



 **Employees' Retirement System of Rhode Island**

**Technical Proposal (RFP # 2011-001) for
Pension Administration System Modernization**

Federal Tax ID Number: 52-1883918

Dun and Bradstreet No.: 20-787-0056

Closing date and time for submission of proposals:
September 9, 2011, 4:00 PM (EDT)

**Name, title, address, voice, and fax telephone numbers of
organization submitting proposal:**

René Beaudoin

Executive Vice President, U.S. Business Leader and CIO

Morneau Shepell

Seven Parkway Center

875 Greentree Road, Suite 500

Pittsburgh, PA 15220

Phone: 412.919.4800

Fax: 412.922.6619

Signature _____

**MORNEAU
SHEPELL**



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Notice of Confidentiality

This document contains confidential information or details of proprietary processes or systems developed by our firm. Therefore, we respectfully request that the contents be held in strict confidence and not shared with any third parties without our written permission. The contents of this document are protected by copyright.
Confidential

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Frank J. Karpinski
September 9, 2011

September 9, 2011

CONFIDENTIAL

Frank J. Karpinski
Executive Director
Employees' Retirement System of Rhode Island
40 Fountain Street, 1st Floor
Providence, RI 02903-1854

Dear Mr. Karpinski:

**RE: Response to Request for Information (RFP) Number 2011-001 for Pension Administration System
Modernization of Employees' Retirement System of Rhode Island**

Morneau Shepell is delighted to present our response to Employees' Retirement System of Rhode Island's ("ERSRI") Request for Proposal to provide a broad-scope Software as a Service (SaaS) pension administration solution. Since our founding in 1962, our areas of focus have always been administrative and technology services for the full range of retirement, savings, and health & welfare benefits programs. Our annual revenues exceed \$350 million, qualifying Morneau Shepell as one of the largest providers of administrative solutions in North America and our commitment to leading-edge technology deployment is unparalleled in our market.

We are proud to have ADP and Crowe Horwath as an integral part of our ERSRI solution handling payroll and accounting system scope respectively, and are very confident in our team's commitment to success.

As you consider alternatives, we believe there are a number of reasons why our firm will be able to offer you the best strategic and cohesive solution for the long term. These are:

<REDACTED>

We trust that the responses contained in this proposal will showcase our abilities to develop a successful transition plan and to ultimately deliver a leading edge, customer focused administrative solution.

Yours truly,



Frank J. Karpinski
September 9, 2011

Jared Kesler Smith
Senior Vice President, Business Development, U.S. Region
Morneau Shepell
Seven Parkway Center
875 Greentree Road, Suite 500
Pittsburgh, PA 15220-3508
Tel.: 214.316.9646
Fax: 412.919.6619
Email: jkeslersmith@morneaushepell.com

René Beaudoin
EVP, U.S. Business Leader and CIO
Morneau Shepell
Seven Parkway Center
875 Greentree Road, Suite 500
Pittsburgh, PA 15220-3508
Tel: 412.919.4800
Fax: 412.922.6619
Email: rbeaudoin@morneaushepell.com

PART A Offeror Information

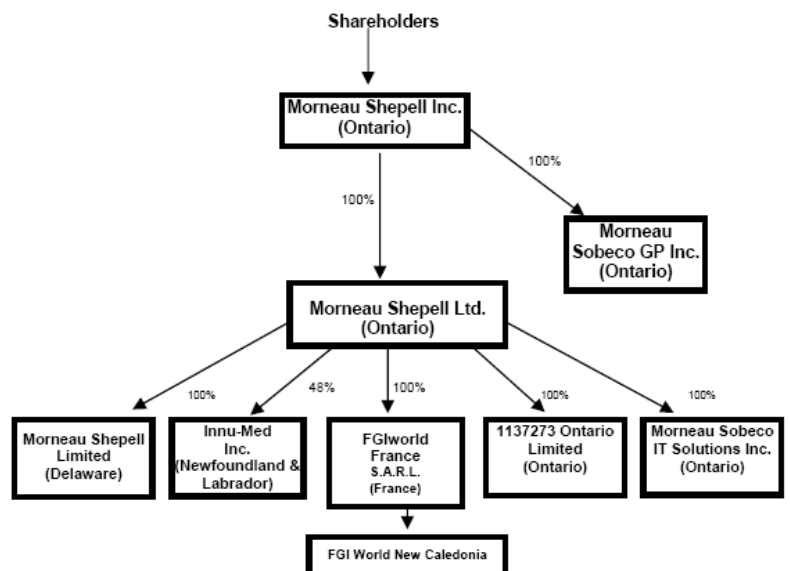
A-1 General Information

A-1.1 Offeror Certifications and Affirmations

In this section, the offeror must include the following statements of affirmation:

A statement regarding the offeror's legal structure (e.g., a LLC, a corporation), Federal tax identification number, and principal place of business

Morneau Shepell Limited., the entity that would be serving you, is a Delaware corporation which carries on the U.S. operating business. Morneau Shepell Limited is owned by Morneau Shepell Ltd., an Ontario corporation, which is in turn owned by Morneau Shepell Inc., an Ontario corporation that is



publicly traded on the Toronto Stock Exchange under the ticker symbol: MSI.

We have illustrated our ownership structure in the adjacent diagram.

Our federal tax identification number is 52-1883918

A list of the people who prepared the offeror's proposal, including their titles

<REDACTED>

The name, phone number, email address, and fax number of a contact person who has authority to answer questions regarding the offeror's proposal

<REDACTED>

A list of all subcontractors, if any, that the offeror will use on the project if the offeror is selected to do the work - for each proposed subcontractor, the offeror must include (in Attachment 13 of the technical proposal) a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following information included in the letter:

- **The subcontractor's legal status, tax identification number, and principal place of business address**
- **The name, email address, and phone number of someone who is authorized to legally bind the subcontractor to contractual obligations**
- **A description of the work the subcontractor will do**
- **A commitment to do the work if the offeror is selected**

Our solution employees the subcontractors listed below. Each was selected to provide the best available solution based on ERSRI's requirements. Importantly, our partners bring to bear their industry-leading experience and a long track record of success. We recognize that this solution must have a life of 10 years – ideally far more as innovation moves our software forward – and these subcontractors ensure that this requirement is met.

- **ADP:** Payroll
- **Crowe Horwath:** Will support the Microsoft Dynamics AX accounting solution used for General Ledger and Cash Management.

We have provided the subcontractor letters of commitment and teaming agreements in the Attachment 12 and 13 of our response.

A statement indicating the proposed Project Manager is an employee of the prime contractor

We confirm that our Project Manager, <REDACTED>, is an employee of Morneau Shepell.

A statement affirming the offeror's commitment to develop a full set of all of the rules, regulations, procedures, and practices that need to be accommodated in the new solution

We confirm and agree to the above requirement.

Affirmation that the requirements listed in Section A-2 as non-negotiable, must be met by the solution implemented by the offeror.

We confirm and agree to the above requirement.

A statement affirming that any breach of security caused by the offerors connectivity to the ERSRI network is the responsibility of the offeror; and the offeror will be responsible for all costs related to correcting the problem. Furthermore, should it be determined that any fault in the network (virus, worm, etc.) can be traced to an action taken (or not taken) by the offeror, the offeror will be fully responsible for all actions taken and all expenses incurred to correct the fault (Section A-2.4).

We confirm and agree to the above requirement.

Affirmation of the offeror's responsibility for the life of the contract for all contractual activities, products, and deliverables offered in the proposal whether or not that contractor directly performs or provides them. This includes providing an overall project plan , the detailed requirements definition, all necessary hardware

and software components (if those options are authorized), including fully integrated CRM and ECM, an LOB solution, system integration services, enablement of all interfaces described in this RFP, test preparation and execution (including training and assisting ERSRI with its testing responsibilities) of all elements of the offeror's solution (not just customized elements), data conversion, training for users and employers documentation, process change recommendations, and implementation of any other proposed technologies, as well as first-line problem resolution.

We confirm and agree to the above requirement. We understand ERSRI's requirements for a fully managed and integrated solution. We will ensure:

- A single point of contact for all issues
- A single point of accountability for all issues
- Integrated service reporting
- A high-touch service where you can count on Morneau Shepell to act as an integral arm of ERSRI, sharing your organizational objectives and working as a fully accountable member of your team
- Subcontractor relationships are fully managed and integrated
- Leadership through the implementation phase, ensuring that the plan is developed, executed and managed to your expectations. Our project team fully understands the difficulties our clients face with resourcing both regular activities and an implementation – we will ensure an optimal use of ERSRI resources

We will ensure that contractual service levels are in place and that corresponding service reporting is provided. We believe that establishing clear expectations and reporting against those are essential to a successful long-term relationship.

We log all issues within our *ArielVu* service management platform. *ArielVu* tracks all issues and requests, provides you with on-line and email progress updates, and measures our performance against established service levels.

An affirmation from the offeror that, if at any time, for any reason, the offeror is no longer able to provide the services for which the offeror has contracted, the offeror will fully cooperate with ERSRI to find another entity that can provide these

services. Offeror will provide services to ERSRI until the other entity is ready to provide services, in other words, there will be no interruption in services. Offeror further affirms that the total cost to ERSRI of the services provided by the offeror and to be provided by any other entity will not exceed the costs to which the offeror has contracted.

We confirm and agree to the above requirement.

Affirmation that the offeror understands that its response becomes the property of ERSRI, is deemed to be part of the public record, and ERSRI cannot make an absolute commitment to protect the offeror's proprietary trade secrets.

We confirm and agree to the above requirement.

Affirmation that the offeror's organization is the prime contractor and the primary point of contact with regard to contractual matters. The offeror must confirm that should any third party provider go out of business or otherwise become unable to fulfill its contractual obligations to ERSRI with respect to this procurement, then the offeror (prime contractor) will guarantee delivery of the same or equivalent products and services at the contractually agreed upon price.

We confirm and agree to the above requirement.

Affirmation that all requirements expressed in this RFP must be met by the solution implemented by the offeror unless an explicit written agreement to delete one or more of the RFP's provisions is signed by both ERSRI and the offeror.

We confirm and agree to the above requirement.

Affirmation that all commitments, including pricing, included in the offeror's response remain in force for one hundred and eighty (180) days from the proposal receipt deadline.

We confirm and agree to the above requirement.

For the period of time starting seven (7) months prior to the publishing of the RFP and up until the award of a resulting contact, identification of any contact that the offeror, a lobbyist, or any other third party which has been retained by the offeror in any manner has had with ERSRI staff, ERSRI Board members, Rhode Island legislators, the office of the Governor or Treasurer of Rhode Island or legislative or gubernatorial staff related to the procurement. In addition describe the nature of the contact, the dates, and the substance thereof. Failure to do so accurately may be grounds for rejection of your proposal and/or cancellation of any subsequent contract.

Not applicable.

The offeror must also include the following seven certifications within the past five (5) years:

1. Certification as to whether the offeror has ever had a contract terminated for default or cause. If so, the offeror must submit full details, including the other party's name, address, and telephone number.

Morneau Shepell has never had our contract terminated for default or cause.

2. Certification as to whether the offeror has ever been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.

Not applicable.

3. Certification as to whether a client has ever demanded payment of a performance bond or a bid bond of the offeror. If so, provide the name of the client, client contact information and an explanation of the circumstances.

Not applicable.

4. Certification as to whether the offeror has ever been, or is currently, the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.

Not applicable.

5. Certification as to whether trading in the stock of the offering company has ever been suspended. If so, provide the date(s) and explanation(s).

Not applicable.

6. Certification as to whether the offeror, any officer of the offeror, or any owner of a twenty percent (20%) interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.

Not applicable.

7. Certification as to whether the offeror, any officer of the offeror, or any owner with a twenty percent (20%) interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.

Not applicable.

If the answer to any of the seven (7) certification items above is affirmative, the offeror must provide complete details about the matter. An affirmative answer to any of these items will not automatically disqualify an offeror from consideration. However, at the sole discretion of the evaluation committee, such an answer and a review of the background details may result in a rejection of the offeror's proposal. The committee will make this decision based on its determination of the seriousness

of the matter, the matter's possible impact on the offeror's performance on this project, and the best interests of the State.

Not applicable.

A-1.2 Statement of Understanding

In this section, the offeror must summarize its understanding of the requirements set forth in the RFP. The offeror may also reference, in general terms, projects it has successfully completed that met requirements similar to those of ERSRI.

We confirm that we have thoroughly examined the RFP requirements and our proposed fees cover all the services that ERSRI has requested. Any exceptions have been duly noted in this proposal.

A-1.3 High Level Deliverables

In this section of the proposal, the offeror must identify and briefly describe the high level deliverables to be provided to ERSRI over the course of the project. The offeror must make the commitment to include all of the high level deliverables discussed in Section A-3.3 of the RFP. The offeror is encouraged to identify additional deliverables as it deems appropriate.

We will provide the high level deliverables discussed in Section A-3.3. In addition, we will provide the following key deliverables:

1. **Implementation workbooks.** You will find described in our proposal workbooks that define the requirements for each major deliverable (pension administration, payroll, and accounting). These workbooks provide the information needed to define the solution for implementation and are also maintained on an ongoing basis to provide a valuable reference on plans and processes.
2. **Ariel DB pension administration platform.** Recognized as one of the most flexible platforms available, *Ariel DB* will provide all of the necessary functionality to administer your pension plans.

3. **Ariel Portal** provides an employee and employer self-service gateway. Uniting all services under one easy-to-use Web interface, *Ariel Portal* meets the informational and transaction needs of members and administrators.
4. **Ariel 360 CRM** will deliver an employee-centric view of the program. Attaching all activities and documents to an employee folio, *Ariel 360* will control document management, case management, workflow, disability case management, and more.
5. **Ariel Health & Welfare** will provide enrollment services to plan members. Members can enroll into benefit plans, update beneficiaries for benefits and pension, and enroll into other optional programs.
6. **ADP Payroll** will provide the system and infrastructure necessary to ensure reliable payroll for ERSRI's 24000 annuitants.
7. **Accounting.** Microsoft Dynamics AX will provide the accounting capabilities in our solution. A leading mid-market solution, AX has features specifically targeted to the public sector and is used by retirement systems across the US.

A-1.4 Assumptions

In this section, the offeror must identify and discuss all assumptions it has made in preparing its technical and cost proposals. Further, the offeror must state that there are no further assumptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal.

Please include any assumptions you have made with regard to facilities to be provided by ERSRI for office space and meeting / training rooms.

Any assumptions mentioned elsewhere in the offeror's proposal will not be valid unless they are also listed in this section.

In setting forth their assumptions, offerors should note the difference between "assumptions" and "exceptions" and take care that no exceptions to the RFP's requirements are included. Valid "assumptions" are suppositions made by the offeror about issues on which the RFP is silent. "Exceptions" are suppositions made by the offeror that contradict, or fail to conform with, one or more of the requirements stated in the RFP. Any items that are actually exceptions to the RFP's

requirements, but misrepresented by the offeror as assumptions in Section A-1.4 of the proposal, will be treated as exceptions by ERSRI - and will, due to the misrepresentation, have a greater negative effect on the offeror's technical score than would be the case had the item been correctly classified by the offeror as an exception. (See A-1.5 Exceptions below for a discussion of how to set forth exceptions.)

<REDACTED>

A-1.5 Exceptions

In this section of the proposal, the offeror must affirm that it has read and understands the RFP, any RFP amendments issued, and the questions and answers provided during the bidders conference and subsequent to the bidders conference. The offeror must state in this section of the proposal any and all exceptions it takes with the technical / functional requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only those exceptions identified in this single section of the proposal will be considered by ERSRI; any others "distributed" across the proposal will be superseded by the provisions of this RFP and will not be considered or honored by ERSRI.

For each exception listed in Section A-1.5 of the proposal, the offeror is required to propose at least one alternative that would still be acceptable to the offeror, as a potential vendor, and that the offeror reasonably believes will be acceptable to ERSRI. The alternative version(s) of each offeror exception may take various forms - again, the offeror is being encouraged to apply creativity in order to accommodate legitimate offeror reservations in a fashion that will not lead ERSRI to reject the bid due to onerous exceptions.

<REDACTED>

A-2 Offeror's Qualifications

This section shall include details on the experience of the offeror and offeror's recent clients having requirements similar to those of ERSRI.

A-2.1 Corporate Background

This is an introduction to the offeror's company: its history, scope of operations, organization, size, and any other relevant information about the company that the offeror desires to include.

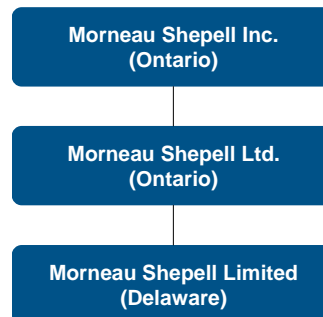
In this section, the offeror must provide basic information about its organization, including the following:

The structure of the offeror's entity (corporation [privately held or publicly traded], partnership, etc.)

Morneau Shepell

Morneau Shepell Limited., the entity that would be serving you, is a Delaware corporation which carries on the U.S. operating business. Morneau Shepell Limited is owned by Morneau Shepell Ltd., an Ontario corporation, which is in turn owned by Morneau Shepell Inc., an Ontario corporation that is publicly traded on the Toronto Stock Exchange under the ticker symbol: MSI.

We have illustrated our ownership structure in the diagram below.



ADP

Automatic Data Processing, Inc. is a Publicly Traded Corporation. It is traded on the NASDAQ under the ticker symbol: ADP

Crowe Horwath

Crowe Horwath LLP (Crowe) is a limited liability partnership.

The name of the offeror and the location of its principal place of business and all other offices, including the location of the office which will perform work on behalf of ERSRI

Morneau Shepell

Principal Place of Business

895 Don Mills Road
Tower One
Suite 700
Toronto, Ontario
Canada M3C 1W3

Location of the office which will perform work on behalf of ERSRI

1. Seven Parkway Center
875 Greentree Road, Suite 500
Pittsburgh, PA 15220
2. Stock Exchange Building—Place Victoria
800 Square-Victoria, Suite 4000
Montréal, Québec H4Z 0A4

ADP

Principal Place of Business

1 ADP Boulevard
Roseland, NJ 07068

Location of the office which will perform work on behalf of ERSRI

- **ADP Enterprise Payroll Services:** Alpharetta, Georgia
- **National Accounts Support Centers:**
 - Waltham, Massachusetts
 - Alpharetta, Georgia
 - Roseland, New Jersey
 - Chicago, Illinois
 - San Dimas, California

Crowe Horwath

Crowe Horwath LLP headquarters location is: One Mid America Plaza, Oak Brook, IL 60522. Crowe has 26 offices in the United States. The following Crowe office locations are qualified and could potentially help perform work on behalf of ERSRI:

- Columbus, OH
- Grand Rapids, MI
- Indianapolis, IN
- Nashville, TN
- New York, New York
- Oak Brook, IL

The names, titles and length of tenure of the top five officers of the company (or its subsidiary or operating division responsible for this project). For any whose time in the position is less than a year, provide the name of his or her predecessor and the reason for the change in position. If the offering corporation is itself a subsidiary of another corporation, the same information is required about the mother corporation.

Morneau Shepell

Name	Title	Length of Tenure
Bill Morneau	Director, Executive Chairman	Since 1987
Alan Torrie	Director, President and Chief Executive Officer	Since 2005
Rene Beaudoin	Chief Information Officer and Executive Vice President, U.S. Business Leader	Since 2007
Pierre Chamberland	Chief Operating Officer and Executive Vice President, Admin Solutions	Since 1982
Scott Milligan	Chief Financial Officer and Executive Vice President	Since 2009

ADP

Name	Title	Length of Tenure
Steven J. Anenen	<i>President, Dealer Services</i>	1975
Michael A. Bonarti	<i>Vice President, General Counsel and Secretary</i>	1997
Gary C. Butler	<i>President and Chief Executive Officer</i>	1975
Benito Cachinero	<i>Vice President, Human Resources</i>	2007
Michael L. Capone	<i>Vice President and Chief Information Officer</i>	1988
Michael C. Eberhard	<i>Vice President and Treasurer</i>	1998
Edward B. Flynn, III	<i>Vice President, Employer Services–Sales</i>	1988
Regina R. Lee	<i>President, Employer Services– Small Business Services and Major Account Services</i>	1982
Anish Rajparia	<i>President, Employer Services—International</i>	2002
Christopher R. Reidy	<i>Chief Financial Officer</i>	2006
Carlos A. Rodriguez	<i>President, Employer Services– National Account Services and Employer Services–International</i>	1999
Alan Sheiness	<i>Corporate Controller and Principal Accounting Officer</i>	1984
Jan Siegmund	<i>President, Added Value Services and Chief Strategy Officer</i>	1999

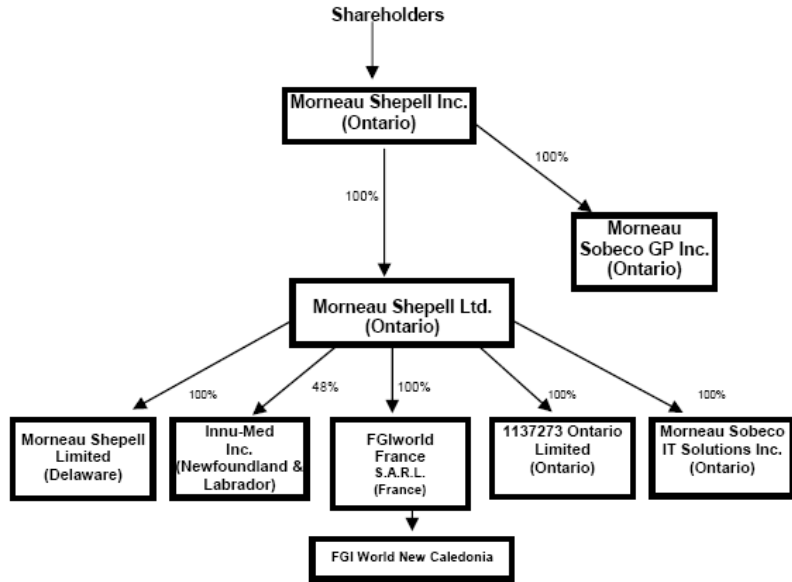
Crowe Horwath

Name	Title	Length of Tenure
Chuck Allen, CPA	Chief Executive Officer	Appointed in 2007
Kevin McGrath, CPA	Chief Operating Officer	Appointed in 2007
Fred Bauters, CPA	Chief Risk Officer	Appointed in 2007
Julie Wood	Chief People Officer	Appointed in 2005
Gary Fox, CPA	Executive Committee – Chair	Appointed in 2008

