy Attributes Attribute Configuration by Authorized Individuals	Provide authorized individuals the capability to define or change the type and value of security and privacy attributes available for association with subjects and objects.		
AC-24	Access Control Decisions	Establish procedures; Implement mechanisms to ensure [access control decisions] are applied to each access request prior to access enforcement.		
AU-2	Event Logging	a. Identify the types of events that the system is capable of logging in support of the audit function		
AU-3	Content of Audit Records	Ensure that audit records contain information that establishes the following: a. What type of event occurred; b. When the event occurred; c. Where the event occurred; d. Source of the event; e. Outcome of the event; and f. Identity of any individuals, subjects, or objects/entities associated with the event.		
AU-9(2)	Protection of Audit Information Store on Separate Physical Systems or Components	Store audit records in a repository that is part of a physically different system or system component than the system or component being audited.		
AU-9(3)	Protection of Audit Information Cryptographic Protection	Implement cryptographic mechanisms to protect the integrity of audit information and audit tools.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
AU-11	Audit Record Retention	Retain audit records for [organization-defined time period consistent with records retention policy] to provide support for after-the-fact investigations of incidents and to meet regulatory and organizational information retention requirements.		
CM-3(2)	Configuration Change Control Testing, Validation, and Documentation of Changes	Test, validate, and document changes to the system before finalizing the implementation of the changes.		
CM-14	Signed Components	Prevent the installation of [software and firmware components] without verification that the component has been digitally signed using a certificate that is recognized and approved by the organization.		
CP-4(4)	Contingency Plan Testing Full Recovery and Reconstitution	Include a full recovery and reconstitution of the system to a known state as part of [Organization]contingency plan.		
CP-9(8)	System Backup Cryptographic Protection	Implement cryptographic mechanisms to prevent unauthorized disclosure and modification of backup information.		
CP-10	System Recovery and Reconstitution	Provide for the recovery and reconstitution of the system to a known state within recovery time and recovery point objectives after a disruption, compromise, or failure.		
CP-10(2)	System Recovery and Reconstitution Transaction Recovery	Implement transaction recovery for systems that are transaction-based.		
CP-10(4)	System Recovery and Reconstitution Restore Within Time Period	Provide the capability to restore system components from configuration-controlled and integrity-protected information representing a known, operational state for the components.		
CP-10(6)	System Recovery and Reconstitution Component Protection	Protect system components used for recovery and reconstitution.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
IA-2(1)	Identification and Authentication (organizational Users) Multi-factor Authentication to Privileged Accounts	Implement multi-factor authentication for access to privileged accounts.		
IA-2(2)	Identification and Authentication (organizational Users) Multi-factor Authentication to Non-privileged Accounts	Implement multi-factor authentication for access to non-privileged accounts.		
IA-2(5)	Identification and Authentication (organizational Users) Individual Authentication with Group Authentication	When shared accounts or authenticators are employed, require users to be individually authenticated before granting access to the shared accounts or resources.		
IA-2(8)	Identification and Authentication (organizational Users) Access to Accounts — Replay Resistant	Implement replay-resistant authentication mechanisms for access to [Selection (one or more): privileged accounts; non-privileged accounts]. Techniques used to address this include protocols using nonces (e.g., numbers generated for a specific one-time use) or challenges (e.g., TLS, WS_Security) and PKI certificates. Additional techniques include time-synchronous or challenge-response one-time authenticators.		
IA-2(10)	Identification and Authentication (organizational Users) Single Sign-on	Provide a single sign-on capability for system accounts and services.		
IA-2(12)	Identification and Authentication (organizational Users) Acceptance of PIV Credentials	Accept and electronically verify Personal Identity Verification-compliant credentials.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
IA-4(1)	Identifier Management Prohibit Account Identifiers as Public Identifiers	Prohibit the use of system account identifiers that are the same as public identifiers for individual accounts.		
IA-5(1)	Authenticator Management Password-based Authentication	For password-based authentication: (a) Maintain a list of commonly-used, expected, or compromised passwords and update the list when organizational passwords are suspected to have been compromised directly or indirectly; (b) Verify, when users create or update passwords, that the passwords are not found on the list of commonly-used, expected, or compromised passwords in IA-5(1)(a); (c) Transmit passwords only over cryptographically-protected channels; (d) Store passwords using an approved salted key derivation function, preferably using a keyed hash; (e) Require immediate selection of a new password upon account recovery; (f) Allow user selection of long passwords and passphrases, including spaces and all printable characters; (g) Employ automated tools to assist the user in selecting strong password authenticators.		
IA-5(2)	Authenticator Management Public Key-based Authentication	(a) For public key-based authentication: (1) Enforce authorized access to the corresponding private key; and (2) Map the authenticated identity to the account of the individual or group; and (b) When public key infrastructure (PKI) is used: (1) Validate certificates by constructing and verifying a certification path to an accepted trust anchor, including checking certificate status information; and (2) Implement a local cache of revocation data to support path discovery and validation.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
IA-5(5)	Authenticator Management Change Authenticators Prior to Delivery	Require developers and installers of system components to provide unique authenticators or change default authenticators prior to delivery and installation.		
IA-5(7)	Authenticator Management No Embedded Unencrypted Static Authenticators	Ensure that unencrypted static authenticators are not embedded in applications or other forms of static storage.		
IA-7	Cryptographic Module Authentication	Implement mechanisms for authentication to a cryptographic module that meets the requirements of AT LEAST FIPS -140-2.		
IA-8(2)	Identification and Authentication (non-organizational Users) Acceptance of External Authenticators	(a) Accept only external authenticators that are NIST-compliant; and (b) Document and maintain a list of accepted external authenticators.		
IR-4(5)	Incident Handling Automatic Disabling of System	Implement a configurable capability to automatically disable the system if [security violations] are detected.		
IR-4(6)	Incident Handling Insider Threats	Implement an incident handling capability for detecting incidents involving insider threats.		
IR-4(11)	Incident Handling Integrated Incident Response Team	Establish and maintain an incident response team that can be deployed to any location identified by the organization within [defined time period].		
IR-4(14)	Incident Handling Security Operations Center	Establish and maintain a security operation [support] center.		