The company's organization (provide org chart) showing the entire organizational structure and clearly showing the detail of the specific organization that will be providing the solution to ERSRI

Morneau Shepell

Morneau Shepell Limited., the entity that would be serving you, is a Delaware corporation which carries on the U.S. operating business. The following chart illustrates the legal structure of Morneau Shepell, including jurisdictions:

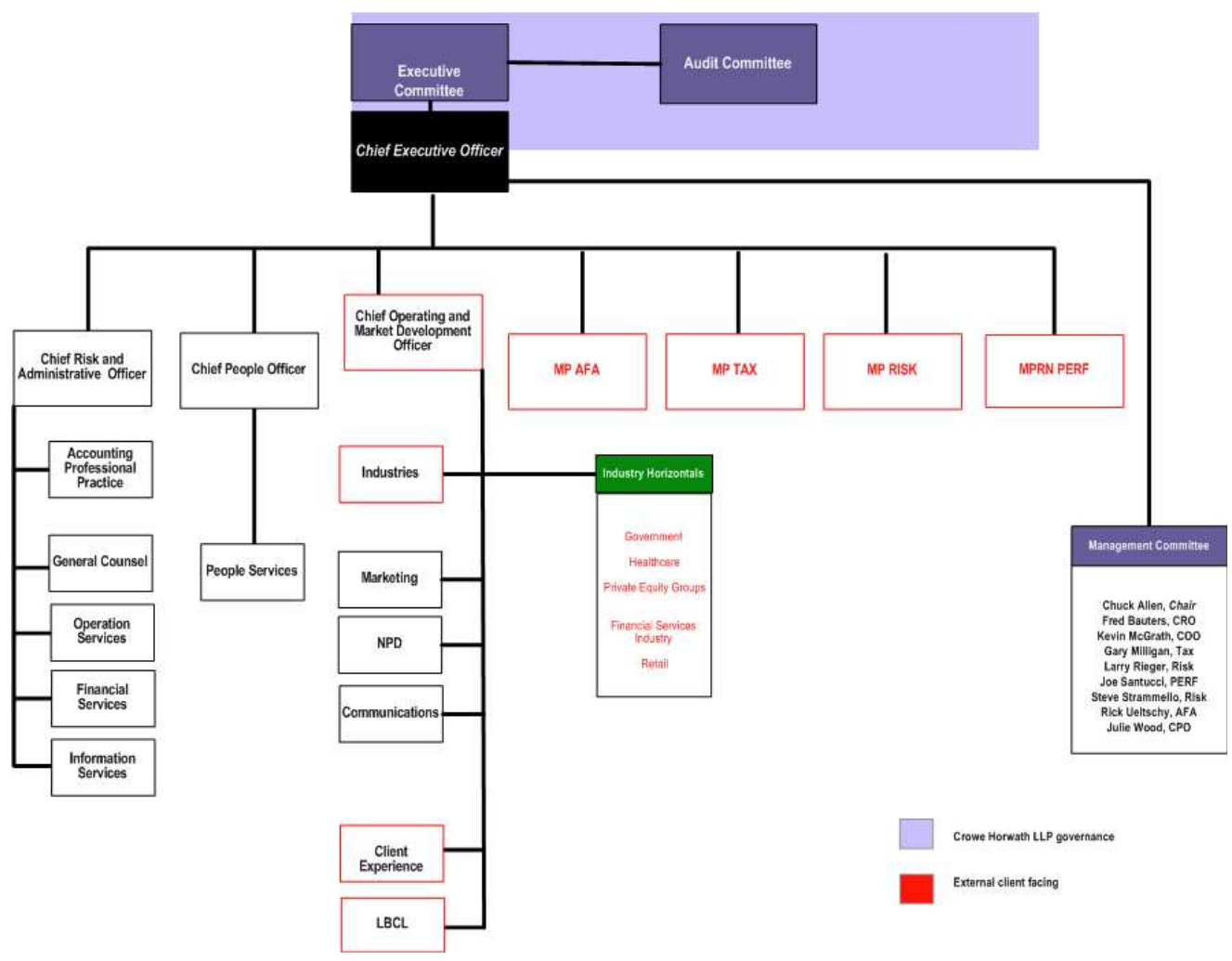


ADP



Crowe Horwath

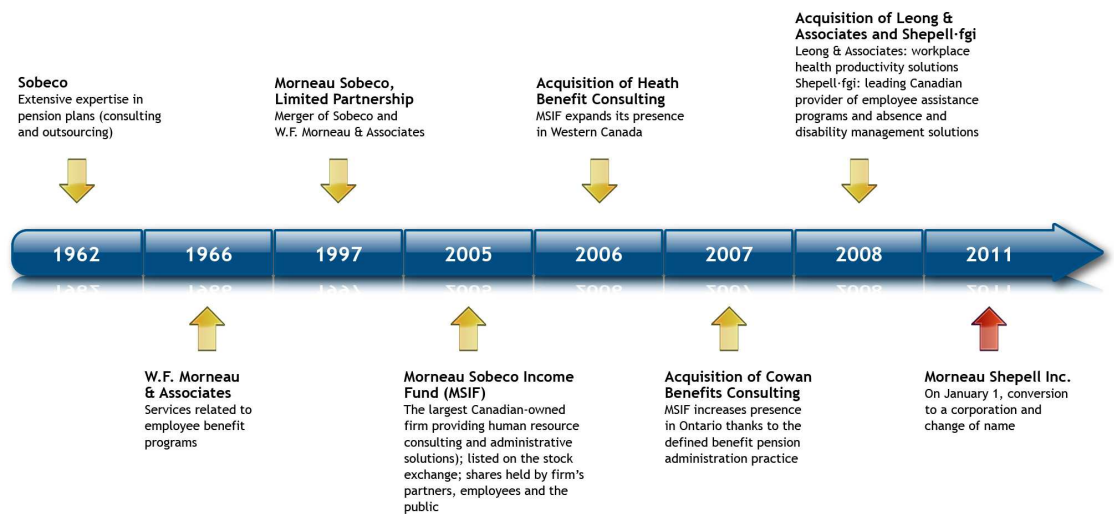
Below is a high level organization chart for Crowe Horwath LLP.



Any change in the ownership status of the company in the past ten years (or any forthcoming change). Any acquisitions or mergers that occurred over the last ten years

Morneau Shepell

The following diagram illustrates acquisitions/mergers that occurred over the last ten years.



ADP

There has been no change in ownership in the past 10 years.

In fiscal 2010, ADP made several acquisitions to help expand its client base and reach into adjacent markets, including: DO2 Technologies Inc., a leading provider of electronic-invoicing solutions; OneClick HR plc, a UK provider of human resources solutions offering HR software, training services and outsourced HR solutions; and HRinterax, Inc., an HR content and support services company focused on the small business market. In August 2010, ADP acquired Workscape, Inc., a leading provider of integrated benefits and compensation solutions and services.

International

Employer Services has a growing presence outside of the United States, where it offers solutions on the basis of both geographic and specific client business needs. ADP offers

in-country “best of breed” payroll and human resource outsourcing solutions to both small and large clients in over a dozen foreign countries. In each of Canada and Europe, ADP is the leading provider of payroll processing (including full departmental outsourcing) and human resource administration services. Within Europe, Employer Services has business operations supporting its in-country solutions in eight countries: France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland and the United Kingdom. It also offers services in Ireland (from the United Kingdom) and in Portugal (from Spain). In South America (primarily Brazil), Australia and Asia (primarily China), ADP provides traditional service bureau payroll and also offers full departmental outsourcing of payroll services. ADP also offers wage and tax collection and remittance services in Canada, the United Kingdom and the Netherlands.

In fiscal 2010, ADP continued to expand its GlobalView ® offering, making it available in 41 countries. GlobalView is built on the SAP ® ERP Human Capital Management and the SAP NetWeaver ® platform and offers multinational and global companies an end-to-end outsourcing solution enabling standardized payroll processing and human resource administration. As of the end of fiscal 2010, 96 clients had contracted for GlobalView services, with approximately 714,000 employees being processed. Upon completing the implementation for all these clients, ADP expects to be providing GlobalView services to nearly 1.3 million employees in 41 countries. Further, through its ADP Streamline ® offering, ADP also provides a single point of contact for payroll processing and human resource administration services for multinational companies with small and mid-sized operations in 63 countries. At the end of fiscal 2010, ADP Streamline was used by 330 multinational companies with approximately 52,000 employees being processed.

Professional Employer Organization Services

In the United States, ADP’s TotalSource ® , the Company’s professional employer organization (PEO) business, provides approximately 5,600 clients with comprehensive employment administration outsourcing solutions through a co-employment relationship, including payroll, payroll tax filing, HR guidance, 401(k) plan administration, benefits administration, compliance services, health and workers’ compensation coverage and other supplemental benefits for employees. ADP’s TotalSource is the largest PEO in the United States based on the number of paid worksite employees. ADP’s TotalSource has 47 offices located in 22 states and serves approximately 211,000 worksite employees in all 50 states.

Dealer Services

Dealer Services provides integrated dealer management systems (such a system is also known in the industry as a “DMS”) and other business management solutions to automotive, truck, motorcycle, marine, recreational vehicle (RV) and heavy machinery retailers in North America, Europe, Africa and the Asia Pacific region. Approximately 25,000 automotive, truck, motorcycle, marine, RV and heavy machinery retailers in over 90 countries use ADP’s DMS products, other software applications, networking solutions, data integration, consulting and/or digital marketing services.

Clients use ADP’s DMS solutions to manage core business activities such as accounting, inventory management, factory communications, appointment scheduling, vehicle financing and insurance, sales and service. In addition to its DMS solutions, Dealer Services offers its clients a full suite of additional integrated applications to address each department and functional area of the dealership, including Customer Relationship Management (CRM) applications, front-end sales and marketing/advertising solutions, and an IP Telephony phone system fully-integrated into the DMS to help dealerships drive sales processes and business development initiatives. Dealer Services also provides its dealership clients computer hardware, hardware maintenance services, software support, system design and network consulting services.

Dealer Services also designs, establishes and maintains communications networks for its dealership clients that allow interactive communications among multiple site locations as well as links between franchised dealers and their vehicle manufacturer franchisors. These networks are used for activities such as new vehicle ordering and status inquiry, warranty submission and validation, parts and vehicle locating, dealership customer credit application submission and decision-making, vehicle repair estimation and acquisition of vehicle registration and lien holder information.

All of Dealer Services’ solutions are supported by comprehensive training offerings and business process consulting services. ADP’s DMS and other software solutions are available as “on-site” applications installed at the dealership or as application service provider (ASP) managed services solutions (in which clients outsource their information technology management activities to Dealer Services).

In August 2010, ADP acquired Cobalt, a leading provider of digital marketing solutions for the automotive industry, for approximately \$400 million.

Crowe Horwath

Effective September 1, 2007 Crowe changed its legal name to Crowe Horwath LLP. (Both Crowe Chizek and Company LLC and the holding Crowe Group LLP merged into Crowe Horwath LLP. Crowe Horwath LLP is directly owned by the partners and principals.) The name change was made to help Crowe take another step toward achieving its vision of becoming a national firm, recognized globally. The Crowe brand is strong in the United States already, and the inclusion of the Horwath name further enhances both brands in the global marketplace. (Today, the firm does business as Crowe Horwath LLP in all 50 states, except Kansas and North Carolina. In those two states, the firm does business as Crowe Chizek LLP.)

The only changes in ownership Crowe has encountered in the past ten years is the typical appointment of new Partners and the withdrawal of Partners.

Mergers and Acquisitions

Year	Event
2005	On January 1, Crowe combined practices with PTW, an Illinois-based government and not-for-profit consulting and accounting firm that provides services to a variety of governmental and not-for-profit clients including state agencies and authorities, colleges, counties, municipalities, school districts, special districts and social service agencies. Former PTW personnel and client service activity were rolled into Crowe's Public Sector Services (PSS) business unit. (Today, PSS is part of the Audit and Financial Advisory business unit.)
2006	<ul style="list-style-type: none"> ▪ Effective May 1, Crowe combined practices with Madsen Sapp Mena Rodriguez & Co. Certified Public Accountants & Advisors (MSMR), a Fort Lauderdale, Fla.-based certified public accounting firm with substantial experience and a considerable client base in construction consulting. ▪ Effective July 1, Crowe completed its combination of practices with the New Jersey-based firm Enterprise Financial Consulting (EFC), which focused on providing customized risk consulting, governance and compliance solutions. With this combination, Crowe established its Mount Laurel, N.J. office location serving the Philadelphia metropolitan area. ▪ Effective December 1, Crowe combined practices with the Carter, Belcourt & Atkinson, P.A. (CBA), one of central Florida's largest locally owned certified public accounting and consulting firms.
2007	Effective December 8, Crowe completed its deal to acquire certain assets of the Southern California-based Grobstein, Horwath & Company LLP. With this deal, Crowe established offices in Los Angeles and Orange County.
2008	Effective June 1, Crowe completed its combination with Hays and Company LLP. With this combination, Crowe opened its New York City office location.

The average number of employees over the past five years, the average number of full time employees, the average number of contract employees, and the average number of total employees (state explicitly the number of professional employees)

Morneau Shepell

Morneau Shepell has been the fastest growing firm in the pension and benefits industry over the past decade. To illustrate our growth patterns, we show in the table below the increase in staff numbers over the past five years.

Year	Total Number of employees	Full-time employees	Contract Employees	Professional Employees
2006	1,034	1,004	30	897
2007	1,208	1,169	39	1,049
2008	1,246	1,182	64	1,075
2009	2,542	2,067	114	1,991
2010	2,669	2,080	203	1,958
2011 YTD	2,710	2,133	235	2,058

ADP

Year	Full-Time	Professional	Contract	Total
2007	33,600	34,440	840	42,000
2008	37,200	38,130	930	46,500
2009	36,800	37,720	920	46,000
2010	36,000	36,900	900	45,000
2011	36,800	37,720	920	46,000

Crowe Horwath

Crowe does not keep all of these specific Human Resource metrics. Crowe currently employs 2,400 full time professional employees. Our average over the past five years was most likely in the 2,160 – 2,280 range. We employ very few contract employees.

Number of years in business

Morneau Shepell

Since 1962 – nearly 49 years

ADP

Since 1949 years – 61 years

Crowe Horwath

Since 1942 – 69 years

Brief history of company, products, and services

Morneau Shepell

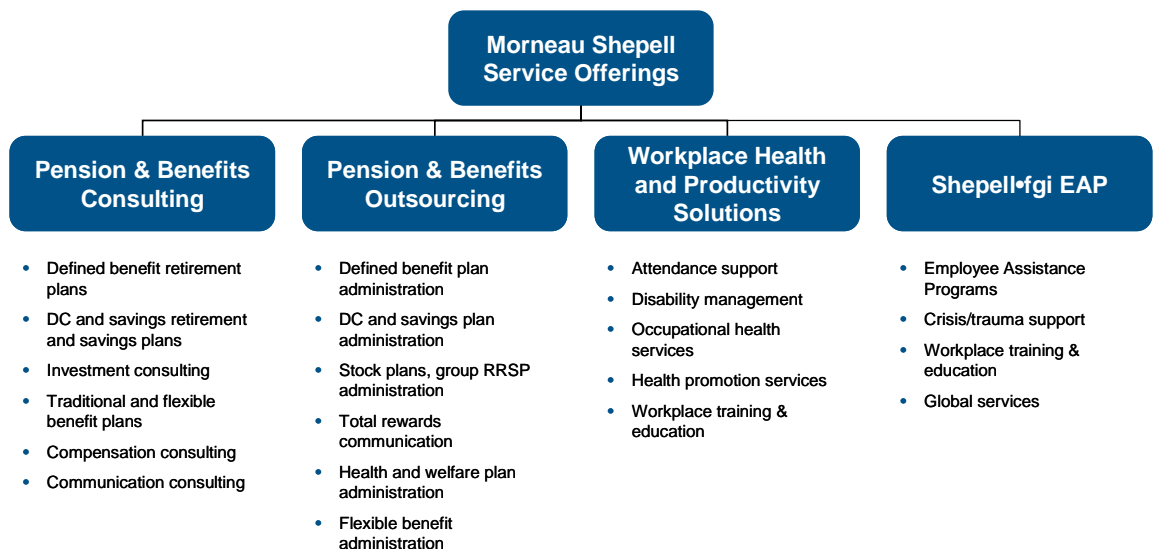
Year	Event
1962	Sobeco was founded and helped launch the Québec Pension Plan
1966	W.F. Morneau & Associates was established with expertise in benefits consulting and administration
1979	WarrenShepell was established and brought a core competency in behavior change services that emphasize prevention- and early-intervention
1981	FGI World was established to provide EAP, absence, disability, and occupational health and safety to build a full suite of health management solutions
1992	W.F. Morneau & Associates forms a strategic alliance with Coopers & Lybrand and absorbs its pension consulting and actuarial business
1997	W.F. Morneau & Associates and Sobeco merge to form Morneau Sobeco
1998	Morneau Sobeco acquires the Canadian pension consulting practice of Deloitte & Touche
2005	Morneau Sobeco becomes a publicly held income trust: Morneau Sobeco Income Fund (MSIF)
2006	MSIF expands its western Canada presence by acquiring Heath Benefits Consulting
2006	WarrenShepell and FGI World merge to form Shepell•fgi
2007	MSIF enhances its Ontario presence by acquiring the defined benefit pension business of Cowan Benefits Consulting
2008	MSIF adds further depth in western Canada by acquiring the actuarial firm of Leong & Associates
2008	MSIF becomes a major player in workplace health and productivity solutions with its acquisition of Shepell•fgi
2010	MSIF acquires the Worker's Compensation Services Practice of Deloitte
2011	MSIF converts from an income trust into a publicly held corporation, Morneau Shepell Inc.

Business Focus and Major Practice Areas

Morneau Shepell places special emphasis on the integration, the design and delivery of its services to meet its clients' needs in the areas of pensions, benefits, EAP, and workplace health and productivity.

The consulting practice consists of assisting organizations with the design, determination of funding requirements, management and financial control of defined benefit and defined contribution pension and benefits plans.

The outsourcing practice includes managing all aspects of the administration of clients' defined benefit and defined contribution pension and benefits plans, including record-keeping and managing employee information, processing transactions, hosting client benefit-related websites and responding to employee inquiries through call centers. The EAP practice offers counseling and educational services for employees' work, financial, personal and family needs to support the financial security, health and well being of employees and help reduce workplace absenteeism and enhance productivity. The workplace health and productivity offerings assist organizations reduce the incidence, duration and cost of absenteeism and disability claims, including through preventative measures, and programs and services that facilitate a faster return to work following absence or disability.



ADP

Automatic Data Processing, Inc., incorporated in Delaware in 1961 (together with its subsidiaries, “ADP” or the “Company”), is one of the world’s largest providers of business outsourcing solutions. Leveraging 60 years of experience, ADP® offers a wide range of human resource (HR), payroll, tax and benefits administration solutions from a single source. ADP is also a leading provider of integrated computing solutions to automotive, truck, motorcycle, marine, recreational vehicle and heavy machinery dealers throughout the world. For financial information by segment and by geographic area, see Note 18 of the “Notes to Consolidated Financial Statements” contained in this Annual Report on Form 10-K. The Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, all amendments to those reports, and the Proxy Statement for its Annual Meeting of Stockholders are made available, free of charge, on its website at www.adp.com as soon as reasonably practicable after such reports have been filed with or furnished to the Securities and Exchange Commission. The following summary describes ADP’s activities.

Employer Services

Employer Services offers a comprehensive range of HR information, payroll processing, tax and benefits administration solutions and services, including traditional and Web-based outsourcing solutions, that assist employers in the United States, Canada, Europe, South America (primarily Brazil), Australia and Asia to staff, manage, pay and retain their employees. As of June 30, 2010, Employer Services assisted approximately 520,000 employers with approximately 614,000 payrolls. Employer Services markets these solutions and services through its direct marketing sales force and, on a limited basis, through indirect sales channels, such as marketing relationships with banks and accountants, among others. In fiscal 2010, 80% of Employer Services’ revenues were from the United States, 13% were from Europe, 5% were from Canada and 2% were from South America (primarily Brazil), Australia and Asia.

United States

Employer Services’ approach to the market is to match clients’ needs to the solutions and services that will best meet their expectations. To facilitate this approach, in the United States, Employer Services is comprised of the following market-facing groups: Small Business Services (SBS) (serving primarily organizations with fewer than 50 employees); Major Account Services (serving primarily organizations with between 50 and 999

employees); and National Account Services (serving primarily organizations with 1,000 or more employees). In addition, Employer Services' Added Value Services division provides services to clients across all three of these groups.

ADP provides payroll services that include the preparation of client employee paychecks, electronic direct deposits and stored value payroll cards, along with employee pay statements, supporting journals, summaries and management reports. ADP also supplies the quarterly and annual social security, medicare and federal, state and local income tax withholding reports required to be filed by employers. ADP enables its largest clients to interface their major enterprise resource planning (ERP) applications with ADP's outsourced payroll services. For those companies that choose to process payroll in-house, ADP also processes many Pension Payrolls. ADP delivers stand-alone services such as payroll tax filing, check printing and distribution, year-end tax statements (i.e. , Form W-2), wage garnishment services, health and welfare administration and flexible spending account (FSA) administration.

In order to address the growing business process outsourcing (BPO) market for clients seeking human resource information systems and benefit outsourcing solutions, ADP offers its integrated comprehensive outsourcing services (COS) solution that allows larger clients to outsource to ADP HR, payroll, payroll administration, employee service center, benefits administration, and time and labor management functions. For mid-sized clients, ADP Workforce Now™ Comprehensive Services provides integrated tools and technology to support payroll, a full-featured benefits administration solution, HR guidance and HR administration needs from recruitment to retirement. ADP also offers ADP Resource®, an integrated, flexible HR and payroll service offering for smaller clients that provides a menu of optional services, such as 401(k), FSA and a comprehensive Pay-by-Pay® workers' compensation payment program.

ADP's Added Value Services division includes the following businesses: Tax and Financial Services, Insurance Services and Tax Credit Services. These businesses primarily support SBS, Major Account Services and/or National Account Services, and their services are sold through those businesses, as well as by dedicated sales teams and via marketing arrangements with alliance partners.

- Tax and Financial Services processes and collects federal, state and local payroll taxes on behalf of, and from, ADP clients and remits these taxes to the appropriate

taxing authorities. This business provides an electronic interface between ADP clients and over 7,600 federal, state and local tax agencies in the United States, from the Internal Revenue Service to local governments. In fiscal 2010, Tax and Financial Services in the United States processed and delivered approximately 47 million employee year-end tax statements and over 38 million employer payroll tax returns and deposits, and moved \$1.1 trillion in client funds to taxing authorities and its clients' employees via electronic transfer, direct deposit and ADPCheck™. Tax and Financial Services is also responsible for the efficient movement of information and funds from clients to third parties through service offerings such as new hire reporting, TotalPay® payroll check (ADPCheck™), full service direct deposit (FSDD), stored value payroll card (TotalPay® Card), wage verification services, unemployment claims processing, wage garnishment processing, sales and use tax services and its new ADP Procure-to-Pay Solutions SM, which automates the P2P supply chain and streamlines order, receipt, invoice and payment processes.

- Insurance Services provides a comprehensive Pay-by-Pay workers' compensation payment program and, through Automatic Data Processing Insurance Agency, Inc., offers workers compensation and group health insurance to small and mid-sized clients.
- Tax Credit Services provides job tax credit services that assist employers in the identification of, and filing for, federal, state and local tax credits and other incentives based on geography, demographics and other criteria, and includes negotiation of incentive packages with applicable governmental agencies.

Employer Services also provides the following solutions and services:

- Retirement Services provides recordkeeping and/or related administrative services with respect to various types of retirement (primarily 401(k) and SIMPLE IRA) plans, deferred compensation plans and "premium only" cafeteria plans.
- Pre-Employment Services includes Screening and Selection Services and Applicant Management Services. Screening and Selection Services provides background checks, reference verifications and an HR help desk. Applicant Management Services provides employers with a web-based solution to manage their talent throughout their lifecycle.

- ADP's Benefit Services provides benefits administration across all market segments, including management of open enrollment and ongoing enrollment of benefits, and leave of absence, COBRA and FSA administration.
- ADP's Time and Labor Management Services provides solutions for employers to capture, calculate and report employee time and attendance.
- ADP's Talent Management solutions include Performance Management, Compensation Management and Learning Management.

Business Solutions Leader

Employer Services – provides industry-leading solutions to employers of all sizes, from hire to retire, by delivering broad HR outsourcing solutions, including*:

Talent Acquisition

- Sourcing • Background Checks • Recruitment • Assessments • Candidate Pre-Screening
- Onboarding

HR/Payroll

- Payroll/W-2s • Leave Management • Time and Attendance • Carrier Enrollment
- Tax Filing • Dependent Audit Services • Wage Garnishment • Workers' Compensation
- Unemployment Compensation • Premium Payment Plan • Verification Service

Tax and Compliance

- Sales/Use/Value-Added • Tax Credit Services • Tax Automation • Business Incentives
- Accounts Payable

Benefits

- Total Compensation Statements • Health and Welfare • Flexible Spending Account
- 401(k) • (FSA) Administration • Tuition Administration
- Commuter Benefits Administration

Talent Management

- Learning • Succession • Performance • Social Networking • Compensation

Transition

- Defined Contribution • Premium Only Plans • SIMPLE IRA • COBRA Administration
- Executive Deferred Compensation

Dealer Services – provides industry-leading integrated computing solutions and applications that help auto, truck, motorcycle, marine, recreational, heavy equipment and agricultural vehicle dealers utilize technology to increase efficiency throughout every area of the dealership.

In addition to a core Dealer Management System (DMS) capability that allows dealers to manage virtually every business function within the dealership, ADP also provides and supports hosted (application service provider) solutions, network phone and video systems, and Web-based digital marketing solutions.

Dealer Services also provides the widest breadth of integrated layered applications, including Digital Marketing and Advertising, IP Telephony, and CRM to name a few.

Crowe Horwath

Crowe Horwath LLP (www.crowehorwath.com) is one of the largest public accounting and consulting firms in the United States. Under its core purpose of “Building Value with Values®,” Crowe assists public and private company clients in reaching their goals through audit, tax, risk and consulting services. With 26 offices and 2,400 personnel, Crowe is recognized by many organizations as one of the country's best places to work. Crowe serves clients worldwide as an independent member of Crowe Horwath International, one of the largest networks in the world, consisting of more than 140 independent accounting and management consulting firms with offices in more than 400 cities around the world.

For the 15th consecutive year, Public Accounting Report ranked Crowe as one of the top 10 public accounting and consulting firms in the United States. PAR ranked Crowe as the ninth largest firm, based on U.S. net revenue, in its list of this year’s “Top 100 Firms.” PAR also noted that Crowe ranked seventh in the number of audit clients in the top 100 list, as ranked by the number of Securities and Exchange Commission registrant companies.

Crowe is unique in that we have dedicated teams focused on key industry issues, including:

- Construction
- Financial Services
- Government
- Healthcare
- Higher Education
- Manufacturing and Distribution
- Not-for-Profit
- Private Equity Groups
- Retail

Building Value with Values®

Crowe is dedicated to building value for our clients. We achieve this through a unique management philosophy and a value-driven culture based upon integrity, trust, and mutual respect. For over 65 years, this culture has allowed Crowe to provide uncompromised advice and accountability to our clients with a level of responsiveness and attention that clients may not get from other firms.

Crowe's mission is to create extraordinary value for our clients and for our people by building an organization with a distinctive culture attuned to the needs of our clients, our people and our communities. We choose to build an inspirational, challenging and values-driven place to live and work, which creates lasting value and growth for our clients, people, communities and our firm.



To our clients, we will be their most highly valued partner with the highest reputation for excellence, innovation and integrity.

For our people, we will provide an environment that enables them to make a difference, achieve their full potential, have fun and be part of building something they care about.

To our communities and business alliances, we will be a highly desirable partner in achieving shared social and economic goals.

Our firm will be financially successful and the industry leader in our chosen areas of focus.

We believe that for a partnership to truly succeed, all members of the partnership need to win – the clients who engage us, the professionals who complete the work, and the firm itself. In working with Crowe, our clients find an organization that is both willing and able to work interactively in order to identify problems, develop and implement solutions, and capitalize on opportunities.

Company and product visions; must demonstrate commitment to product life and enhancement for at least ten years

Morneau Shepell

Our primary mission is to support employers and other plan sponsors in every aspect of the design and management of the benefits, compensation, and retirement programs they maintain. Strategically, we view Administrative Solutions as one of the core businesses of our firm that accounts for about quarter of our gross annual revenues, which is unique within our industry.

We have been providing fully automated outsourcing services for 20 years, since our proprietary *Ariel* pension administration system was introduced to the market. *Ariel* was developed in-house by Morneau Shepell programmers and we continue to support this system with internal resources. We have over 150 full-time systems developers and IT support staff, making Morneau Shepell the largest developer of new technology in its industry. We invest more than 10% of gross revenues in systems research and development each year. Over \$50 million has been invested to date in the development and evolution of our *Ariel* product and we are committed to technology leadership in this area. We anticipate maintaining this level of investment for many years and we are very confident that *Ariel* will continue to be a leading-edge pension and benefits administration system for the future.

ADP

ADP has established a full business unit around the Support, Developments and delivery of Enterprise HRMS and Payroll Services. Development is continuous. Upgrades are delivered as part of the service in a SaaS mode. ADP Tier IV data Centers and Hosting services ensure that 1 vendor support provides 99.9% up time.

Year	Version
1992	Acquired Source Code from PeopleSoft
1993	Launched HRizon v3 (Client/Server)
1994	HRizon v4
1995	HRizon v5
1996	HRizon v6 (CS Payroll)
1997	HRizon v7
1998	HRizon v8 (Employee & Manager Self Service)
1999	HRizon v9
2001	Enterprise HRMS v2 (Native Web)
2003	Enterprise HRMS v3
2004	Enterprise HRMS v4
2006	Enterprise HRMS v5
2010-11	Vantage HCM (Web 2.0)

Crowe Horwath

The Accounting System that Crowe will be implementing for ERSRI is Microsoft Dynamics AX 2012. Microsoft is the largest software company in the world with approximately 70B USD in annual revenue. The Microsoft Dynamics ERP business has been in place since 2000. The latest version of Dynamics AX 2012 was released on Aug 1st, 2011. Additionally, Microsoft fully supports code and data upgrades for two releases. For example, if you license AX 2012, your code and data can be upgraded for AX 2012 +1, and AX 2012 +2.

We have provided additional information on Microsoft Dynamics AX 2012 in Attachment 2, Appendix H: Microsoft Dynamics AX 2012 for Public Sector Organizations.

Industry innovations or best practices

Morneau Shepell

Morneau Shepell's *Ariel* administration was developed on a "single-source" philosophy. Our systems are automatically kept current and compliant for all clients. We regularly upgrade systems to reflect changes in legislation, to take advantage of new technology, and/or to add new plan features for clients. As well, we automatically make system changes due to changes in the Income Tax Act or pension legislation, as required.

The methodology for transferring upgrades into system production is automated. Our procedures are well-established and proven to be effective in minimizing the potential for service disruption. *Ariel Benefits* utilizes a parameter driven rules engine which supports the implementation of regulatory rules. Whenever there is a change to regulations or tax treatment, we update our *Ariel* configuration to accommodate the new regulatory environment. If legislative changes require system modifications, these are incorporated into the base system and made available to all clients. This allows sufficient time to test and implement the changes before the effective date of the new legislation.

In order to ensure our systems accurately reflect changes in legislation, we have 10 dedicated individuals assigned full-time to our systems Quality Assurance unit. Any changes or upgrades that come as a result of general system enhancements or legislative changes are included in our fees. (However, any changes due to client-specific requirements may require additional fees.)

We are strongly committed to the continued evolution of the technology and processes that support our main service areas. To this end, Morneau Shepell invests over 10% of gross revenues in systems research, development, and support each year. We are the largest developer of new technology in our industry.

Our *Ariel* administration system was developed in-house over 20 years ago. As both Morneau Shepell and the pension and benefits industry have evolved, we have made significant investments in our proprietary technology related to pension and benefits administration and employee self-sufficiency. Upgrades, provided in a series of regularly scheduled releases, have enabled the system to take advantage of technologies such as Internet communications, electronic messaging and HTML reporting.

As our business has grown, we have focused increasingly on maximizing efficiency and effectiveness through process automation and workflow management. Our Process Mastery group consists of IT and operational team members who constantly identify and review our best-practice operating procedures and the supporting IT infrastructure required to achieve an efficient and effective delivery framework. Some examples of past achievements of this team include:

- Introduction of an on-line interface validation and error correction tool to eliminate 'paper-pushing' of error correction processes and improve efficiency from the perspective of our clients and our internal operations
- Introduction of an on-line reporting tool to facilitate plan sponsor self-service
- Integration of automated workflow processing into our administration platform
- Implementation of a member-centric approach to administration, leveraging our *Ariel 360* CRM as the central hub of activities
- Leveraging OCR and scanning technology to improve processing efficiency and integrate workflow automation, reducing operating costs
- Introduction of password reset and automated PIN distribution to reduce distribution times

We now have the most modern and flexible systems of any firm in our field – we will continue to support and enhance our system to meet client needs for many years. For the future, we will continue to grow our customer base and develop/enhance technology to meet their needs.

Product Roadmap

<REDACTED>

ADP

ADP is has been providing Cloud and SaaS services and Solutions for over 20 years

ADP continually upgrades, enhances and expands its existing solutions and services. Generally, no new solution or service has a significant effect on ADP's revenues or negatively impacts its existing solutions and services, and ADP's solutions and services have significant remaining life cycles. Some of the innovations and best practices followed by ADP include:

- Providing Software as a Service and Cloud Computing for over 20 years
- Pay as you go pricing
- Conservative approach to delivery of services, ADP releases not services without rigorous process testing and tools
- Continual Investment in products and service tools - ADP spent \$142 million on "Systems Development and Programming Costs," which we treat as analogous to Research and Development

Crowe Horwath



Crowe is both a Microsoft Certified Gold Partner and a member of the Microsoft Dynamics™ Inner Circle. Crowe has been a partner for more than 15 years. As a Microsoft Gold Certified Solution Provider Partner, Crowe offers clients comprehensive solutions using Microsoft products. Microsoft Gold Certified Partners are the elite Microsoft Business Partners who earn the highest customer endorsement. We have the knowledge, skills, and commitment to help implement technology solutions that match your exact business needs. We have passed the highest level of requirements from Microsoft and have demonstrated the most robust, efficient and scalable implementations of Microsoft technologies in demonstrated enterprise customer deployments or an on-site Microsoft assessment.

Microsoft Dynamics™ Inner Circle is an honor awarded to firms at the top echelon of the Microsoft Dynamics™ global network of value-added reselling partners. Membership in this elite group recognizes outstanding organizations whose commitment to customers is reflected in its constant dedication to achieving high levels of customer satisfaction, active pursuit of product and technological advancement and impressive sales performance.

“We are pleased to welcome Crowe into the Microsoft Dynamics Inner Circle,” said Tami Reller, Microsoft’s corporate vice president. “By achieving Inner Circle recognition, Crowe is at the top level of the premier partner channel in the industry. We congratulate Crowe and thank the firm for its commitment to Microsoft, its customers and solutions.”

Crowe is proud to be called home to numerous Microsoft MVP's. Microsoft Most Valuable Professional (MVP) is an award for outstanding leadership in the online technical community. The Microsoft MVP award is an annual award given to outstanding members of Microsoft's peer-to-peer communities. The Microsoft MVP program is a worldwide award and recognition program that recognizes individuals for their demonstrated practical expertise and willingness to share their experience with peers in Microsoft technical communities. Microsoft MVPs are acknowledged for their demonstrated practical expertise providing the highest quality information and content.

Number, nature and name of subsidiaries and operating divisions

Morneau Shepell

Morneau Shepell Limited., the entity that would be serving you, is a Delaware corporation which carries on the U.S. operating business. Morneau Shepell Limited is owned by Morneau Shepell Ltd., an Ontario corporation, which is in turn owned by Morneau Shepell Inc., an Ontario corporation that is publicly traded on the Toronto Stock Exchange under the ticker symbol: MSI.

ADP

	Name of Subsidiary	Jurisdiction of Incorporation
1	71 Hanover Florham Park Associates LLC	New Jersey
2	ADP Atlantic, LLC	Delaware
3	ADP Belgium CVA	Belgium
4	ADP Brasil Ltda	Brazil
5	ADP Broker-Dealer, Inc.	New Jersey
6	ADP Business Services (Shanghai) Co., Ltd.	China
7	ADP Canada Co.	Canada
8	ADP Commercial Leasing, LLC	Delaware
9	ADP Dealer Services Denmark ApS	Denmark
10	ADP Dealer Services Deutschland GmbH	Germany
11	ADP Dealer Services France SAS	France
12	ADP Dealer Services Italia s.r.l.	Italy
13	ADP Dealer Services UK Limited	United Kingdom
14	ADP Employer Services GmbH	Germany
15	ADP Europe SARL	France
16	ADP Europe S.A.	France

	Name of Subsidiary	Jurisdiction of Incorporation
17	ADP France SAS	France
18	ADP GlobalView B.V.	Netherlands
19	ADP Group UK Limited	United Kingdom
20	ADP GSI France SAS	France
21	ADP Holding B.V.	Netherlands
21	ADP, Inc.	Delaware
22	ADP Indemnity, Inc.	Vermont
23	ADP Nederland B.V.	Netherlands
24	ADP Network Services International, Inc.	Delaware
25	ADP Network Services Limited	United Kingdom
26	ADP of Roseland, Inc.	Delaware
27	ADP Pacific, Inc.	Delaware
28	ADP Payroll Services, Inc.	Delaware
29	ADP Pleasanton National Service Center, Inc.	Delaware
30	ADP Screening and Selection Services, Inc.	Colorado
31	ADP Tax Services, Inc.	Delaware
32	ADP Tesoft Automocion Spain	Spain
33	ADP TotalSource Group, Inc.	Florida
34	ADP Vehicle Information Technology (Shanghai) Co., Ltd	China
35	Automatic Data Processing Limited	Australia
36	Automatic Data Processing Limited (UK)	United Kingdom
37	Automotive Directions, Inc.	Wisconsin
38	Autosys GmbH	Germany
39	Business Management Software Limited	United Kingdom
40	Digital Motorworks, Inc.	Texas
41	Employease, Inc.	Delaware
42	VirtualEdge, Inc.	Delaware

Crowe Horwath

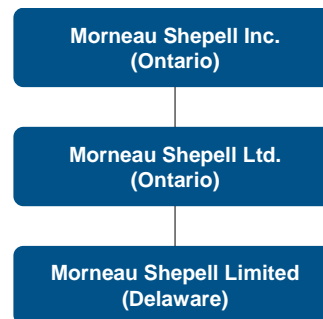
A subsidiary of Crowe, Creative Financial Staffing LLC (CFS) is the world's largest privately owned provider of interim staffing, high-level project staffing and direct hire placement of accounting and finance professionals. Crowe has 14 CFS offices it operates throughout the U.S. Below is a list of those locations.

Office	Address	City	ST
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Office	Address	City	ST
Chicago	70 W. Madison St., Ste. 700	Chicago	IL
Columbus	150 E. Wilson Bridge Rd., Ste. 340	Worthington	OH
Dallas	400 Las Colinas Blvd. East Ste 200	Irving	TX
Fort Wayne	9910 Dupont Circle Dr. E., Ste. 230	Fort Wayne	IN
Ft. Lauderdale	6750 N. Andrews Ave., Ste. 200	Ft. Lauderdale	FL
Grand Rapids	55 Campau Ave. NW	Grand Rapids	MI
Indianapolis	3815 River Crossing Pkwy., Ste. 300	Indianapolis	IN
Madison	10 E Doty St, Suite 800	Madison	WI
Nashville	105 Continental Pl., Ste. 200	Brentwood	TN
New York	488 Madison Avenue, Floor 3	New York	NY
Northbrook	2610 Lake Cook Rd. #290	Riverwoods	IL
Oak Brook	1000 Jorie Blvd., Ste. 250	Oak Brook	IL
South Bend	330 East Jefferson Blvd.	South Bend	IN
Minneapolis	8400 Normandale Blvd, Ste. 920	Bloomington	MN

Where incorporated or otherwise legally established

Morneau Shepell



ADP

ADP is incorporated in the State of Delaware

Crowe Horwath

Crowe Horwath LLP was incorporated in the State of Indiana in 1942.

Representative client list

Morneau Shepell

Morneau Shepell serves over 8,000 organizations across all lines of business and service areas. We do not restrict ourselves to a specific market niche. We serve small and large clients, in both the private and public sectors. We therefore see a wide variety of needs and priorities amongst our clients. This diversity broadens our perspective and allows us to offer forward-looking solutions based on our firm's collective experience.

<REDACTED>

ADP

ADP has over 560,000 clients. The following is a representative list of our clients.

<REDACTED>

Crowe Horwath

Microsoft has over 14,000 installations of the Dynamics AX software. Crowe has completed over 50 installations of Dynamics AX. Crowe also has thousands of clients. Attached is a summary of our US public pension fund clients:

<REDACTED>

The same information must be provided for all subcontractors or other third party providers of products or services.

We have responded to each of the questions above by providing information about each of our subcontractors.

In addition, for each subcontractor or other third party, the offeror's proposal must include:

A description of all work to be subcontracted to and/or products to be provided by third parties.

ADP

ADP will provide:

- Enterprise Payroll Services
- Application Hosting
- Tax & Compliance Services

Crowe Horwath

Crowe Horwath will provide:

- Accounting implementation services
- Ongoing support of the accounting solution

Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and/or third parties with the prime contractor.

ADP is a component of our solution in a large percentage of our administration engagements. In both Health and Welfare and Pension administration solutions, we interact with ADP to deliver deductions and payment instructions seamlessly and accurately. We have designed *Ariel* to integrate with any payroll system in a seamless manner, providing schedulable interfaces and a flexible format so that various requirements can easily be accommodated.

We integrated the Microsoft Dynamics suite into *Ariel* five years ago. We required a web-based CRM component that could deliver exceptional flexibility but without the costs and complexity of customizing program code. The Dynamics CRM delivered this. For the ERSRI solution, we are adding additional Dynamics components to the solution, increasing integration with the core CRM branded as *Ariel 360*. All *Ariel* implementations include an element of accounting integration, though this solution is typically managed by the plan sponsor. In this situation, we will host and ensure the delivery of the accounting module. We selected Crowe Horwath to assist with the implementation and ongoing support due to their national scale and extensive experience

implementing Dynamics for retirement systems. As consultants and auditors to numerous public pension organizations, Crowe Horwath brings significant experience to the accounting implementation. This is our first subcontract relationship with Crowe Horwath.

Explanation of any existing contractual relationships between the prime and subcontractors, or among subcontractors.

ADP provides payroll services to Morneau Shepell. We do not otherwise have any other contractual relationship with ADP or Crowe Horwath.

Failure to identify subcontractors may be grounds for rejection of the proposal or, after award, cancellation of the contract.

A-2.2 Relevant Experience

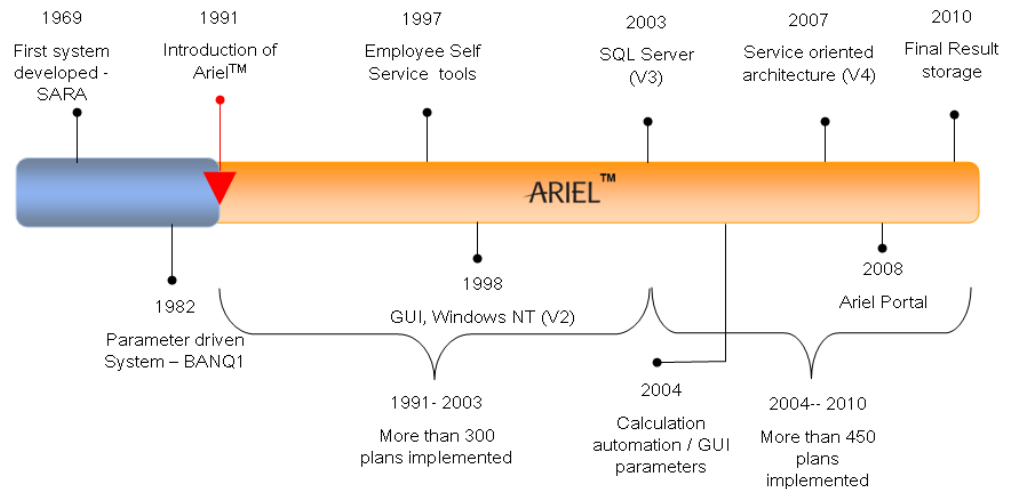
The details of offeror's experience relevant to the SaaS defined benefit (DB) administration solution proposed. Specifically:

Did your company develop the software, purchase the software or lease this software? Provide a history of the product. What is the current version?