IR-4(15)	Incident Handling Public Relations and Reputation Repair	(a) Manage public relations associated with an incident; and (b) Employ measures to repair the reputation of the organization.		
IR-5	Incident Monitoring	Track and document incidents.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
IR-5(1)	Incident Monitoring Automated Tracking, Data Collection, and Analysis	Track [security] incidents and collect and analyze incident information [preferably using automated mechanisms].		
IR-6(3)	Incident Reporting Supply Chain Coordination	Provide incident information to the customer of the product or service and other organizations involved in the supply chain or supply chain governance for systems or system components related to the incident.		
IR-7	Incident Response Assistance	Provide an incident response support resource, integral to the supplier's organizational incident response capability, that offers advice and assistance to users of the system for the handling and reporting of incidents.		
IR-8	Incident Response Plan	<ol style="list-style-type: none"> 1. Provide the [Customer's] organization with a roadmap for implementing supplier's incident response capability; 2. Describes the structure and organization of the incident response capability; 3. Provides a high-level approach for how the incident response capability fits into the overall organization; 5. Defines reportable incidents; 6. Provides metrics for measuring the incident response capability within the organization; 7. Defines the resources and management support needed to effectively maintain and mature an incident response capability; 8. Addresses the sharing of incident information; 10. Explicitly designates responsibility for incident response. 		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
IR-8(1)	Incident Response Plan Breaches	Include the following in the Incident Response Plan for breaches involving personally identifiable information: (a) A process to determine if notice to individuals or other organizations, including oversight organizations, is needed; (b) An assessment process to determine the extent of the harm, embarrassment, inconvenience, or unfairness to affected individuals and any mechanisms to mitigate such harms; and (c) Identification of applicable privacy requirements.		
IR-9	Information Spillage Response	Respond to information spills by: a. Assigning personnel with responsibility for responding to information spills; b. Identifying the specific information involved in the system contamination; c. Alerting [defined personnel or roles] of the information spill using a method of communication not associated with the spill; d. Isolating the contaminated system or system component; e. Eradicating the information from the contaminated system or component; f. Identifying other systems or system components that may have been subsequently contaminated.		
IR-9(3)	Information Spillage Response Post-spill Operations	Implement procedures to ensure that organizational personnel impacted by information spills can continue to carry out assigned tasks while contaminated systems are undergoing corrective actions.		
MA-2(2)	Controlled Maintenance Automated Maintenance Activities	(a) Schedule, conduct, and document maintenance, repair, and replacement actions for the system; and (b) Produce up-to date, accurate, and complete records of all maintenance, repair, and replacement actions requested, scheduled, in process, and completed.		
MA-3(2)	Maintenance Tools Inspect Media	Check media containing diagnostic and test programs for malicious code before the media are used in the system.		
PL-7	Concept of Operations	a. Develop a Concept of Operations (CONOPS) for the system describing how to operate the system from the perspective of information security and privacy; and b. Review and update the CONOPS.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
PL-10	Baseline Selection	Define the security controls baseline for the system.		
PM-2	Information Security Program Leadership Role	Appoint a senior agency information security officer with the mission and resources to coordinate, develop, implement, and maintain an organization-wide information security program.		
PM-3	Information Security and Privacy Resources	a. Include the resources needed to implement the information security and privacy programs in capital planning and investment requests and document all exceptions to this requirement; b. Prepare documentation required for addressing information security and privacy programs in capital planning and investment requests in accordance with applicable laws, executive orders, directives, policies, regulations, standards; and c. Make available for expenditure, the planned information security and privacy resources.		
PM-4	Plan of Action and Milestones Process	a. Implement a process to ensure that plans of action and milestones for the information security, privacy, and supply chain risk management programs and associated organizational systems: 1. Are developed and maintained; 2. Document the remedial information security, privacy, and supply chain risk management actions to adequately respond to risk to organizational operations and assets, individuals, other organizations, and 3. Are reported in accordance with established reporting requirements. b. Review plans of action and milestones for consistency with the organizational risk management strategy and organization-wide priorities for risk response actions.		
PM-7(1)	Enterprise Architecture Offloading	As a supplier of products / services, are any essential functions or services offloaded to other systems, system components, or an external provider [specify]		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
RA-5	Vulnerability Monitoring and Scanning	a. Monitor and scan for vulnerabilities in the system and hosted applications b. Employ vulnerability monitoring tools for: 1. Enumerating platforms, software flaws, and improper configurations; 2. Formatting checklists and test procedures; and 3. Measuring vulnerability impact; c. Analyze vulnerability scan reports and results from vulnerability monitoring; d. Remediate legitimate vulnerabilities; e. Share information obtained from the vulnerability monitoring process		
RA-5(11)	Vulnerability Monitoring and Scanning Public Disclosure Program	Establish a public reporting channel for receiving reports of vulnerabilities in systems and system components.		
SA-4(1)	Acquisition Process Functional Properties of Controls	Require the developer of the system, system component, or system service to provide a description of the functional properties of the controls to be implemented.		
SA-4(2)	Acquisition Process Design and Implementation Information for Controls	The developer of the system, system component, or system service must provide design and implementation information for the controls that includes security-relevant external system interfaces; high-level design; low-level design; source code or hardware schematics;		
SA-4(3)	Acquisition Process Development Methods, Techniques, and Practices	The developer of the system, system component, or system service must demonstrate the use of a system development life cycle process that includes: (a) Systems engineering methods; (b) Systems security; privacy, engineering methods; and (c) Software development methods; testing, evaluation, assessment, verification, and validation methods; and quality control processes.		
SA-4(5)	Acquisition Process System, Component, and Service Configurations	The developer of the system, system component, or system service must: (a) Deliver the system, component, or service with security configurations implemented; and (b) Use security configurations as the default for any subsequent system, component, or service reinstallation or upgrade.		