Morneau Shepell

Our *Ariel* system is a stable and highly functional pension administration system which is developed and maintained internally. First developed in the 1990s, we have continually evolved this software through a process of functionality upgrades every six months with major releases on a two-year cycle. Over \$50 million has been invested to date in the development of our *Ariel* product and we are committed to technology leadership in this area. We are one of the largest developers of pension software in North America, with an IT annual budget exceeding 10% of our firm-wide revenue.

Our *Ariel* system has been chosen for some of the largest and most complex pension mandates in North America. We are confident that this will provide a best-in-class solution for ERSRI as well.



The figure above outlines the history of *Ariel* from inception through 2010 and the major milestones in terms of system improvements.

The firm introduced its first computerized program to help staff actuaries look after clients' pension plans in 1969. By the 1980s, a steadily increasing number of Morneau Shepell clients required pension plan administration services. During those years, a more user-friendly system was created to enable pension administration specialists to serve our clients. Although not formally named as such, this was the beginning of our Administrative Solutions practice as a unit separate from our Consulting practices.

Ariel picked up where the 1980s system left off. It has enjoyed great success in the marketplace since its debut in 1991. Some of the key milestones are:

- 1997 – Introduction of the first Employee Self-Service Web Site
- 1998 – Introduction of Graphical User Interface for the Plan Administrator
- 2003 – Migration to Microsoft SQL Server RDBMS allowed greater scalability
- 2004 – Graphical User Interface for Plan Parameters
- 2007 – Launch of the Employer Portal
- 2008 – Introduction of a Service Oriented Architecture
- 2010 – Enhancements Release

Probably the most important milestone is around 2004 when the pace at which we could implement new customers/plans started to grow almost exponentially. This is the result of over 10 years of plan calculation rules enhancement that allowed us to install new plans with very little new development. *Ariel* uses computation routines that have run smoothly for many years. It is the culmination of many years of hard work by Morneau Shepell professionals.

Version History

There have been 25 releases since inception. Listed below are some of the key releases and the main features being introduced:

<REDACTED>

Ariel/Calculation System

The most recent version of *Ariel* is 4.2 and was released for new installations and UAT (User Acceptance Testing) in July of 2010. All new client installations are done in this version and the first group of existing clients has been converted to this version.

We have continually evolved this software through a process of functionality upgrades every three to six months with major releases on a two-year cycle, aligned with our outsourcing annual processes and client requirements. We support all versions for one to two years after their release through monthly updates. This allows administration staff to convert functionality and processes, where needed, at a time that is convenient to all those affected. Releases are occasionally scheduled to respond to the requirements of a new client.

Ariel Portal

The most recent version of the *Ariel Portal* is 2.1 and was released and deployed to production in January 2010. It included new features such as:

- Online Participant Data Maintenance
- Access to standard and custom reports
- Enhanced security and features for multi-employers plan
- Enhanced calculation request

ADP

ADP acquired the source code and has since developed and maintained the software. Current version is v5.

Crowe Horwath

The accounting elements of our solution will be powered by Microsoft Dynamics. We have selected Microsoft Dynamics for many reasons:

- Microsoft is highly committed to its ERP business and will remain so for decades to come.
- Dynamics is implemented successfully with several retirement systems. It provides the power and flexibility needed, yet remains affordable.
- With Dynamics already powering the *Ariel 360* module, Dynamics becomes a natural extension for as an integrated accounting solution.

Microsoft developed Dynamics AX. Crowe is an authorized implementer and re-seller of Dynamics AX.

- Dynamics AX 2012 released on 8/ 2011
- Dynamics AX 2009 released on 6/2008
- Dynamics AX Version 4 released on 3/2006 (rebranded the product from Axapta to Dynamics AX)
- Axapta Version 3 released on 10/2002 (first Microsoft released version)
- Axapta Version 2 released on 7/1999 (released by Damgaard)
- Axapta Version 1 released on 3/1998 (released by Damgaard)

How often is the product upgraded?

Morneau Shepell

We have continually evolved this software through a process of functionality upgrades every three to six months with major releases on a two-year cycle, aligned with our outsourcing annual processes and client requirements. We support all versions for one to two years after their release through monthly updates. This allows administration staff to convert functionality and processes, where needed, at a time that is convenient to all those affected. Releases are occasionally scheduled to respond to the requirements of a new client.

All those major and minor enhancements were in response to client and market demand. It is the *Ariel* User Group and *Ariel Evolution Steering Committee* that identify, prioritize and approve funding for all *Ariel* new developments.

Over \$50 million has been invested to date in the development of our *Ariel* product and we are committed to technology leadership in this area. We are the largest developer of pension and benefits software in Canada, with an IT annual budget exceeding 10% of our firm-wide revenue.

Ariel is built around a single-system concept, where all clients are on the same code base. This approach is virtually unique in our industry. It greatly simplifies development and maintenance, reduces ongoing costs, and ensures that each of our clients can take advantage of features developed for other clients. As part of paying for annual maintenance fees, ERSRI will be automatically upgraded to new releases (including legislative updates) of our *Ariel* software as these become available.

ADP

Upgrades are made available on average every two years.

Crowe Horwath

Major releases of Dynamics AX occur every 3 years. Between major releases, Microsoft will have smaller releases, as well as hot fixes for bug fixes on a regular basis.

Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?

Morneau Shepell

In order to ensure compliance with legislation, Morneau Shepell employs ten lawyers who are completely dedicated to benefits and pension plan issues. Draft legislation, budget documents, and interpretative bulletins are reviewed closely to identify any changes that are relevant to our clients. Your client relationship leader, <REDACTED> would meet with you to discuss how any legislative change would impact your business or process and how we will accommodate the change. He will also discuss with you on how these changes will be communicated to your membership if there is a direct impact to them and their dealings with the various service providers.

In order to ensure our systems accurately reflect changes in legislation, we have 20 dedicated individuals assigned full-time to our systems Quality Assurance unit.

As a firm, we closely monitor market trends in the pension, benefits, and compensation areas. We do this by continually monitoring legislative and other developments, anticipating needs and solutions before they become common-place, remaining attuned to new ideas, and conducting surveys of our clients and other organizations.

ADP

ADP will be providing Compliance services.

Crowe Horwath

As one of the premier accounting solutions available, Microsoft ensures ongoing compliance. Crowe Horwath, as one of the largest accounting firms in the US will provide ongoing monitoring to ensure compliance.

How long has it been available to your clients?

Morneau Shepell

Ariel has been available to our clients since 1991

ADP

The client server version was introduced in the early 90s. The web version was introduced in 2000.

Crowe Horwath

The first version of the software released by Microsoft was Axapta Version 3 that was released in 10/2002.

How many clients are currently using the proposed solution?

Morneau Shepell

<REDACTED>

ADP

Approximately 1000 clients are using the proposed solution.

Crowe Horwath

With 14,000 installations worldwide, Microsoft Dynamics is among the predominant mid-market accounting solutions. It is firmly established in the public sector; Microsoft is strengthening their position, having integrated specific public sector capabilities into the new Dynamics AX 2012.

How many of the current clients are using the product as a SaaS (Providing their own administration)?

Morneau Shepell

For pension administration, we currently have 12 clients using our product through an “on-site” model (our clients’ administrators work directly from our system, implemented at their facilities) and 7 clients who are using our product through a SaaS model (Morneau Shepell hosts the pension system and the clients retain all pension administration functions). We have deployed our Health and Welfare solution on a SaaS basis to 9 clients.

ADP

Approximately 94% of our clients are using our product as a SaaS.

Microsoft Dynamics

The Dynamics solution is intended for a self-administration model. Most implementations are on-site; however, SaaS is a growing segment and our proposed implementation delivers benefits equal to an on-site implementation: A dedicated implementation, hosted in our data center.

How many of the current clients are using the product in a totally outsourced environment (Offeror is providing administration)?

Morneau Shepell

<REDACTED>

ADP

Approximately 6% of the current clients are using the product in a totally outsourced environment

Microsoft Dynamics (Crowe Horwath)

Neither Morneau Shepell nor Crowe Horwath provides full outsourcing services for Microsoft Dynamics accounting. It is predominantly deployed for self-administration.

List the largest ten (10) clients, their membership (actives, payees, deferreds)

Morneau Shepell

<REDACTED>

ADP

This information is considered proprietary and not available.

Crowe Horwath

Microsoft has over a dozen installations of Microsoft Dynamics AX with over 3,000 concurrent users. The largest installation that Crowe has completed is the Oregon State Lottery with approximately 500 users. The largest Microsoft Dynamics installation at a public pension fund that Crowe has completed is at Municipal Employees' Retirement System of Michigan:

- 36,000 active members,
- 25,000 retirees,
- 86,000 total members,
- 730 municipal members, and
- 1,500 pension plans.

The largest public pension fund running Microsoft Dynamics as an Accounting System is the Employees Retirement System of Texas with 143,000 active members and 80,000 retirees.

From 2005 to the present, on an annual basis, how many new clients have you added, how many have terminated their service?

Morneau Shepell

Clients added

<REDACTED>

Clients lost

<REDACTED>

ADP

This information is considered proprietary and not available.

Crowe Horwath

<REDACTED>

Are there any recent or upcoming enhancements/developments to the system and do you keep your clients informed of such?

Morneau Shepell

Our goal is to continually evolve our flexibility to support client needs. We ensure our clients' feedbacks and requests are being taken into account and we keep them informed of all of our products enhancements and developments. While recent enhancements have been described earlier, upcoming ones would include increased process automation using our core workflow engine, continually enhance the user interface to increase self-service capabilities, expand on seamless integration with various HRIS systems and continue to move down the path of using SOA architecture to increase the flexibility of our solution.

We will also enhance the communication and education components of our tools to include increased decision modeling support, the use of Web 2.0 technology, and increased integration across all service lines.

We are also planning to add web portal views of our operations and services so that our clients are able to obtain real-time views of our service levels, work volume, quality measures, etc. at their convenience. By combining this information with the work we do with other organizations, we will be able to provide you with a bench mark view of your program, costs, services and the necessary thought leadership to make solid business decisions.

Key upcoming system enhancements include:

<REDACTED>

ADP

ADP makes available user meetings, release notes, client service contacts, and a knowledge base with new and information along with subscription services to keep clients current.

Crowe Horwath

Microsoft Dynamics provides regular upgrades. The most recent update, Dynamics AX 2012 includes new capabilities for public-fund accounting; better multi-entity capabilities; and embedded business intelligence and reporting. There is also enhanced interoperability with Microsoft tools such as Word, Excel, Outlook and SharePoint.

Microsoft keeps clients updated on enhancements through their CustomerSource website and discussion board. Microsoft also hosts an annual Convergence Conference to keep clients informed of recent and future functional developments, as well as technical conferences to keep clients informed of recent and future technical developments.

How large is the staff responsible for maintaining and enhancing the product? How large is the staff responsible for operating the product?

Morneau Shepell

Over 750 resources are responsible to maintain, enhance or operate our product. The team that operates the product is constantly in touch with the team that maintains and enhances it, as they are the front line users. This allows us to easily keep track of on-going improvements that can be made allows for a high development efficiency as this is all achieved internally. Below is a table that breaks down the staff count by title:

Title	Number of resources
Senior Project Manager	10
Project Manager	16
Principal Architecture	9
Senior Configuration Specialist	19
Senior Software Developer	10
Configuration Specialist	32
Software Developer	42
Senior Business Analyst	10

Title	Number of resources
Junior Business Analyst	9
Tester	25
IT support staff	10
Senior Management Administration staff	5
Senior Administration staff	62
Junior Administration staff	382
Senior Actuarial Consultants	88
Actuarial Consultants	54

Product support would be provided mainly by our IT support staff (for technical support with the software), our configuration specialist who can refer to our in-house software developers (for calculation results support), and our administration staff (for user support).

ADP

Across the Hosting and service staffs, ADP has approximately 175 employees operating product.

Crowe Horwath

The Crowe PERF Business Unit, the unit responsible for implementations of the Dynamics AX software, is 150 full time employees.

How do you involve clients in the evolution of your product?

Morneau Shepell

We believe that the full value of any solution or service can only be recognized if the proper project management, implementation disciplines and ongoing delivery management are applied from day one. Our implementation methodology is therefore designed to maximize the level of project planning and control and minimize the exposure to risk. Ours is a proven approach to delivering higher quality services more productively and with greater return on investment. Key elements of our methodology include:

- Assignment of a dedicated project manager for each project, who is responsible for preparation of project plans, identification of deliverables, management of scope,

issues, and costs, and coordination of team members and tasks throughout the project;

- Rigorous project governance applied by a steering committee composed of the project manager plus senior staff in both the client organization and at Morneau Shepell;
- Inclusion of Morneau Shepell team members specializing in business requirements who document requirements relating to plans, processes, system features, and interfaces in cooperation with client staff;
- Specialized system configuration and development resources, who translate the business requirements into system parameters and prepare the system for testing;
- Assignment of a quality assurance team lead and associated resources, who build the test strategy, test plan, test cases, and test scripts, and then coordinate test execution and defect management along with internal and client resources;
- Ongoing support of the implementation team for the first few months following the live date to handle any issues relating to the implementation process – followed by transition to the ongoing service team; and
- Use of software tools to increase effectiveness in project management (MS Project), team collaboration (eProject), test planning (Test Director), and test execution (Winrunner, Loadrunner).

During ongoing delivery, our total quality management plan is executed to ensure that the above steps continue to govern the way we implement new changes or execute day to day deliverables. Our quality management plan includes mandatory peer review on all deliverables and the execution of test scripts nightly on electronic interfaces and transactions processed to identify inconsistencies and potential issues.

Morneau Shepell's strengths lie in our ability to communicate well. We establish regular lines of communication with our clients, but we also go the extra step of customizing our personal communication style to accommodate each client – based on their preferred frequency and media (meetings, phone calls, e-mail etc.).

We find that regular planning in partnership with each client is essential to a successful long-term relationship (i.e. contract management). Our regular planning cycle with clients will include the following:

- Set timelines that are appropriate for each project's scope and your requirements

- Clarify ongoing needs and expectations for all assignments
- Define the appropriate frequency of meetings with you
- Identify any new developments, issues, or requirements that are relevant to our work with you
- Establish and discuss budget estimates

During ongoing operations, there is an “annual planning process” with our clients. These meetings occur early in the plan year but can be adjusted to meet your budgeting cycle or other strategic time frames.

The Client Manager will learn what changes your organization may have planned to the people or programs. We will review any changes to legislation. If there are any changes planned for our systems, processes, or people, these will be discussed. The impact of these changes on your organization will be assessed and a plan for the year will be developed. The plan would include not only the implementation aspects of these changes (if applicable), but also any communication action items. By addressing change early in the year, we ensure that both Morneau Shepell and ERSRI have allotted the resources required to successfully implement any changes.

ADP

ADP always seeks feedback from clients regarding product improvements. Users Groups, ADP Meeting of the Minds, and Relationship Managers all elicit feedback and suggestions that are considered for improvement.

Microsoft Dynamics

Microsoft CustomerSource is the primary system that is used to capture new requirements for future releases of Dynamics AX. All Dynamics AX customers are provided access to CustomerSource. In addition, Microsoft engages the Dynamics AX User Group for input into the evolution of Dynamics AX. Information on national and local Dynamics AX user group meetings can be found at: <http://www.axug.com/>

A-2.2.1 Client References

Offerors should submit a list of at least three (3) current and former (within the past five years) clients and describe the work performed for each, together with an analysis of the degree of similarity in the scope of the solution ERSRI desires to that of the referenced client. Indicate whether the client is a current client (i.e., one with

whom a solution is currently in place and being used by the client) or a former client. For all references, include the name / title / phone / address / email address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance, start and end dates of the contract, and the initial and final project cost, including all change orders. Provide a brief summary of the project including but not limited to business problem, scope, approach, and resources applied. In addition, provide for each reference a list of the major subcontractors that supported the project and a list of all offeror staff members proposed to ERSRI who also participated in the referenced client project.

Offerors are cautioned that the previous experience being sought by ERSRI should be recent, but should not include relationships only recently initiated. Ideally, the offeror can cite several references for SaaS solutions that have been initiated within the last three (3) years.

All references may be contacted by ERSRI to verify the offeror's claims. Offerors are advised to ensure that the contact person's telephone number is current and that each reference contact is willing to discuss the offeror's performance with the evaluation committee.

References must be for at least three (3) different clients for which offeror has provided services that are as similar as possible to the services required by ERSRI, and three (3) different individuals with knowledge of the offeror's performance in providing the required services

Offerors are encouraged to include more than three references if they wish. If subcontractors are being proposed, preference will be given to offerors who can cite multiple instances in which the offeror / subcontractor team being proposed to ERSRI previously collaborated.

<REDACTED>

A-2.2.2 Presentations and Product Demonstrations

In this section, affirm the offeror's commitment to provide oral presentations and/or product demonstrations (led by the offeror-proposed Project Manager) at ERSRI's

offices, if so requested by ERSRI, to have these presentations/demonstrations recorded.

We confirm and agree.

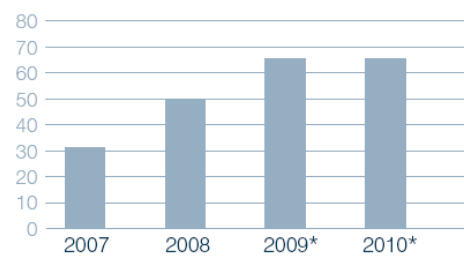
A-2.3 Financial Information

This section of the proposal must contain offeror's current and two previous years' audited financial statements, including consolidated balance sheets and income statements (statement of profit and loss). Failure to provide this information may be grounds for rejecting offeror's proposal. (The offeror's annual report to shareholders should be included as an Attachment - see below.) The offeror must describe the trends of the last five years in revenues, employees, and profitability. If the offeror is a subsidiary of a larger corporation, financial information specific to the offeror is required. An overall corporate information package may also be submitted.

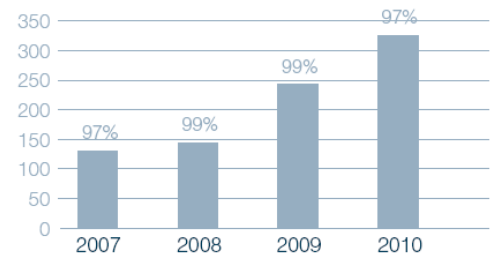
Morneau Shepell

Morneau Shepell has been the fastest growing firm in our field over the past decade, with our revenue increasing every year during this time span. We have operated at a profit in every year of our existence. Our annual revenue and EBITDA for the past four years is illustrated in the diagram below:

ebitda
(\$ million)



recurring revenue
(\$ million)



Percentage indicates proportion of total revenue that is recurring from prior year.

All current financial statements can be found in Morneau Shepell's corporate website (www.morneaushepell.com) under the "For Investors" tab.

The client base of Morneau Shepell is well-established, with more than 8,000 Canadian and U.S. organizations served directly or indirectly, including many "blue chip" companies, as well as numerous institutions and government organizations. Approximately two-thirds of the organizations listed on the TSX 60 are clients of Morneau Shepell. The business is well diversified by geography and by industry. Morneau Shepell has established integrated and long-term relationships with many clients. As a result, a large proportion of revenue typically recurs each year. Additionally, an insignificant level of bad debts is generally experienced.

Morneau Shepell's pension and benefits outsourcing business is typically based on contracts which usually have an initial term of three to five years and are often renewed or extended. Due to the nature of the services outsourced to the firm, as well as the implementation time and the complexity involved in migrating essential and sensitive employee data to Morneau Shepell's systems, outsourcing client retention is high. In addition, the consulting business, and health and productivity solutions businesses are based on long-term relationships and consist of many services that are typically required on an ongoing or annual basis. Client movement from one service provider to another is infrequent, especially if service levels are high and cost of service is reasonable. As a result, revenue and cash flows are stable and predictable.

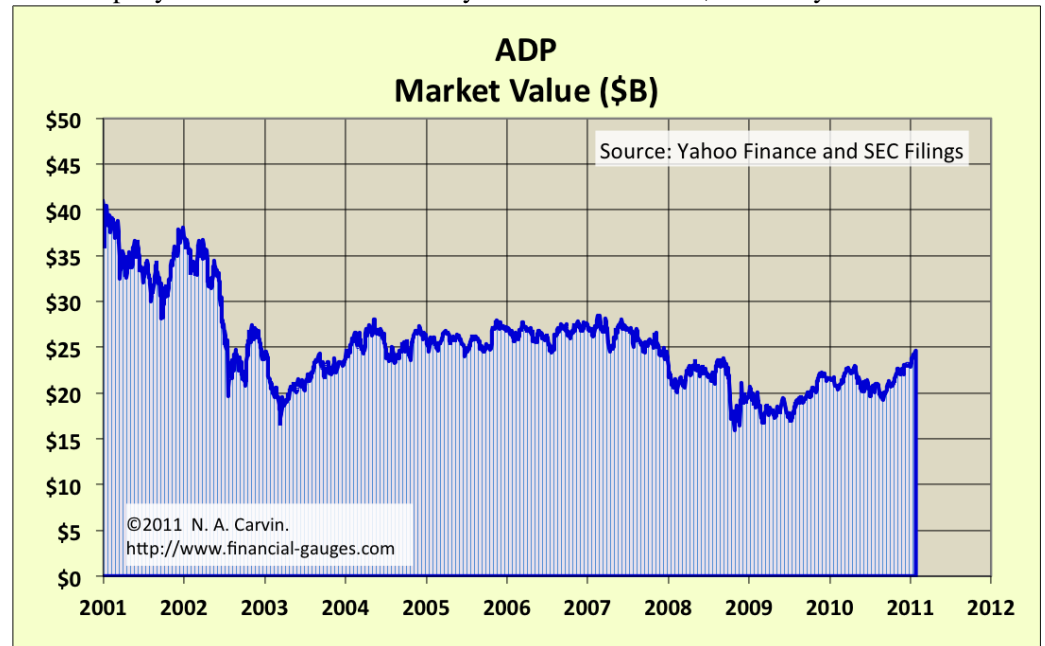
We have maintained our focus on the provision of pension (and benefits) consulting and administration services for nearly 50 years. We continue to augment our technical expertise and our outsourcing capabilities, embracing new ideas or technologies to fuel our clients' success, but only within the range of our core services. We believe that continued investment in our core services will enable us to maintain our low cost business advantage and ensure long-term service to our clients in this area.

ADP

Automatic Data Processing performs payroll, human resource, data processing, and outsourcing Business Services for well over 500,000 clients, large and small, in the United States and other countries. ADP pays one of every six private sector employees in the U.S.

ADP is one of four remaining U.S. companies with an AAA bond rating. An S&P 500 Dividend Aristocrat, ADP recently announced its 36th-consecutive annual dividend increase.

The company's market value is currently close to \$25 billion, on a fully diluted basis.



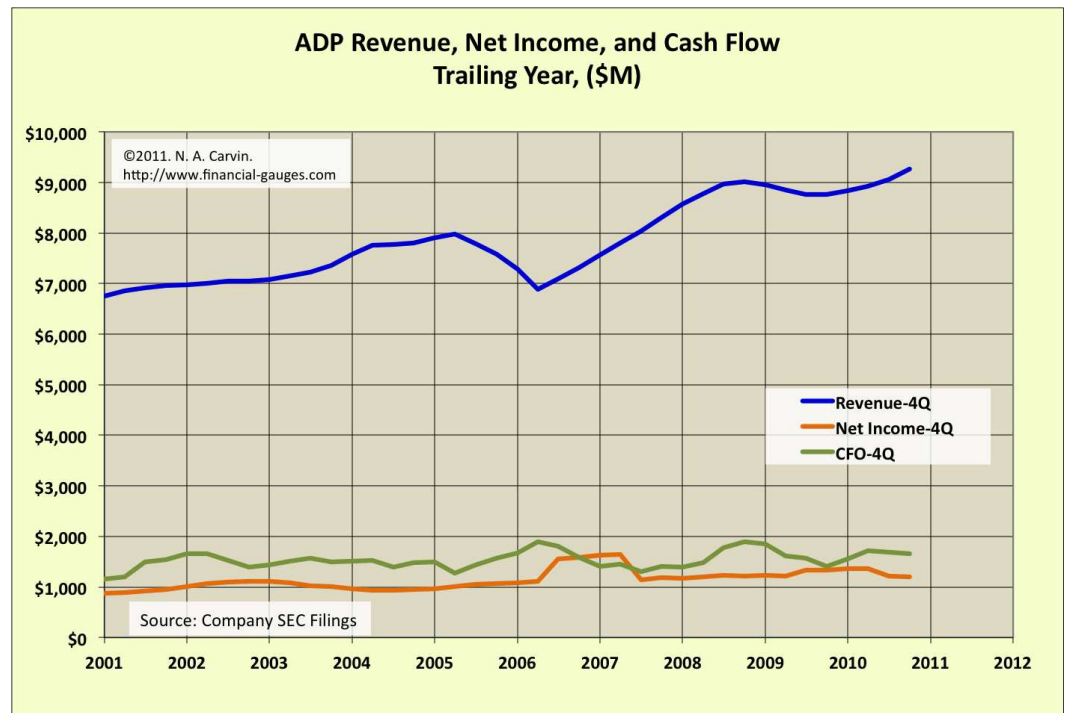
As the processor of many payrolls across the U.S., ADP quickly senses macroeconomic changes in Employment. ADP uses the data it collects to issue the monthly ADP National Employment Report on non-farm private employment.

Fortune Magazine deemed ADP to be Most Admired in the Financial Data Services industry.

In fiscal 2010, which ended 30 June, ADP's earnings fell to \$1.21 billion from \$1.33 billion in the prior year. Revenue increased to \$8.93 billion from \$8.84 billion. The company's results in fiscal 2010 were weakened by high unemployment, which reduces the demand for payroll services, and low interest rates, which limits the company's interest income.

ADP has three main businesses: Employer Services, Professional Employer Organization Services, and Dealer Services. Employer Services processes payrolls,

administers benefits, and performs other services to enable firms "to staff, manage, pay and retain their employees." PEO Services, by establishing co-employment relationships with customers and their employees, enables businesses to outsource various functions. In this arrangement, an ADP entity becomes the employer of record for the affected employees. Dealer Services helps companies that sell vehicles and machinery manage their business activities.



The Employer Services business segment contributed 72 percent of total revenue in fiscal 2010. Competitors include Paychex (NASDAQ:PAYX), the now-private Ceridian, and India's Wipro (NYSE: WIT).

Dealer Services revenue has been adversely affected by the downturn in vehicle sales and the closing of many dealerships.

ADP has recently acquired several other companies, including Italian business software developer Byte Software House, automotive marketing firm Cobalt, human resource solutions provider Workscape, and payroll tax firm MasterTax.

In 2007, ADP divested its Brokerage Services Group business, which became Broadridge Financial Solutions (NYSE: BR). GCFR articles related to Broadridge can be found [here](#).

Crowe Horwath

Founded in 1942, Crowe is celebrating nearly 70 years of stability, growth, and innovation. Crowe is one of the fastest growing firms with an average annual growth rate of 17% over the past 40 years. As requested, we have made financial statements of Crowe Horwath LLP, which we assert are confidential, available to the Employees' Retirement System of Rhode Island, for inspection and examination by the appropriate staff under separate cover. We will be pleased to provide you any additional information you may need to determine our financial stability.

Please note, Crowe Horwath LLP is privately held and asserts that its financial statements are confidential trade secret information. The financial statements provided are not audited as we do not issue audited financial statements or annual reports.

We have provided copies of our financial statements in Attachment 1.

Identify any legal actions, lawsuits, arbitration or formal protests related to the provision of pension, retirement, and benefit systems services in which the offeror is currently involved as a defendant at the time the proposal is submitted. Additionally, identify any other such actions in which the offeror has been involved during the past five (5) years.

Morneau Shepell

At this time, there are no material lawsuits pending against Morneau Shepell. Like any large organization, we are subject to various legal claims at any given time. The firm may have a small number of cases open at any one time – some of these cases involve internal corporate issues such as employment matters, business agreements or isolated member claims. However, none of the past or present legal claims would in any way impact on the firm's ability to deliver services to you.

ADP

There are no pending claims or lawsuits, the results of which, if unfavorable to ADP, will have a material effect on ADP's ability to provide the proposed services.

Crowe Horwath

Crowe has none.

Any delisting of offeror's stock must be disclosed and described.

Not applicable to Morneau Shepell, ADP or Crowe Horwath.

Any changes in corporate ownership, changes in CEO, CFO, or COO in the past 5 years or projected in the next 6 months must be described.

Morneau Shepell

On January 1, 2011 Morneau Sobeco Income Fund (the "Fund") converted from an income fund structure to a corporation named Morneau Shepell Inc. ("Morneau Shepell") pursuant to a plan of arrangement (the "Conversion"). As of January 1, 2011 Morneau Shepell is the successor to the Fund.

Changes in Chief Executives

Name	Title	Tenure
Alan Torrie	President and Chief Executive Officer	2005 – Present
Pierre Chamberland	Chief Operating Officer and Executive Vice-President	1982 – Present
Scott Milligan	Chief Financial Officer and Executive Vice-President	2009 – Present
Nancy Lala	Chief Financial Officer	2004 – 2009

We do not anticipate any significant changes to our organization over the next two or three years that will impact our clients.

ADP

Name	Title	Length of Tenure
Steven J. Anenen	<i>President, Dealer Services</i>	1975
Michael A. Bonarti	<i>Vice President, General Counsel and Secretary</i>	1997
Gary C. Butler	<i>President and Chief Executive Officer</i>	1975
Benito Cachinero	<i>Vice President, Human Resources</i>	2007
Michael L. Capone	<i>Vice President and Chief Information Officer</i>	1988
Michael C. Eberhard	<i>Vice President and Treasurer</i>	1998

Name	Title	Length of Tenure
Edward B. Flynn, III	<i>Vice President, Employer Services–Sales</i>	1988
Regina R. Lee	<i>President, Employer Services– Small Business Services and Major Account Services</i>	1982
Anish Rajparia	<i>President, Employer Services—International</i>	2002
Christopher R. Reidy	<i>Chief Financial Officer</i>	2006
Carlos A. Rodriguez	<i>President, Employer Services– National Account Services and Employer Services–International</i>	1999
Alan Sheiness	<i>Corporate Controller and Principal Accounting Officer</i>	1984
Jan Siegmund	<i>President, Added Value Services and Chief Strategy Officer</i>	1999

- Messrs. Anenen and Butler have each been employed by ADP in senior executive positions for more than the past five years.
- Michael A. Bonarti joined ADP in 1997. Prior to his promotion to Vice President, General Counsel and Secretary in June 2010, he served as Staff Vice President and Associate General Counsel from November 2007 to June 2010, as Associate General Counsel from January 2007 to November 2007 and as Assistant General Counsel from 2002 to January 2007.
- Benito Cachinero joined ADP in 2007 as Vice President, Human Resources. Prior to joining ADP, he was Vice President, Human Resources for the Medical Devices & Diagnostics Group of Johnson & Johnson from 2004 to 2007.
- Michael L. Capone joined ADP in 1988. Prior to his promotion to Vice President and Chief Information Officer in 2008, he served as Senior Vice President and General Manager of GlobalView from 2005 to 2008, and as Vice President, Corporate Information Systems from 1999 to 2005.
- Michael C. Eberhard joined ADP in 1998. Prior to his promotion to Vice President and Treasurer in 2009, he served as Staff Vice President and Assistant Treasurer from 2007 to 2009 and as Vice President, Corporate Treasury from 2004 to 2007.
- Edward B. Flynn, III joined ADP in 1988. Prior to his promotion to Vice President, Employer Services–Sales in 2009, he served as President, Employer Services – International from 2008 to 2009 and as Senior Vice President of Sales for Employer Services, International, from 2004 to 2008.
- Regina R. Lee joined ADP in 1982. Prior to her promotion to President, Employer Services – Small Business Services and Major Account Services in 2010, she served as President, Employer Services – National Account Services and Employer Services – International from 2008 to 2010, as President, National Account Services,

Employer Services from 2005 to 2008, and as President, Small Business Services, Employer Services from 2004 to 2005.

- Anish Rajparia joined ADP in 2002. Prior to his promotion to President, Employer Services – International in 2009, he served as President, Employer Services – Europe from 2006 to 2009, and as General Manager, Retirement Services, from 2004 to 2006.
- Christopher R. Reidy joined ADP in 2006 as Vice President and Chief Financial Officer. Prior to joining ADP, he was Vice President, Controller and Chief Accounting Officer of the AT&T Corporation from 2003 to 2006.
- Carlos A. Rodriguez joined ADP in 1999. Prior to his promotion in 2010 to President, Employer Services – National Account Services and Employer Services – International, he served as President, Small Business Services, Employer Services, from 2007 to 2010 and as President of TotalSource, Employer Services from 2000 to 2007.
- Alan Sheiness joined ADP in 1984. Prior to his promotion to Corporate Controller and Principal Accounting Officer in 2007, he served as President, Small Business Services, Employer Services, from 2006 to 2007, and as Chief Financial Officer, Employer Services, from 2004 to 2005.
- Jan Siegmund joined ADP in 1999. Prior to his promotion to President, Added Value Services and Chief Strategy Officer in 2009, he served as President, Added Value Services from 2007 to 2009 and as Vice President, Strategic Development from 2004 to 2007.

Each of ADP's executive officers is appointed for a term of one year and until their successors are chosen and qualified or until their death, resignation or removal.

Crowe Horwath

Crowe has added new Partners to our Firm through the past 5 years through both promotions of our employees and the acquisition of other Firms. These acquisitions have been disclosed in Section A.2.1. In addition, the tenure of our top 5 Executive Offices was disclosed in Section A.2.1.

The offeror must inform ERSRI if any client used as a reference has a financial relationship with the offeror whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or

credits based on references leading to sales of offeror's software, hardware, other products, or services.

Morneau Shepell

Not applicable.

ADP

No ADP client used as a reference has a financial relationship with the ADP whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or credits based on references leading to sales of ADP's software, hardware, other products, or services.

The same financial information described above must be provided for any subcontractors and/or third parties proposed to participate in the project.

We have provided financial information for our subcontractors in our responses above.

The offeror must summarize the percentage of its organization's current revenue that is derived from each of the following areas - pension/retirement, and benefit system services (and, as a separate calculation, the percentage of revenue derived from pension/retirement system consulting, actuarial engagements, and the like). Similar information must be provided for each of the previous two (2) years.

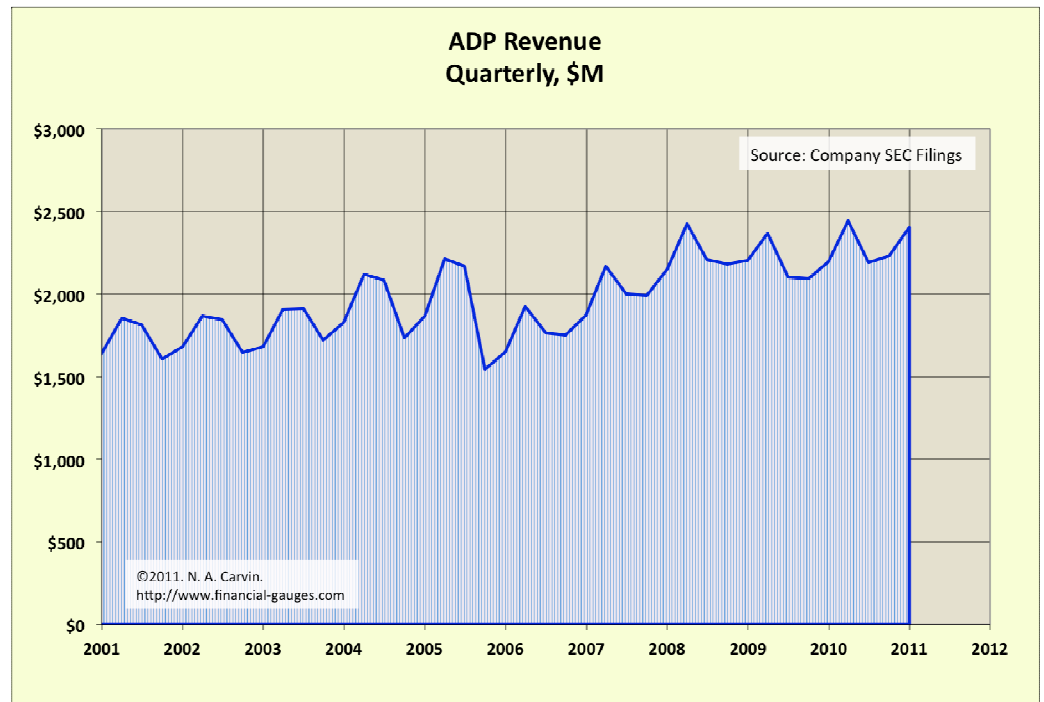
Morneau Shepell

<REDACTED>

ADP

ADP is acting as subcontractor to Morneau Shepell in providing the following services: SaaS Software Enterprise Payroll Services, Retiree Checks and Distribution, Tax Compliance Services, Wage Garnishment Processing, Paperless Payroll Services, Ongoing Support and Updates.

- ADP Payroll Services (Employer Services) is 63% of ADP's core business
- ADP Benefits Services is 11% of ADP Core
- ADP Dealer Services is 16% of ADP Core



Employer Services, the company's largest business segment, achieved Revenue growth of 7 percent, from \$1.56 billion to \$1.66 billion. Revenue from the company's "traditional" payroll businesses didn't increase, which indicates Employer Services revenue growth was due to new lines of business and recent acquisitions.

Revenue rose a robust 15 percent at the Professional Employer Organization Services segment, from \$311 million to \$358 million. The number of employees paid via PEO Services increased 11 percent.

The Dealer Services business reported a 26 percent Revenue increase, from \$299 million to \$375 million. This strong growth rate was primarily due to the acquisition of automotive marketing firm Cobalt. Organic growth was only four percent as this unit, which continues to be affected by earlier dealerships closings.

ADP spent \$142 million on "Systems Development and Programming Costs," which we treat as analogous to Research and Development. The expense was up \$21 million (18

percent) from last year's \$121 million. The latest figure exceeded our \$135 million estimate by 5 percent.

As a percentage of Revenue, R&D increased from 5.5 percent to 5.9 percent.

A-2.4 Offeror Staffing

The relationship between ERSRI and the selected vendor can be divided into two parts: The implementation activities necessary to provide the services required, hereinafter, the “project” and the ongoing support services after implementation.

A-2.4.1 Offeror Staffing During Implementation (“Project”)

In this section, the offeror must provide detailed descriptions of how the offeror’s team will meet the project requirements. Include team members’ resumes (using Form 2, below), tailored to highlight experience and skills specifically relevant to their role on this effort. This section of the proposal must include the qualifications of the project manager and staff to be assigned to accomplish this project.

The offeror must designate a single project manager to represent and oversee the project. This person will serve as the focal and contact point for all business matters relating to the project.

Additionally, in this section, confirm that the project manager will:

- Be responsible for timely completion of all phases of the project
- Be responsible for meeting all contractual requirements for the duration of the project
- Attend status, quality review and acceptance meetings as required and present status and progress reports on the project
- Remain assigned to the project through final cutover and acceptance by ERSRI.

Offeror should indicate what percentage of full-time, the project manager will be assigned to this project.

The offeror must provide a list of all the key personnel, as defined in Section B-3.5 of the RFP, to be assigned to any part of the project. Offerors are encouraged to

specifically identify additional project staff members if possible. Each staff member proposed shall be identified by title and by firm, as well as by project responsibilities and job functions and current client / home office location. The number of other personnel to be assigned shall be identified by job function and by firm.

ERSRI understands that the offeror may have one or more other proposals open and under consideration by other prospective clients and that offeror staff included in the ERSRI proposal may have been included in these other proposals. For any offeror resource so allocated, the offeror shall indicate in its proposal the role for which each such resource was assigned for each open proposal and the capacity (e.g., hours, % FTE) for which they have been proposed. In addition, the offeror will indicate what method it will use to resolve any conflict arising from the award of contracts competing for these resources.

Offerors shall also include the resumes of all key employees (project manager, lead analyst, and the other key staff), and any other proposed staff members who are identified by name in the proposal. Those resumes must describe in detail the employee's experience in similar efforts as well as past education and training. Each resume shall include as its first page a Resume Summary prepared by the offeror using the form provided on the following page. Each Resume Summary must include three (3) professional personal references for the particular staff member. These professional references must be provided by offeror client staff members, from three different clients. Professional references from within the offeror organization are not acceptable.

Offeror must provide its staff volatility index, i.e., percent turnover over the past three (3) years and how that number is calculated. This volatility index should be provided both for the entire company and for the three referenced public employees' or teachers' retirement system implementation projects used as references.

Offerors must also confirm in this section of the proposal their understanding that:

- Personnel whose names and resumes are submitted in the proposal shall not be removed from this project without prior approval of ERSRI. Substitute or

additional personnel shall not be used for this project until a resume is received and approved by ERSRI.

- **ERSRI shall have the right to request, and the contractor will comply with any such request, the removal of any offeror staff member from all work on this project immediately.**
- **The replacement for any staff member who is removed from or leaves the project for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements are subject to ERSRI approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement begins work on the project.**
- **Offeror will pay to ERSRI a penalty of \$50,000 should it remove from the project any key staff member or any other staff member who was more than 50% dedicated to the ERSRI project, except in the case of serious illness, death, or termination of employment with offeror.**

It is important to identify a Project Team made up of Morneau Shepell and ERSRI staff that will be responsible for this project. We have found that a team approach ensures the functional requirements are fully understood, issues are addressed, and cohesive solutions identified. For continuity, we believe that the Project Team should meet at regular intervals throughout the project. Suggested meeting dates will be shown on the final work plan.

Please see the table below for a listing of our named resources and a description of their skills and experience relevant to their role on this project. Please see Attachment 2, Appendix E for the team members' resumes (including Form 2) on each of the key members of our team. Note that the Professional References have intentionally been left blank and will be provided to ERSRI on their demand should our firm be selected as part of the short list.

Aura will be the program manager for the ERSRI project, and will represent and oversee the entire project. She will work with a team of individual project managers which will be assigned to a specific component of the solution (e.g., one project manager for pension,

one project manager for health and welfare). She will serve as the focal and contact point for all business matters relating to the project. We anticipate that Aura will be assigned to the ERSRI project at 50% of her time for the majority of the project. The project management team will be assigned to the ERSRI project at 75% - 100% of their time, for the majority of the project. Once the project will have been underway for several months, the level of dedication may slightly decrease, however it will not go below 50%. As requested, we confirm that our project manager will:

<REDACTED>

- Be responsible for timely completion of all phases of the project
- Be responsible for meeting all contractual requirements for the duration of the project
- Attend status, quality review and acceptance meetings as required and present status and progress reports on the project
- Remain assigned to the project through final cutover and acceptance by ERSRI.

As shown in the team structure diagram below, we have a large number of additional staff members that could eventually join the project should this become required. We have a large pool of Subject Matter Experts that are available for support:

- 750 administrators located in our Toronto, and Montreal offices
- 100 implementers located in our Toronto, and Montreal offices
- 125 developers located in our Montreal and Toronto offices
- 30 Project Managers located in our Montreal and Toronto offices
- 50 Testers located in our Montreal and Toronto offices
- 130 Actuaries located throughout all of our offices in US and Canada

Resources assigned for this mandate may have also been presented in other open proposals; their proposal roles would be the same as those presented in this proposal. Depending on the size of the project that they were presented in, the capacity for which they have been assigned may vary. Even though one resource may be put forward in several proposals, we do not anticipate this to be an issue should we be selected to service ERSRI for this project. We have been using this approach in answering request for proposals throughout the years and have an effective resource management process that has allowed us to deliver on our commitments to meet our client's expectations. Given the size of the ERSRI project, we would like to assure you that it would become a high

priority project for us and that we will make all of the necessary resources available to the project to ensure its delivery.