Control Identifier	Control Name	<u>LACERA Supply Chain IT Security Controls Assessment</u> Control Description	Has the Control Been Tested and Validated?	Validation Results or Location of Documented Results
SA-4(12)	Acquisition Process Data Ownership	Are organizational data ownership requirements in the acquisition contract; and terms that require all data to be removed from the vendor's system and returned to the Customer-organization within [defined time frame].		
SA-9(2)	External System Services Identification of Functions, Ports, Protocols, and Services	Identify the functions, ports, protocols, and other services required for the use of such services.		
SA-9(8)	External System Services Processing and Storage Location — U.S. Jurisdiction	Is the geographic location of information processing and data storage facilities located within in the legal jurisdictional boundary of the United States?		
SC-45(1)	System Time Synchronization Synchronization with Authoritative Time Source	Synchronize the internal system clocks to the authoritative time source within Stratum 3.		

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EXHIBIT F - INTENT TO RESPOND

Intent to Respond

If you choose to respond to this RFP, please send this form to prepaiddebitcard@lacera.com via email no later than **5:00 p.m. PDT on August 17, 2022**. Failure to send your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA's responses to written requests for clarification or other information will be provided to all Respondents that have submitted an Intent to Respond.

To:	Louis Gittens	From:	
Co.:	LACERA – Benefits Division	Title:	
		Co.:	
Phone:	626-564-6000 ext. 3646	Phone:	
Email:	prepaiddebitcard@lacera.com	Email:	
Re:	Intent to Respond	Date:	

Our firm intends to submit a response for LACERA's RFP for [Services Requested].

Please send inquiries to the following contact:

Name:	_____
Title:	_____
Company:	_____
Mailing Address:	_____
Telephone:	_____
Facsimile:	_____
Email Address:	_____

EXHIBIT G – SELECTION CRITERIA

The selection criteria below and the weighting schedule of the evaluation factors is a guide only and does bind or limit LACERA in any way in its selection of vendor(s).

An evaluation committee will review, evaluate, score, and rank all responsive proposals by the evaluation criteria described below. LACERA may invite the highest ranked Respondents for presentations and interviews at which time each will have a limited amount of time to further describe their experience and qualifications, and to answer questions.

Scores will be used merely as an aid in selection and is not binding or determinative on LACERA with respect to the basis for selection. LACERA will evaluate proposals based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, considering quality of service. LACERA will evaluate responses against the following criteria and factors:

LACERA will consider the criteria, without a specific weighting, unless noted below. The balancing of the factors is in LACERA's sole discretion. LACERA reserves the right to consider factors other than those listed in making its choice.

	CRITERIA	WEIGHT
1		
2		
3		
4		
5		
6		