Our staff volatility index over the past three years is as follows:

Year	Morneau Shepell (All)	Outsourcing (except TDCP)
2011 (running 12 mos.)	<ul style="list-style-type: none"> ▪ Total: 20.0% ▪ Regret: 10.5% 	<ul style="list-style-type: none"> ▪ Total: 20.3% ▪ Regret: 8.8%
2010	<ul style="list-style-type: none"> ▪ Total: 20.1% ▪ Regret: 12.5% 	<ul style="list-style-type: none"> ▪ Total: 23.4% ▪ Regret: 11.9%
2009	<ul style="list-style-type: none"> ▪ Total: 18.4% ▪ Regret: 10.8% 	<ul style="list-style-type: none"> ▪ Total: 22.5% ▪ Regret: 12.6%

- **Total Turnover:** *The total number of terminations (regret & non regret) in a 12 month period divided by the average headcount*
- **Regret Turnover:** *The total number of regrets (performance appraisal of "meets" or higher) that leave within the last 12 months divided by average headcount*

As requested, we confirm our understanding of the following:

- **Personnel whose names and resumes are submitted in the proposal shall not be removed from this project without prior discussions with ERSRI. Substitute or additional personnel shall be discussed in advance with ERSI and resumes will be shared with ERSRI.**

While it is Morneau Shepell's general practice to work with our clients to achieve satisfaction with our personnel, practical and business considerations restrict our ability to grant an absolute right of approval to our clients over our employee placement decisions. However, we are willing to identify for ERSRI the individual personnel who will be performing the services on behalf of Morneau Shepell for ERSRI and to make commercially reasonable efforts to maintain those individuals in such positions during the term of the engagement with ERSRI. We are also willing to consult with ERSRI when determining any replacements for such individuals, in the event such a replacement is required.

- **ERSRI shall have the right to request, and the contractor will comply with any such requests, the removal of any offeror staff member from all work on this project immediately. We expect there will be open dialogue between ERSI and**

the Morneau Shepell project managers about any issues with the offerer's project so that there is a collaborative approach to addressing these.

As mentioned above, Morneau Shepell is willing to work with ERSRI regarding any issues it has with staff members working on the project and to find a suitable replacement of such staff members if reasonably required.

- **The replacement for any staff member who is removed from or leaves the project for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements will be discussed with ERSRI in advance to ensure ERSI is informed of their qualifications. . At any time during the 90 days after the replacement begins work on the project, ERSI may request a replacement due to non-performance.**

Morneau Shepell will make commercially reasonable efforts to replace staff members that leave or are removed from the project with those of similar skill level and experience. We will consult ERSRI in providing such replacements however we cannot provide ERSRI with the absolute right of approval over our employee placement decisions.

- **Offeror will pay to ERSRI a penalty of \$50,000 should it remove from the project any key staff member or any other staff member who was more than 50% dedicated to the ERSRI project, except in the case of serious illness, death, or termination of employment with offeror.**

As mentioned above we will make all efforts to maintain those individuals who are more than 50% dedicated to the ERSRI project in such positions during the term of the engagement with ERSRI. For practical and business considerations, we cannot agree to a penalty for staffing changes which may be required. Again, such changes would be only in extraordinary circumstances. Staff assigned to the project will be assigned for the duration of the project.

A-2.4.2 Offeror Staffing After Implementation

In this section, the offeror must provide detailed descriptions of how the offeror's team will provide all required services. Include team members' resumes (as

discussed below), tailored to highlight experience and skills specifically relevant to their role on this effort. This section of the proposal must include the qualifications of the relationship manager and staff to be assigned to provide the required services. It should also describe the offeror's relationship management organization.

For the Microsoft Dynamics AX post implementation, Crowe will provide on-site post implementation support the first month-end close and fiscal year end close. The same team members that provide your implementation support will be involved after implementation.

During your implementation, Crowe will prepare post implementation support procedures for ERSRI. ERSRI will have the option of contacting Microsoft directly for post implementation support calls as Microsoft provides support staff on 7x24 hour basis. Crowe will also provide post implementation support on a 7:00 AM EST to 7:00 PM EST. We have proposed a combination of this approach to ERSRI such that Microsoft can be contacted during off hours and for technical emergencies while Crowe can be contacted for user questions and how to advice.

The offeror must specifically address the following matters related to the ongoing support services:

What is the minimum acceptable education level for individuals providing these services?

Morneau Shepell

Exceptional service starts with exceptional staff. Our staff have minimum of college or university education. Our hiring process for administrative solutions helps identify individuals with a strong customer service orientation.

ADP

We recruit skilled employees with extensive tenure in the various disciplines. The minimum of Associates Degree is required for hiring. Typical Client Service representatives have 6 to 12 years experience

Service Model

The cornerstone of our service model is our organizational structure, which is designed to deliver flexible and specialized services for our clients. Our service model consists of single point of contact service consultants, various functional and technical support teams, and hosting center support teams.

We are committed to employing responsive, well-trained and dedicated associates. We emphasize teamwork and encourage our associates to build their knowledge through additional training and education. ADP strives to be an employer of choice, and understands how this benefits our clients.

- Toll-free 24x7x365 support – included
- Clients hold ultimate leverage with each month's invoice
- Dedicated upgrade team

Relationship Management

Your primary point of contact within ADP is responsible for the overall relationship between Rhode Island and ADP for ongoing services. In addition, your primary point of contact is responsible to:

- Build and maintain a comprehensive relationship at strategic and operational levels within your organization
- Act as your executive sponsor within ADP, working with you to establish, manage, and meet the commitments, requirements, and expectations of both Rhode Island and ADP
- Focus on understanding your initiatives and objectives to align delivery of ADP services with your strategic needs
- Inform you of new corporate capabilities and developments within ADP, and propose ideas and solutions based on available services that may provide ongoing benefit to your organization
- Monitor contract compliance and facilitate contract renewal and amendments
- Conduct regular meetings with Rhode Island senior management team
- Ensure prompt identification and facilitate prompt resolution of service delivery issues
- Coordinate events across ADP service teams and business units

- Ensure alignment of resources to meet Rhode Island expectations
- Reinforce your organization's culture within ADP

Domain Experts

Our highly experienced domain experts are critical to our service delivery model. In fact, we leverage subject matter expertise from each of the appropriate areas within ADP to ensure Rhode Island has access to industry best practices for all ADP services. In the unusual event that our service team is unable to immediately address an issue, the issue is escalated to a subject matter expert for detailed analysis and recommendations.

Subject Matter Experts

We maintain the highest customer satisfaction in the industry by providing unparalleled service to our clients.

Crowe Horwath

Crowe's general policy is to only interview and hire college graduates with Bachelor equivalent degrees. Hiring someone without this degree requires special approval and there are few exceptions within our firm.

What training is provided to the individuals providing these services: general training and training specific to ERSRI?

Morneau Shepell

Morneau Shepell has made a significant investment in the training of staff, as well as in providing opportunities for development through industry programs. We are strongly committed to the quality and professionalism of our staff.

Prior to going into production, training sessions will be provided to our service team staff. The training will involve a thorough review of all procedures and processes, as well as the service standards laid out in our Service Agreement.

On-going staff are typically involved with different aspects of testing to ensure process and calculation accuracy. This also assists in their learning of the account plans and expectations of ERSRI. Even though our staff will not be responsible of delivering services to ERSRI's participants (e.g., they will not perform benefit calculation or

provide expertise on ERSRI plan provisions), they will still have a general knowledge of ERSRI's plans and culture to enable them to service ERSRI's administrators. Upon joining the firm, all administrative service members receive the following general training:

- **Morneau Shepell Orientation:** New employees of the firm receive an introduction to the company and its general processes.
- **Ariel Training:** We have a number of courses related to the set up of *Ariel*, and appropriate procedures for initiating transactions and performing other functions. These are offered on a regular basis and detailed information on the content of the sessions is provided below.
- **Call Handling Process:** for call service representatives: This involves identifying call types such as Tier I and Tier II calls, the use of the *Ariel DB* and *Ariel 360* Information systems, and the standards set for logging calls and comments.
- **Call Center Principles:** for call service representatives: Experience has shown us that each customer service representative needs a fundamental understanding of call center principles to be effective. Topics covered include the Automated Call Distribution (ACD) and phone equipment, queuing, and work flow principles.
- **Customer Care:** for call service representatives: Includes skills such as effective listening, questioning, dealing with difficult people, problem solving, and decision-making. Role-playing is used extensively in this segment.
- **Legislation:** Periodic training on the technical aspects of benefits and pension legislation, and related tax regulations, is presented to administration and consulting staff on a regular basis.
- **Client Orientation:** An introduction to the client organization's structure and culture.
- **Client Specific Products/Services/Processes:** Includes in-depth training on all client products, services, policies, and processes.

As mentioned above, there is training that is specific to each client mandate. Prior to the go-live date, training sessions will be provided to the client service team staff. We also offer specific training on each client's industry and culture.

This approach provides an environment in which administrators can receive productive on-the-job training, and in which our clients can receive a high level of service. We view this aspect of training as a key development tool for junior staff.

ADP

Once hired, we provide continuous education and certification training. We focus on certifications such as Fundamental Payroll Certification (FPC), Certified Payroll Professional (CPP), Professional in Human Resources (PHR), Senior Professional in Human Resources (SPHR), and Certified Employee Benefits Specialist (CEBS) designations to ensure the highest level of industry expertise for our clients.

Crowe Horwath

Most people providing post implementation support will have been involved during your project implementation. Any additional individuals assigned to support ERSRI will have been trained on the ERSRI Accounting System, reviewed your accounting policies and understand how to access your system (if permitted by ERSRI).

In light of potential demand for resources by offerors' many clients, what process is in place to ensure that support resources will be available for ERSRI, as needed?

Morneau Shepell

We have an internal pension administration resource allocation committee which meets on a weekly basis and enables us to quickly address any resource allocation issues that a client team may be experiencing (under and over allocation). We are therefore able to adjust team sizes and compositions based on the more or less variable work load of all our clients.

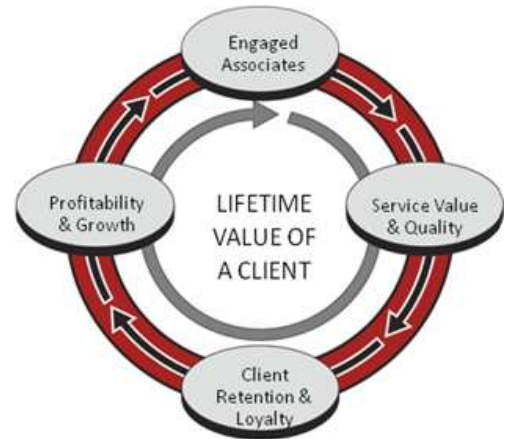
Should any of the members of the ERSRI service team leave the firm, get promoted, go on family leave, or become incapacitated, the other team members will have sufficient familiarity with the mandate to ensure our understanding of you needs is not diminished. If any of these individuals had to be replaced, in consultation with you, we would assign another employee with relevant experience to the team. We are confident in our ability to manage a smooth transition of responsibility if necessary.

With over 750 qualified professionals in our administrative solution practice, Morneau Shepell has the depth of experience and resources to ensure continuity with client assignments.

ADP

The sheer nature of ADP's pay as you go, Service Profit Chain model:

- Named Client Service’s representative, team, and escalation path
- Service Team’s Compensation tied to semi-annual Quality Survey results
- What gets measured gets done!
- SLA’s provided
- SOX compliant Change Control



Crowe Horwath

Dynamics AX resources are centrally scheduled across multiple office locations to help pool the support demand across many different clients. Work is prioritized based on the urgency of the request. In addition, procedures are available to expedite requests to other resources when an individual from a client’s support team becomes over extended. The depth of Crowe’s resources to perform Dynamics AX support allows us to continually meet client support demands.

The offeror must designate a relationship manager to represent and oversee all services provided. This person will serve as the focal and contact point for all business matters relating to the provided services.

<REDACTED>

Additionally, in this section, confirm that the relationship manager will:

- **Be responsible for timely and accurate provision of services**
- **Be responsible for meeting all contractual requirements related to the services**
- **Attend status, quality review and acceptance meetings as required and present status and progress reports as needed**

We confirm.

Offeror should indicate for how many other clients, the relationship manager is also providing relationship management services.

Two other clients

Also, in this section, offeror should address the following:

In relationship management a formal part of the offeror's organization. If so, where is it within the offeror's organizational structure

Relationship management is an integral part of our organization. Every client has several tiers of relationship managers assigned. On a day-to-day level, the client manager is responsible for the service delivery. They report to the senior client manager. The Client Relationship Leader is responsible for the overall relationship. This is particularly important where a client uses Morneau Shepell for a range of services; the CRL is responsible and a point of contact across all service lines and ensures proper coordination. The CRL in turn reports to an Executive Sponsor. A Senior Vice President or Executive Vice President, the Executive Sponsor is the senior point of contact who will be assigned to the ERSRI account.

Morneau Shepell will support ERSRI in every aspect of the design, management, and communication of the pension program it sponsors for its current and former employees. To ensure we deliver the very best strategic advice, tactical support, and knowledge to the ERSRI team, we have assembled a team of our experienced professionals in pension administration and solution architects to collaborate with you to meet your goals.

This multi-disciplinary account management team will work closely with ERSRI at each stage of the plan analysis and recommendations phase to help you develop and communicate a comprehensive and cost-effective program philosophy and innovative set of recommendations. We will work seamlessly with your team to plan, research, and deliver an integrated package of services to ERSRI. This approach will ensure we jointly address all issues and opportunities upfront, leverage the best of Morneau Shepell's expertise in each work stream, and use your time most efficiently.

As part of any client relationship we establish, we set up from the onset an Internal Governance team that will ensure your satisfaction, support the implementation and on-going administrative service delivery in terms of quality controls, overall guidance and direction. We establish all aspects of account management at the start of the mandate, including meeting schedules, escalation process, and key contacts. We are flexible and tailor our account management approach to meet your specific needs.

Below is the Internal Governance team we propose for ERSRI; team member's resumes can be found under Attachment 2, Appendix E:

- **Executive Sponsorship** – <REDACTED>, Chief Information Officer and Executive Vice President, US Business Leader, will be your Executive Sponsor for this account. This individual is the most senior point of escalation for issues that cannot be resolved at the lower levels of governance or are of a strategic nature having a material impact on services.
- **Client Relationship Leader (CRL)** –<REDACTED>, Partner. He is responsible for overall service delivery and is a senior point of escalation for the operational teams and the client. He will ensure that all services that Morneau Shepell performs for ERSRI will be integrated in approach, of the same high quality, and that the member experience is consistent across all lines of business. The purpose of a CRL structure is to simplify things for our clients, not to add another layer to communication channels. Clients are encouraged to continue their direct day-to-day contact with their Morneau Shepell subject matter experts. For instance, we expect ERSRI to have regular direct contact with Aura and other members of our administration team.
- **Strategic Advisor – Administrative Solution** – <REDACTED> will be the Strategic Advisor. He will serve as the administrative solution strategic advisor and work with ERSRI to understand your specific needs, and tailor an administrative solution that will meet and exceed your expectations.

Client Manager – We assign a senior client manager who specializes in the relevant service area and who is responsible for managing our day-to-day client needs. <REDACTED> will be responsible to ensure that ERSRI has the support required on an on-going basis and will be providing input into our quarterly performance reporting.

- **Steering Committee** – This group is comprised of senior management representatives from Morneau Shepell and the client; they meet quarterly to review service performance and discuss initiatives of strategic importance to both organizations. Morneau Shepell also has an internal steering committee that reviews service performance and special client initiatives to ensure that projects are properly resourced.

The Joint Steering Committee approach commences during the implementation phase as we recommend joint ownership of the implementation and on-going services. This internal governance structure is outlined in the diagram below.



Does offeror provide its relationship managers any training in relationship management

Yes. Client Managers receive training from the moment they are employed. Those who are promoted to the role have received continuous training throughout their careers, with the focus increasingly moving away from the technical aspects of benefits and pensions to project management, team leadership and relationship management. When our CRL structure was implemented, all new CRLs received training specific to the new role. This has continued since that time.

As a high growth firm, we are committed to developing the "best and the brightest" by creating an environment that fosters learning. Every day at Morneau Shepell offers learning opportunities, through formal or informal meetings, conversations with colleagues, managers and customers, as well as coaching and mentoring discussions. To encourage additional learning, the firm provides on-the-job training, holds internal

training sessions, supports continuing education, and rewards completion of professional designations. Ongoing training and professional development of our employees will always be a high priority at Morneau Shepell.

We believe that the key to our success in meeting and exceeding our clients' expectations is to invest in people development. As we continue to grow, we are committed to offering our employees knowledge-based skill development and formal training experiences that will enable them to grow with us.

Our training and development program is designed to deliver courses that will enhance career development and continually build upon core strengths and skills. Our goal is to establish a continuous learning environment that:

- Enhances employees' knowledge of the firm's services and customers
- Develops competencies for increased effectiveness in an employee's current position
- Improves technical skills to improve efficiencies in day-to-day work activities
- Meets the personal development objectives set by employees and their manager
- Ensures uniformity of our firm's practices and values across the organization

Integrated Learning @ Morneau Shepell Integrates Five Areas of Learning:

1. Practice area training

Practice Area training is offered to employees on an ongoing basis, within each Practice Area, providing fundamental to advanced training on the specialized skills and knowledge, unique to the Practice Area.

2. Firm-wide knowledge-based training

Knowledge-based training that familiarizes employees with the scope, services, terminologies and opportunities within departments and practice areas throughout the firm. Knowledge-based training is offered through Lunch & Learn Sessions on an ongoing basis. Employees are given a "big picture" view of Morneau Shepell, what we are about and how we conduct business. In Toronto and Montreal these presentations are recorded and a library of PowerPoint and video presentations are maintained for use throughout the firm.

3. Competency training

At different career stages, employees are asked to develop new competencies or enhance existing ones to maximize performance in a particular area. Firm-wide, we identify these as specific competency training needs are assessed throughout the company, courses continue to be added.

4. Continuing education

Independent of firm-initiated and organized training, employees are financially assisted and encouraged to continue their education and pursue industry and job related courses, especially those identified by managers and employees as developmental objectives. Each year Morneau Shepell approves and pays for courses that add depth and dimension to overall employee performance.

5. New employee orientation

New employees are initiated into the company through formal orientation sessions. These Human Resources hosted sessions will provide an overview and history of the firm, as well as cover Human Resources and Information Technology guidelines and procedures.

How often can ERSRI expect to be contacted by its relationship manager?

Formally, our Client Relationship Leads typically meet with their clients quarterly as a regular part of ongoing service. During these meetings, we also discuss any new or anticipated needs that may lead to further projects, as well as reviewing service levels and whether the client's expectations have been met.

Informally, issues can be raised by the client at any time. IT and systems issues are entered into a service log and appropriate resources are assigned to the case. Other types of service issues are responded to directly by the client's service team.

Lastly, the complaints are always reported as part of our monthly service report. At our monthly service stewardship meetings, we will:

- Review the nature of the complaint/issue(s).

- Discuss how we addressed the issue(s) and implemented corrective education, processes or technology.
- Implemented preventative controls to minimize the chance of occurrence again.

Are there any tools available to the relationship manager to help him/her that ERSRI is receiving adequate service?

As described above, IT and systems issues are logged and can hence be accessed by the relationship manager. Also, the service report will serve as tool to ensure that ERSRI is receiving adequate service, as this report contains detail on the level of service rendered to ERSRI. Should any one of the service level be not met for a specific month, the relationship manager will be able to quickly see it and initiate any action needed to be made to ensure that the service level is met for the following month.

PART B

Offeror Response to Project Scope

B-1 Response to Business Functional Requirements

PART B of the proposal will contain the offeror's response to the SaaS solution scope. It is to include all of the sections of PART B of the RFP that contain requirements, either tabular or narrative, numbered identically. Each section of PART B of the proposal will provide a complete response to the corresponding section of the RFP.

B-1.1 Response to "To Be" Business Functionality

The specific business functional requirements in this section are broken down into the following functional areas corresponding to the RFP sub-sections which follow:

1. **Accounting** - These are the SaaS solution's financial management requirements. The typical audience for these requirements is the Accounting / Finance department. The group includes the requirements for money transfers between plans, integration with the General Ledger, and balancing and reconciliation of funds and plans. This area also includes the management of cash receipts, auditor reporting, and banking.
2. **Death** - These requirements include the functions required to record the death of Members and beneficiaries, and to process a death benefit for Members who are either actively working or are retired and receiving a benefit. These also address the management of any associated receivables based on the timing of a death notification
3. **Disability** - Requirements for the submission of the disability applications, reviewing, tracking medical board actions, and placing an approved Member on disability. This group also includes the actions of performing the Disability calculations, placing a disability recipient on payroll and the annual statement of compensation processing

4. **Employer Reporting** - This is a broad area including the set up of new employers and tracking employer demographic updates. The requirements also include the filing of employer wage and contribution reports and their reconciliation. Appropriate employer self-service processing is also included
5. **Health Insurance Enrollment and Administration** - These requirements are for those clients who provide health insurance to their retirees and who have annual enrollments for this insurance. Also addresses life-cycle events that affect health insurance eligibility
6. **Multiple Service** - These requirements are applicable for systems that allow service credit in more than one employer. As an example; a teacher retiring from the teacher retirement system may be allowed to utilize credit from previous state service for retirement as a teacher
7. **Payroll and Other Payments** - This group of requirements includes setting up a payment for an annuity, a refund, payment of a third-party (deductions for vendors and employers), etc. It includes all maintenance of the payment schedules, deductions, integration with the general ledger and all regular and ad-hoc reporting for payments
8. **Purchase of Service** - This group of requirements is for the entire service purchase process including the estimate process, creation of the purchase agreement including principal and interest, crediting the Member's account and setting up the receivable and readjusting the receivable amount based on payment history
9. **Refunds** - This group of requirements includes the ability to identify periods of service eligible for a refund and the associated contributions and interest for that period. The group includes the Member refund application process and creation of the refund payment transaction and associated tax reporting. This also includes the ability to reverse a refund transaction, or allow the Member to buy the service back
10. **Return to Work** - These requirements allow the ability to track a retiree's return to work and the identification of whether this class of service results in termination of benefit or is allowed

These requirements are contained in tables that have the following columns:

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

3. **Compliant** - checked by the offeror to indicate functionality included in the base product with no customization required. (Configuration of tabular parameters by user administrator or business analyst is acceptable herein.).
4. **Customization** - checked by the offeror to indicate functionality not included in the base product but will be provided to ERSRI by a customization to the base product.1
5. **Non-compliant** - checked by the offeror to indicate Functionality is not currently included and will not be provided by a customization.
6. **Comment** - Any explanation/qualification (under 100 words each) that the vendor feels would help ERSRI more fully understand the vendor's characterization of the requirement.

To ensure that ERSRI's selection of a vendor is adjudicated by the merits of the proposed solutions, one of the responses in columns 3-5 must be provided for each listed capability in the table. Offerors are to check the appropriate column in the table to indicate their response and provide comments as deemed necessary.

ERSRI believes that the table-oriented approach used below for presentation of these functional requirements is an appropriate method for succinct description of the requirements and for the offeror's response.

1.3.1 Accounting

Table 1.3.1 provides the detailed requirements for the accounting function.

Appendix E-4 contains the Chart of Accounts for the current ERSRI Accounting system.

Table 1.3.1: Functional Requirements for Accounting

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to ensure that at all times ERSRI's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance are in	X			Dynamics AX has the ability to synchronize with these other systems

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
	agreement.				
2	Ability to provide a listing of all automatic computer generated entries against the general ledger, such that a ERSRI staff Member can successfully identify the source of every automated general ledger entry.	X			Standard Dynamics AX GL Function
3	Ability to ensure that, if one of ERSRI business areas enters a cash receipt, then another ERSRI business area cannot enter the same cash receipt.	X			A number of control settings can be used to prevent duplicate cash receipts
4	Ability to provide various controls to ensure accuracy, as an example: ensure that money already entered for a given entity, for a specific time period cannot be re-entered, etc.	X			See # 3
5	Ability to provide various reconciliation controls to ensure that last month's fund balance plus any activity during the month equals this month's fund balance.	X			Standard Dynamics AX GL Function
6	Ability to capture a user-defined parameter for each employer as to whether or not to post out-of-sequence wage and contribution cash receipts.	X			Could be implemented depending on how sequence is defined.
7	Ability to capture both Member and employer cash receipts data at the plan level, with the ability to roll-up as necessary.	X			AX will collect AR based on information submitted via an integration from <i>Ariel</i>
8	Ability to capture cash receipt information and remittance type, whether via ACH (i.e., electronic fund transfer / debit), wire transfer, lock-box, check, etc.	X			
9	Ability to capture employer remittance cash receipt date (defaulted to today's date), pay period end date, and report end date.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
10	Ability to capture payment frequency for each employer so that the system can track all reporting dates (not just the last reporting date) to ensure that a pay-period has not been missed.	X			Payment schedules managed in <i>Ariel 360</i>
11	Ability to import a file from the bank containing recent transactions and balances including all deposits regardless of method (e.g., teller, ACH, wire transfer) as well as check status (e.g., cleared, suspended, open).	X			
12	Ability to automatically generate appropriate collection correspondence for payables and/or receivables.	X			
13	Ability to generate a Fund Transfer Reconciliation, i.e., a listing of any funds that may have been transferred from one account to another.	X			
14	Ability to generate a GL (i.e., General Ledger) Mapping Report, i.e., a report / matrix listing the line-of-business transactions and their corresponding GL transaction.	X			
15	Ability to generate a report of projected funding requirements for the next month to ensure that adequate funds are available in the appropriate ERSRI accounts.	X			Either a cash management report or a forecasting report. Sophisticated modeling may require customization.
16	Ability to maintain and generate data and information per ERSRI specifications that can be used to produce the AFR (i.e., Annual Financial Report) report.	X			
17	Ability to generate an insufficient funds correspondence to Member.	X			Insufficient fund correspondence is generated within Dynamics AX. These correspondences can be printed and then mailed, e-mailed or send via fax.
18	Ability to generate report periodically relating to the collection and disbursement of funds.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
19	Ability to generate report of employer payments, both daily and on an as-requested basis, including aging data.	X			
20	Ability to maintain and provide various information that when extracted can be used to produce the CAFR (i.e., Comprehensive Annual Financial Report) report.	X			Data can be made available from the various sources.
21	Ability to produce a report (user-defined period: e.g., daily) notifying the Treasury of ACH-related concerns/issues, including any stop payments that need to be authorized.	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
22	Ability to produce various reconciliation reports with enough detail to accurately reconcile the payments made and cash received.	X			
23	Ability to provide a monthly report of the projected total benefit payments for the next month for each plan, including withdrawals, death benefits, disability benefits, and monthly retirement payments.	X			Based on transactions known at the time.
24	Ability to provide a monthly report of the projected vendor payments for the next month, including both payroll expenses and administrative expenses.	X			
25	Ability to provide adequate reconciliation reports to help end-users verify the transactions processed, including daily, weekly, monthly and fiscal year reconciliations.	X			There are number of payroll audit reports to assist in reconciling payroll transactions.
26	Ability to provide on demand a report of the total contributions received that have not been posted to pension system accounts.	X			
27	Ability to track employer account balances and generate reports of the amount of cash receipts remitted by employer over time.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
28	Ability to default the cash receipt transaction date to today's date (to eliminate need for user entry in most cases).	X			
29	Ability to accommodate for General Ledger the addition, modification, closing and deletion of plans such that duplicate data entry is not required.	X			
30	Ability to define new transaction types at the user-level via a table driven parameter and ensure that they are appropriately applied throughout the application and GL.	X			Various standard utilities are provided to modify the chart of account table
31	Ability to (at the time a Member retires) transfer the Member's account balance from the appropriate Member-related GL account to the appropriate pension-related GL account.	X			Morneau Shepell will relay retirement details to Dynamics AX via an integration
32	Ability to adhere to Governmental Accounting Standards Board (GASB) statements and Generally Accepted Accounting Principles (GAAP).	X			
33	Ability to adjust an account to prevent out-of-balance conditions including a reason code and an explanation of historical transactions.	X			
34	Ability to automatically match funds received to the correct employee or employer account.	X			
35	Ability to capture and maintain contribution rates by retirement system.	X			
36	Ability for authorized staff to capture and maintain interest rate tables (i.e., purchase of service, Member account interest, etc.).	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
37	Ability to detect employer overpayments and underpayments and process accordingly, either setting up an account receivable / account payable or carrying a positive / negative balance on the employer's account.	X			
38	Ability to record that a check received from a Member has insufficient funds and take corrective business actions.	X			
39	Ability to distinguish cash versus non-cash financial transactions (i.e., interest, miscellaneous credits to Member's account, etc.).	X			
40	Ability to distribute incoming funds to more than one receivable record for the same Member if appropriate.	X			
41	Ability to ensure, for all funds, that Member and employer reserves as indicated in the pension solution database are continuously in agreement with the general ledger reserve balances for same.	X			Supported by reporting and process controls
42	Ability to interface with ERSRI accounting package to export transaction detail to the GL in sufficient detail such that all deductions are accommodated (i.e., pension benefits "gross to net").	X			<p><i>Ariel</i> can generate the import files required by Dynamics to enable this exchange.</p> <p>ADP General Ledger (ADP GL) is a web-based product that provides enhanced functionality for posting payroll results. Clients enjoy easy access to payroll information from a GL perspective – while still receiving the traditional data file required for posting. Accounting professionals can more efficiently address inquiries regarding labor costs, which may not be reflected in the typical summary-level, payroll data imports into the GL system. Via a browser that accesses the ADP GL web site, your designated associates can access payroll data from a GL perspective and see consolidated data for all payrolls, data for individual payrolls, and department payroll data. Designated users also maintain control of changes and updates to the Chart of Accounts.</p>

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
43	Ability to initiate a cash receipt investigation process if incoming funds are received and a receivable does not exist	X			
44	Ability for authorized staff to interface to the existing chart of accounts with sufficient flexibility to maintain that interface should the chart of accounts change and to allow for the parameterized creation of new systems, funds, plans, etc.	X			Standard functionality for maintenance of chart of accounts
45	Ability to maintain a history of purged accounts.	X			Accounts are not purged but rather marked as inactive. History will continue to exist although the account will no longer be used.
46	Ability to match cash receipt information relating to incoming funds with corresponding receivable records	X			
47	Ability to post out-of-sequence wage and contribution cash receipts so as not to delay posting of subsequent months due to errors (e.g., "problem" months).	X			
48	Ability to process accounts receivable, cash receipts, accounts payable, cash payments and transfer transactions and pass them to the GL system according to the GL system's chart of accounts and by user defined timeframes	X			
49	Ability to process collected GL postings according to a changeable user-defined frequency parameter (daily, weekly, monthly, etc.).	X			
50	Ability to process cash receipts resulting from the reversal of a disbursement .	X			
51	Ability to process receipts (cash, checks, etc.) from both organizations and individuals.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
52	Ability to provide a defined and structured matrix mapping line-of-business transactions to their corresponding GL transactions and the appropriate accounts.	X			
53	Ability to provide a detailed history of all transactions processed.	X			
54	Ability to provide direct integration of the line-of-business system to the general ledger system without the need for any interim programmatic or manual reformatting process.	X			Dynamics AX Application Integration Framework supports bi-directional integrations.
55	Ability to provide fully automated bank account reconciliation functionality, including provision of user-friendly error reports and indication of out-of-balance conditions at a detailed level (i.e., at a sufficiently detailed level so that the user does not need to research where, within a "rolled-up number", a discrepancy exists).	X			
56	Ability to query on financial transactions based on SSN, payment types (including personal checks), check number, etc.	X			Where transaction is tracked at the member account level.
57	Ability to recognize and track overpayments and establish a corresponding receivable.	X			
58	Ability to reconcile the remittances of employer cash receipts with reported amounts.	X			
59	Ability to support a defined date format and ensure the consistent synchronization of various dates (business date, transaction date, effective date, etc.) between the LOB and GL systems.	X			
60	Ability to support all ERSRI systems / plans and all of their accounting funds, journals, chart of accounts, general ledger (GL) transactions, etc..	X			This is a yes to all ERSRI systems, plans, accounting funds, journals, chart of accounts, GL transactions identified with the RFP.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
61	Ability to support the processing / posting of a collection of GL transactions.	X			
62	Ability to automatically increment the cash receipt batch number each day.	X			
63	Ability to automatically ensure that Member and employer reserves as recorded in the Line of Business are continuously in agreement with the general ledger reserve balances for same.	X			Integration ensures agreement. Reconciliation through reports and supporting control processes
64	Ability to identify all cash receipts that have been received but not yet posted and include in the appropriate reconciliation reports.	X			
65	Ability to prevent or make impossible issuing a refund to a Member or employer that is in excess of their current account balance.				AX has ability to ensure a refund to an employer is not in excess of the employer account fund. Refunds will be managed through a workflow with authorization that will include this control.
66	Ability to track transactions exported to the accounting system back to the source transaction(s) through an extract date, a batch number or other relevant identifier.	X			
67	Ability to adjust and reverse any/all transactions generating appropriate audit trail information being generated.	X			Reversal process may vary based on the stage of the transaction and financial period. Process will always ensure the correct level of control and audit trail.
68	Ability to ensure that no zero or negative checks are issued.	X			
69	Ability to receive and process automatically a report (ERSRI - defined period: e.g., daily, but bank-defined format) communicating the bank's payment-related issues, including stop payments.	X			
70	Ability to receive and process automatically a report from the bank of a "paid file" (a list of the checks presented for payment).	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
72	Ability to generate and send automatically a report to the bank of an "issue file" (a list of the checks generated for payment).	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
73	Ability to produce a check register report that is exportable to MS Excel.	X			
74	Ability to split a remittance among multiple methods of payment (ACH, EFT, checks, etc.) including multiple instances of each.	X			Partial payments of amounts are allowed. As it relates payroll, 1099 payments can be split between checks and multiple bank accounts.
75	Ability to accept multiple ACH payments from multiple accounts from the same employer.	X			As it relates payroll, payments can be split between checks and multiple ACH accounts.

1.3.2 Death

Table 1.3.2 lists the detailed functional requirements for processing the death of an ERSRI Member.

Table 1.3.2: Functional Requirements for Death

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
2	Ability to automatically suspend retirement benefit payments and make appropriate payments to the designated beneficiaries of participants.		X		
3	Automatically calculate death benefits in accordance with ERSRI business rule	X			
4	Ability to accommodate multiple beneficiaries and calculation of death benefits eligible for rollover or taxation according to IRS regulations.	X			
5	Ability to both reverse and reconcile pension benefit payments made after date of death.		X		
6	Ability to produce notification of, and transfer, unclaimed benefits to the Employees' Retirement System unclaimed benefit accounts.		X		
7	Ability to, if a participant was receiving a supplemental pension benefit, automatically reduce the charge to respective units for billing purposes.		X		
8	Ability to update the Municipal reserve accounting system by unit and keep records for purposes of actuarial information.	X			A data extract interface can be built to extract the data and send it to the Municipal accounting system.
9	Ability to "freeze" account in the event of a contested death benefit	X			
10	Ability to automatically stop/hold monthly retirement benefit payment if date of death precedes payment date, and record the stop/hold on the account level so that staff processing the account are aware of the stop/hold the account are aware of the stop/hold.	X			
11	Ability to identify if a refund application, disability retirement application, or retirement application was filed prior to the Member's death, and if so, trigger appropriate workflow (and set the item as high priority).	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
12	Ability to capture information from contested death benefit correspondence (e.g., name of person contesting death benefit, reason contesting, ERSRI response, etc.); automatically notify (with ability to override) the designated beneficiaries; conditional routing will occur based on correspondence between ERSRI and the person contesting the death benefit.	X			
13	Ability to capture information related to a death notification (e.g., date received, date of death, contact person(s) name, address, and phone number, relationship to deceased Member, death certificate received indicator, etc.).	X			
14	Ability to automatically create a system generated payment correspondence and corresponding notification to other interested parties.	X			
		X			
15	Ability to determine that benefit checks for the month of death and/or subsequent months were not returned and if so, generate correspondence requesting reimbursement; alternatively, deduct the amount of benefits paid after death from the death benefit.	X			
16	Ability to generate a "check stub" for each death benefit payment.	X			
17	Ability to generate an Acknowledgement correspondence when a death notification (and other documents) is received and contact person information is available.	X			
18	Ability to generate a death benefit overpayment correspondence when applicable.	X			
19	Ability to generate an Estimated Death Benefit / Death in Service correspondence to include the estimated death benefit amount, beneficiary/survivor annuitant information, and what is needed to process the benefit payment (i.e., premium assistance reimbursement, monthly benefit payment reimbursement, etc.); include appropriate forms based on situation (e.g., rollover form, annuity election form, etc.).	X			
20	Ability to recognize if contact person information was entered at the time of notification, and if not, automatically generate correspondence to the beneficiary and/or the estate of the deceased requesting contact person information.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
21	Ability to add a beneficiary or other customer payee to monthly benefit payroll using a specific \$ amount or percentage derived from, for example, an accidental death benefit, an equitable distribution, etc..		X		
22	Ability to calculate (or override the calculated amount of) the death benefit (estimated and finalized) for all payment types and store not only the estimated benefit payment calculation information but also the final calculation results, preserving the detailed calculation for future reference. If an override is performed, the transaction must be accompanied by an audit trail including the reason for the override.	X			
23	Ability to create a survivor annuitant payroll record immediately upon notification of a Member's death where appropriate.	X			
24	Ability to cross-reference a survivor annuitant added to payroll and the associated deceased Member (e.g., both Member and spouse were in the retirement system).	X			
25	Ability to determine direct rollover eligibility and calculate the minimum distribution amount.	X			
26	Ability to determine all information about the Member/retiree/beneficiary when notified of death.	X			
27	Ability to display a check or EFT summary and/or check or EFT detail pertaining to each death benefit payment.	X			
28	Ability to display appropriate beneficiary information for all beneficiaries (e.g., last named beneficiaries/survivor annuitant on file, associated percentages, identification of multiple beneficiaries, beneficiary's/survivor annuitant's relationship to Member, etc.).	X			
29	Ability to handle the pro-rating of various deductions (e.g., medical, tax levy, child support, etc.) based on the date of death.	X			
30	Ability to identify if the deceased Member had a previous retirement/frozen annuity and process in accordance with plan provisions.	X			
31	Ability to identify if the deceased Member previously retired, received a retirement benefit, and then returned to service, and process in accordance with plan provisions.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
32	Ability to identify the benefit payment type (i.e., survivor annuity or pension account balance refund) established at the time of Member retirement to route the death benefit work request to the appropriate queue.	X			
		X			
33	Ability to identify where there are multiple payees (e.g., beneficiary, next-of-kin, survivor annuitant, etc.) and process separately, tracking the information ERSRI is waiting for from each beneficiary, and authorizing payment to those who have returned all necessary information while holding payment to payees whose information remains incomplete.	X			
34	Ability to preclude or prevent tax reporting number of the death beneficiary from being the same as the Member's when such a distribution requires.		X		
35	Ability to process death benefits according to specific "death in service" plan provisions.	X			
36	Ability to process multiple payments to multiple financial institutions in one transaction.		X		
37	Ability to process separate death benefits, possibly according to different processing rules, in cases where the deceased was receiving more than one monthly benefit check or belonged to more than one system.		X		
38	Ability to provide a Web utility for employers to electronically report the information currently reported on a Notification of Death form (e.g., deceased Member's name, date of death, unreported salary and wages, employer name, employer number, etc.).	X			
39	Ability to re-calculate the death benefit and perform appropriate communication when new information is received.	X			
40	Ability to re-calculate the distribution of the death benefit in the event a beneficiary predeceases the Member or a beneficiary waives the benefit.	X			
41	Ability to receive notification of death in various ways (e.g., Notification of Death form, phone, correspondence, returned check, Web utility, etc.), standardize the content, and trigger a workflow request	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
42	Ability to reverse a death entered in error; reinstate a payroll record removed in error without interrupting monthly payments or pay the benefit payments that were missed prior to the reversal (i.e., "catch up").	X			
43	Ability to standardize the content, information, and format on a notification of death whether received through a standard ERSRI form, phone call, or Web utility.	X			
44	Ability to store a summary transaction of the death events ("dead", payment made, payment amount, payee for each, etc.) based on detailed account transactions	X			
45	Ability to support the handling of Member death payments where there are multiple payments to be issued.	X			
46	Ability to suspend a specific process and generate a work request to Death Process for processing.	X			
47	Ability to track accounts/folders as they are routed from processor to reviewer and back.	X			
48	Ability to trigger automatic reminder to user if the Estimated Death Benefit correspondence is not sent out within five days of the death of date notification.	X			
49	Ability to update the tax files when a reimbursement amount (for benefits paid after date of death) is deducted from a death benefit.	X			
50	Ability to track returned benefit checks (in the case of a death); checks are to be returned for the month of death and any issued after the month of death.	X			
51	Ability to provide automated processes to ensure that the total paid to all beneficiaries is equivalent to the total calculated death benefit, less any Member overpayments or amounts due.	X			
52	Ability to create and maintain a record for a person who is not a Member of ERSRI	X			
		X			
53	Ability to update beneficiary information after the customer's death.	X			
		X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
54	Ability to manage receipt and subsequent processing of electronic death notices from various entities, e.g., Social Security Death Index.	X			
55	Ability to calculate and manage consequences of purchase of military service credit.	X			
56	Ability to capture and display the accounts receivable and payable balances of the deceased as of the date of death.	X			
57	Ability to automate the request for vital records from and pay fees to any in- and out-of-state government entity.	X			
58	Ability to issue a specified payment amount (with or without interest) to one or more recipients as the result of a hearing decision.		X		
59	Ability to send correspondence and/or payments to addresses other than those on permanent file, including sending copies of correspondence to multiple recipients (and keep records of same).	X			
60	Ability to transfer part or all of the benefit payment into a holding account until payment is claimed.	X			
61	Ability to automatically process beneficiary payment changes due to retroactive adjustments to a deceased pensioner's account, e.g., service disability, accidental death.	X			

1.3.3 Disability

Table 1.3.3 lists the detailed functional requirements for processing disabilities.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to check for eligibility, compute the benefit, and flag the participant in the system for both ordinary and accidental disability.	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
2	Ability to compute the pension by using the salaries posted in the system, or use a salary input by a retirement counselor subject to management approval.	X			
3	Ability to, upon an accidental disability, continue to accrue the contribution (including any pay raises or COLA'S) until actual termination..	X			
4	Ability to generate annual form letters to disability retirees requesting the status of their condition.	X			
		X			
5	Ability to automatically generate letters indicating disability approval or denial or "approval pending receipt of information" with a checklist of required items.	X			
6	Ability to generate and receive a feed to a third party to determine Members receiving disability benefits who have returned to work	X			
7	Ability to suspend benefit if disabled Member does not respond to "n" request for information	X			
8	Ability to provide the user the capability to search for and print documents for certain disability applicants (i.e., a subset of all applicants) based on the applicant's employer.	X			
9	Ability to capture and track benefit adjustment amounts (deduction of benefits received from Worker's Compensation) and dates and justifications associated with the adjustment.	X			
10	Ability to automatically generate correspondence to disability annuitants explaining reason for payroll adjustments.	X			
		X			
11	Ability to automatically generate and send form(s) associated with death of disabled Member who has selected a Joint and Survivor form of disability retirement.	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
12	Ability to generate an application for disability retirement form	X			
13	Ability to generate correspondence explaining "catch-up" payments.	X			
14	Ability for physicians, hospitals, employers, etc., to submit disability information remotely from their office via a Web utility.	X			
15	Ability to add new disability review status type and code.	X			
16	Ability to automatically produce correspondence notifying the Member of excess earnings, the amount of the benefit reduction, and options for how to pay / reimburse ERSRI for any overpayment (alternatively, Ability to recoup any overpayment due to excess earnings via a temporary reduction in monthly disability benefit amount, spread over a user-defined number of months).	X			
17	Ability to generate an Acknowledgement correspondence when a death notification (and other documents) is received and contact person information is available.	X			
18	Ability to handle all tax related implications with respect to disability payments, overpayments and reimbursements.				
19	Ability to identify all payments made to disability retirees.	X			
20	Ability to identify disability retirees by disability review status type.	X X			
21	Ability to identify Members, other applicants or employers who have not responded to ERSRI ' request for additional medical information.	X			
22	Ability to provide a single disability summary screen, possibly with multiple tabs, containing all information desired by ERSRI users.	X			
23	Ability to restrict various sensitive information.	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
24	Ability to retain paper form for the disability cases with the option to image the information and make it available in electronic form for review by staff and physicians.	X			
		X			
25	Ability to validate that Member meets the disability eligibility requirements (service, age, etc.).	X			
26	Ability to ensure that disability benefit calculations take into account final contributions and include any cost of living adjustments (COLA), escalation, etc., that occur during the period from the effective disability date to the date that the pension is determined.	X			
27	Ability to capture from external entities (e.g., Workers' Compensation and SSA) data that affects the process, the determination, and the benefit calculation and use it appropriately in the processing of the disability / accidental death application and in the calculation formula (e.g., accident report, SSA award and offset, Worker's Comp amount).	X			
28	Ability to image, index, and organize all documents associated with a disability.	X			
29	Ability to write all documents associated with a disability to secure web-site that is protected in such a way that it can only be read by an authorized individual. Such functionality will allow committee members to download disability "book" for adjudication. Members should be able to electronically hi-light, notate and refer back to comments they made.		X		

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
30	Ability to allow only authorized individuals to access disability related documents, to annotate those documents electronically (on their local PC – independent of connectivity to the offerors system), and save those documents in a way that limits access to authorized individuals.		X		

1.3.4 Employer Reporting

Table 1.3.4 provides the detailed requirements for employer reporting function.

Table 1.3.4: Functional Requirements for Employer Reporting

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
1	Ability to support all (approximately 145) employers located throughout the State.	X			
2	Ability to collect and edit contribution and service purchase payment data received from employers as defined by ERSRI business rules and generate a report of all data that fails edits.	X			
3	Ability to accept reported contributions on demand.	X			
4	Ability to differentiate between pre-tax and post-tax contributions		X		
5	Ability to tie contributions posted to the system to a payroll period ending date and update employee salary history for the appropriate month and year.		X		
6	Ability to calculate employee and employer contribution using the rates in effect on the ending date of the payroll.	X			
7	Ability to accept multiple transactions per employee per reporting period.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
8	Ability to accommodate employers that report by various methods: manually, by CD, and by electronic file transfer.	X			
9	Ability to selectively post one or more batches, including the ability to post ad-hoc and out of sequence.	X			
10	Ability to accept demographic/indicative (explanatory, i.e., is the person on leave, is this money for past contributions, "check changes" by type, retroactive payments, etc.) data and personnel actions from employers as part of the "contributions" processing, including effective date of change of indicative data.	X			
11	Ability to automatically identify and report employing unit-generated wage and contribution records being reported for service and disability retirees receiving benefits; allow override in this situation.		X		
12	Ability to confirm that contribution amounts received from employers equals the amount expected by ERSRI based on the contribution rates in effect on the last date of the payroll period. If confirmed data can be posted, if not, suspended.	X			Contributions will be invoiced and payments applied at the invoice level to track outstanding balances.
13	Ability to accept miscellaneous reported contributions (not a typical periodic contribution) and differentiate between pre-tax and post-tax contributions.	X			
14	Ability to create one monthly invoice to Rhode Island Department of Education for its share of employer contributions for local education authorities based on ERSRI rules. Also creates receivable in accounting system.	X			
15	Ability to accept payment of ERSRI invoice and reconcile against receivable.	X			
16	Ability to post multiple submissions from same employer unit at same time in any order.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
17	Ability to allow employers, on line, to enroll new Members, establish a Member's eligibility, and allow termination of employment processing by employers.	X			
18	Ability to post multiple submissions with no restrictions on the number of transactions	X			
19	Ability for retired employee and employer of retired employee to enter via the system the number of days worked per pay period, accumulate these days worked over a time period defined on an employer-by-employer basis, and notify whenever an employee reaches a limit defined on an employer-by-employer basis.		X		
20	Ability to create separate contribution accounts for Teachers Survivor's Benefits (TSB). This is a contribution made by the Local Educational Authorities (LEA) and employees for employees who work for LEAs that don't contribute to social security.	X			
21	Ability to easily reverse or transfer contributions received for Members entered in error or for periods of ineligible service, with an appropriate audit trail.	X			
22	Ability to easily reverse or correct data that enters the system in error, with an appropriate audit trail.	X			
23	Ability to identify rejected data on system provided exception reports and on-line in a format to facilitate corrective action. Produce automatic notices of unresolved errors until corrected.		X		
24	Ability to provide a series of system generated email to be sent to the reporting unit to attempt to resolve the discrepancy if one is determined to exist.		X		

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
25	Ability to assess late charges and/or interest or other penalties, based on user-defined parameters, to be applied to those employers who report information late; produce reminder notifications, invoke late penalties, automatically bill the units, and track the receipt of late penalties.	X			
26	Ability to generate reports, on demand, of processed contribution and demographic data, for in-house and employer reporting use.	X			
27	Ability to track and automatically generate a report identifying the employer reports received, employer reports not received, dates when employer reports were received, amounts received and any \$ differences due; automatically notify one or more contacts within an the agency that the report is available and can be viewed on-line.		X		A fully automated solution on this level could be difficult to deliver. Our scheduling tools can report on which reports
28	Ability to notify user whenever employer reporting information is received for a person who has already received an initial benefit.		X		
29	Ability to provide an audit trail of any adjustments in salary, contributions, or service made to a Member's account, including the ability to detail a Member's salary, contributions, and service by employer throughout the system and the Member's history.	X			
30	Ability to capture a Member's hire date or termination date from employer reports.	X			
31	Ability to capture staff and/or employer comments or notes regarding employer related information (e.g., delinquencies, transactions) as part of data file.	X			
32	Ability to capture employer demographic information, including the ERSRI-assigned employer number, employer name, multiple contacts, multiple addresses, multiple e-mail addresses, and other pertinent information.	X	X		

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
33	Ability to capture, track, and report Member personnel status codes (Hire Date, Re-Hire, Leave Without Pay, Terminate, Suspension, etc.) from employer via manual inputs; must include capture and tracking of status code start / end dates.	X			
34	Ability to produce a turn-around document reflecting the employer's information reported to ERSRI showing current salary, contributions, and change balances in the order in which the employer submitted the information	X			
35	Ability to provide an on-line report of Member's account history by agency by date range.	X			
36	Ability to accept positive or negative adjustment transactions received on an employer's wage and contribution report, and to automatically take appropriate action in the case of a negative result.				
37	Ability to allow ERSRI user to post (when there are individual records with errors) all the validated Member records and suspend those Member records containing errors and generate a report and save for later repair; OR ability to capture User changeable threshold parameters based on the number of errors encountered; X records with errors prevents posting of the entire report; Y prevents only erroneous records from posting.	X			
38	Ability to accommodate employer-reported data adjustments to prior periods as well as information for the current period; adjustments must be "post-able" at either the agency level or the employee level, whichever is appropriate for the type of adjustment being submitted.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
39	Ability to accommodate Members who may share a job position but only one of the Members accrues service credit based on the shared employment; accommodate unique status code for shared job positions; the person working fewer hours typically is in a not active status and the "majority" worker gains service credit as an "active" Member.	X			
40	Ability to accommodate multiple employment status codes (full-time salary, full-time hourly, part-time salary, part-time hourly, part-time per diem, etc.) for a Member employed by one employer or multiple employers.	X			
41	Ability to apply cash receipts or disbursements to outstanding employer and Member receivables and payables.	X			
42	Ability to assign an "effective" period(s) to employer submitted data.	X			
43	Ability to automatically create appropriate general ledger transactions for employer payment receipts (e.g., monthly remittance of contributions) and disbursements (e.g., refunds of employer overpayments).	X			
44	Ability to automatically scan employer reporting disks, CD's, etc. for viruses prior to processing the report.	X			Any media sent to our facilities for processing will be scanned as described. We cannot assure that data received and processed locally on ERSRI computers will be scanned.
45	Ability to classify employer data errors according to their severity (with posting of data permitted for less severe conditions, but posting suspended for critical errors).	X			
46	Ability to create and delete individual records within the employer data file subject to ERSRI internal audit controls, limited to specific users.		X		

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
47	Ability to create appropriate general ledger debit and credit memos for differences and corrections in employer reports.	X			
48	Ability to display any adjustment made in employee's salary, contributions, and service and display those adjustments at both the summary level and the detailed transaction level.	X			
49	Ability to electronically interface with multiple banks and accounts containing daily information for employer remittance lockbox deposits or ACH deposits.	X			
50	Ability to flag and investigate Members with improper withholdings or suspect wages and service credit.	X			
51	Ability to issue credit/refund to employer that reports employer and/or employee contributions paid for a non-qualifying employee.	X			
52	Ability to maintain the data relationship between the employer and Member.	X			
		X			
53	Ability to maintain year-to-date balances of total employer and employee contributions for each employer.	X			
54	Ability to merge employers, combining data from old employers into the new employer, but retaining the ability to query on historical	X			They approach would involve the transfer of active balances to the new employer and leaving the old inactive account present for the purpose of inquiry.
		X			
55	Ability to process employer submitted information (salary, contributions, and service) with various reporting frequencies.	X			
56	Ability to provide a real-time processing, validation, and error reporting of employer reports including real-time summary, reconciliation, and out-of balance notifications of any data file received from an employer, including data file totals and number of detail records.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
57	Ability to provide an edit for concurrent time (i.e., an employee contributing in two places), which may be allowable if the Member is enrolled in two different plans, and prompt the user to check further into the circumstances.	X			
58	Ability to provide front-end validation that only one period of wages and contributions is being reported or ability to accept employer report covering multiple periods	X			File header or file name would need to support which rule is to be validated.
59	Ability to provide front-end validations to determine whether reporting dates have already been posted on a Member level, and if so, alert user and employer to investigate.	X			Would be triggered as exceptions when the file is processed.
60	Ability to provide fully Web-enabled employer "self-service" in submitting data, receiving feedback on the validity of that data, and making needed corrections with near 24x7 availability..	X			
61	Ability to re-execute data validations and recalculate data file totals after a correction is made or records have been created or deleted, subject to ERSRI internal audit controls.	X			
62	Ability to retrieve and review prior wage and contribution reports as reported by the employer including the means and media by which it was reported.	X			
63	Ability to reverse the processing of wage and contribution reports that were submitted by an employer in error and attach electronic notes as to why this was done.	X			Notes recorded in <i>Ariel/360 CRM</i> . Reversal will require submittal of a reversing file.
64	Ability to support the existing file format(s) used by ERSRI employers.	X			
65	Ability to support the lowest level of detail in the Member account based on various employer reporting frequencies, e.g., weekly, bi-weekly, semi-monthly, and monthly.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
66	Ability to maintain a payment schedule unique to each employer that can be used to automatically generate follow-up notices to delinquent employers, create reports, etc., and ability to accept other unscheduled payments.	X			
67	Ability to support the posting of valid employer wage and contribution data to the Member's account by the employer without intervention by ERSRI personnel.	X			
68	Ability to provide employer self-service capabilities that allows updates to Member contribution and wage related data.	X			
69	Ability to allow Member enrollment by the employer via employer self service either through submission of initial wage and contribution data or through a separate employer self-service Member enrolment process.	X			
70	The ability to provide a testing and training area for the WEB self service functions of the employer.	X			
71	The ability to build streaming video training functions into employer web self service.	X			Ability exists to integrate content. Production of material not included in our fees.
72	The ability to provide employer reporting web self service features to support both the smallest employer and the largest (e.g. data file upload and validation, on-line data entry, and pre-population of reports based on previous month submission, etc.).	X			
73	The ability for employers to access the forms library via the web and prefill when logged into the secure site.	X			
74	Ability to capture employer demographic information and updates, including multiple contacts, multiple addresses, multiple e-mail addresses, and other pertinent information through the employer web self-service functions.	X			
		X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
75	Ability to assign ERSRI -created identification codes and pay-period dates to each component of compensation as reported in an employer's report, (e.g., Base Salary might be Code 1001, Overtime Code 1002, Loan Payment 1003, Arrears Payment 1004, ...).	X			
76	Ability to capture statistics about employer error and warning rates, to analyze trends and to share with employers.	X			
77	Ability to have a fully WEB-enabled, employer-specific wage and contribution calculator.		X		Would require some customization to provide a user-friendly calculator that specifically matches ERSRI's plans. Would be based on configured data and information stored in the system.
78	Ability to generate formal invoice to employer including up-to date detail of contributions owed.	X			
79	Ability to create annual or special invoices to respond to legislation changes, retrospectively, such adjustment to be parameterized such that the modifications can be accomplished by business analysts, not IT resources.	X			
80	Ability to handle flexible payment schedules.	X			
81	Ability to un-apply a cash receipt.	X			
82	Ability to calculate and apply delinquent interest and have override of same.	X			Delinquencies can be calculated. Ability will be based on the specific method of calculation desired.
83	Ability to recalculate an invoice based on a revision / adjustment of the employer or employee record or the snapshot data (see below).	X			
84	Ability to augment the demographic information contained in the current employer record to include all appropriate financial data, e.g., amounts paid, amounts outstanding, interest adjustments, including historical data.	X			
		X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
85	Ability to add new employers and plans to the system and to change the plans associated with new and existing employers (including the ability to bound the plan entry dates).	X			
		X			
86	Ability to produce the appropriate system based GL journal entries related to the employer invoice payment..	X			
87	Ability to automatically create a financial statement for each employer in response to employer request and based on employer supplied date range.	X			
88	Ability to query and report on those employers and Members who are in suspended status.	X			
		X			
		X			

1.3.5 Health Insurance Enrollment and Administration

The section outlines requirements for health insurance enrollment. The Department of Administration (DOA) provides health insurance to its retirees. Although ERSRI is the collection agent for health care premiums, the enrollment and ongoing administration of the health care plans is performed by DOA, Office of Employee Benefits. The following table details the requirements for the health insurance enrollment and administration. In addition to filling out this table, offeror is asked to identify any other functionality provided that would be considered as added value. Of specific interest are the reports associated with health insurance enrollment and administration. Offeror shall provide a list of these reports and samples of each.

Table 1.3.5 provides the detailed requirements for the Health Insurance Enrollment and Administration function.

Table 1.3.5: Functional Requirements for Health Insurance Enrollment and Administration

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
1	Ability to provide for a browser-based enrollment application for all health plans offered to ERSRI retirees.	X			
		X			
2	Ability to generate new enrollment/open enrollment/status change mailing/emailing for eligible accounts using the retiree health care eligibility rules.	X			
		X			
3	Ability to pre-populate enrollment forms with appropriate Member or retiree information and to allow for correction of that information by the user. User should have the capability of selecting data elements and specifying where on the form they would appear.		X		Pricing estimates include three pre-populated enrolment forms. Users could manipulate the forms once created to move elements, but with the risk that they may introduce errors; only trained users should have access.
4	Ability to have forms for health care enrollment made available to eligible retirees consistent with the retiree health care eligibility rules, via the internet.	X			
		X			
5	Ability to process enrollment either by return of application or by via web enrolment.	X			
		X			
6	Ability to automatically default or terminate insurance coverage for conversion to new contract year.	X			
7	Ability to automatically recalculate all necessary insurance amounts due to new insurance contract year criteria; or due to COLA.	X			
8	Ability for User to enter system-wide structure changes in insurance carriers, contract rates, premiums, plans, options, and levels.	X			
9	Ability to generate unique ID per insured SSN for use on insurance cards.	X			
10	Ability to handle qualifying events, (i.e., disabilities, death, marriage).	X			
		X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
11	Ability to track, during open enrollment, Members that have not yet enrolled and to generate statistics and appropriate correspondence as necessary, including via email.	X			
		X			
12	Ability to enter potential retiree into "pending status". "Pending status" means that Member has submitted Health enrollment form, but has not been officially approved for retirement.	X			
		X			
13	Ability to activate retiree health coverage (if pending) upon official approval for retirement.	X			
		X			
14	Ability to calculate health care premiums from date of coverage to date of first pension check received.	X			
15	Ability to export data, i.e., applications, changes, terms, qualifying events, to 3rd party health insurers.	X			
16	Ability to provide the necessary data to enable insurance payments to 3rd party insurers and to tie these amounts into the appropriate plan codes/general ledger accounts.	X			
17	Ability to provide a detailed accounting of all insurance based transactions, i.e., payroll, refunds, etc. for any specified time frame that is searchable and sortable.	X			
18	Ability to report on insurance (census) information overall for upper management and needed annual reports.	X			
19	Ability to review historical data sent to companies/TPAs	X			
20	Ability to view insurance detail and summary reports generated from payroll.	X			
21	Ability to create a report of necessary data to enable insurance payments to 3rd party insurers and to tie these amounts into the appropriate plan codes/general ledger accounts.	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
22	Ability to issue multiple notices for premiums due and to issue delinquency notices and cancel insurance coverage where payments are not collectible.	X			
23	Ability to collect and track premium receivables and to process payments (by Accounting) to ERSRI by checks or electronic debits.	X			
24	Ability to deduct insurance premiums from annuities and to deposit the annuity balance into a retiree's banking account	X			
25	Ability to determine if the retiree's monthly annuity has sufficient funds to cover the monthly insurance premium and, if inadequate, generate future deductions until all premiums are paid.	X			
26	Ability to accommodate insurance refunds and premium owed payments in arrears, with sufficient detail to reconcile refund payments from company to specific ERSRI accounts.	X X			
27	Ability to redeposit insurance refund amount from company, automatically adjusting YTD totals, insurance history data, reciprocity billing data, and issuing payment to Member.	X			
28	Ability to request refund for premium due to death.	X			
29	Ability to deduct Medicare imposed penalty fees from retirees.	X			
30	Ability to manually enter refund/deductions either one-time or over a specified time.	X			
31	Ability to account for and handle state subsidies in determining net premiums for health insurance.	X X			
32	Ability to assess the "before and after" impact of premium changes across the systems.	X			
33	Ability to reconcile data differences with insurance companies/TPAs (demographic, enrollment).	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
34	Ability to write-off uncollected insurance refund amounts.	X			
35	Ability to produce automated correspondence for recurring communications to retirees.	X			
36	Ability to acknowledge receipt of insurance application noting deduction amounts.	X			
37	Ability to generate confirmation of enrollment including all elections.	X			
		X			
		X			
38	Ability to issue and track correspondence (certified mail) and other correspondence to document changes to a retirees insurance account.	X			
39	Ability to automatically adjust all necessary insurance amounts when account is updated due to address changes, service adjustments, retirement date corrections.	X			
40	Ability to handle cross referencing of insurance between state employees and/or retirees who coordinate their benefit payments and related correspondence, and maintain detailed information about cross-referenced accounts including SSN, date of birth, name, relationship.	X			
41	Ability to keep track of COBRA requirements.	X			
		X			
42	Ability to maintain history of insurance rates, import current rate history, including breakdown of insurance amounts of individual Accounts.	X			
43	Ability to notify Health Care staff if an account address change results in invalid coverage area.	X			Could also automatically trigger an employee notification and enrolment event.
44	Ability to process health applications or adjustments in multiple pay periods through the use of an effective date.	X			

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
45	Ability to process pre-payment of premiums for periods of up to six months (i.e. prepayment through fiscal year-end and prepayment through calendar year-end); must be able to accommodate refunds/adjustments in cases of deaths or when amount due changes for any reason.	X			
46	Ability to review and update pending transactions separately or as a group.	X			Various editing options are available. Availability depends on what specific transaction type is referred to.
		X			
		X			
47	Ability to track/search/locate unlimited dependents and associated information (age, full-time enrollment in school, etc.) and to generate appropriate correspondence and premium adjustments / terminations when a dependent no longer meets insurance qualification criteria.	X			
		X			
48	Ability to scan and index documents and tie them to the retirees health care record.	X			
49	Ability to allow retiree and dependants to have multiple policies.	X			Split policies are supported
		X			

1.3.6 Multiple Service

Table 1.3.6 provides the detailed requirements for employer reporting function.

Table 1.3.6: Functional Requirements for Multiple Service

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
1	Ability to transfer service credits, monies, or other data between systems.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
2	Ability to capture basic Member information as it relates to processing a multiple service application where the person is not a "Member" of the system.	X			
3	Ability to ensure that overlapping multiple service does NOT result in granting more than one year of service credit for each year worked by Member.	X			
4	Ability to generate new welcome correspondence / enrollment packet and establish a deadline for its return.	X			
5	Ability to determine eligibility for multiple service at ERSRI.	X X			
6	Ability to determine if Member had a break in service.	X			
7	Ability to determine if Member is full-time or part-time.	X			
8	Ability to provide indication of multiple service processes completed within Member account (i.e., a check list, which is updated throughout the process), including the ability to adjust for overlapping and concurrent service.	X X			
9	Ability to track status of transfer request for Members that apply for multiple service credit – taking into consideration the multiple service rules.	X X			
10	Ability to look up transfer reserve in file provided by actuary to calculate transfer monies for those cases which require it.	X			Process would need to be established at ERSRI; <i>Ariel DB</i> can be configured to calculate Member service amount and values to be transferred.
11	Ability to automatically generate documentation of the full set of options that a Member faces	X			

1.3.7 Payroll and Other Payments

Table 1.3.7 provides the detailed requirements for payroll and other payments function.

Table 1.3.7: Functional Requirements for Payroll and other Payments

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to perform all payroll functions required for all on-demand, one-time, and periodic payments of benefits.	X			The payroll solution provides the ability to process off-cycle checks. The payroll solution also offers optional paperless paycard service.
2	Ability to automatically calculate an exclusion percent for income tax purposes on post-tax contributions upon retirement.	X			The payroll solution would be setup with all the applicable pre/post tax calculations as required.
3	Ability to, when processing retirements, transfer account balances from the employee and employer to the retirement reserve account.	X			
4	Ability to provide the full functionality of a current, state-of-the-art payroll system for the payment of benefits.	X			
5	Ability to provide for an adjustment process by which initial benefit payments may be made on an estimated basis, subject to later adjustment when all contributions, salary, and service credit records become available.	X			
6	Ability to provide for an expandable number of voluntary and involuntary deduction types. Process should allow user to specify: whether deduction is pre-/post-tax, to whom deduction is sent, and to what G/L account is it posted.	X			The payroll solution provides the ability to track unlimited pre and post tax deduction types. These deductions would also be assigned to the appropriate GL account for GL posting purposes.
7	Ability to accommodate user maintained deduction priorities.	X			The payroll deduction tables provide the ability to allocate deduction priorities.
8	Ability to accommodate automatic deferral and later recapture of deductions in the event of a negative net amount.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
9	Ability to accommodate single, one time deductions.	X			
10	Ability to accommodate deduction effective and termination dates.	X			The payroll solution is an effective dated system that allows for the ability to 'future' date actions such as, for example, deduction terminations or suspensions, while tracking unlimited deduction history.
11	Ability to enable the suspension of all deductions.	X			The payroll solution is an effective dated system that allows for the ability to 'future' date actions such as, for example, deduction terminations or suspensions, while tracking unlimited deduction history.
12	Ability to provide on-line deduction history.	X			The payroll solution is an effective dated system that allows for the ability to 'future' date actions such as, for example, deduction terminations or suspensions, while tracking unlimited deduction history.
13	Ability to provide for the designation of deduction types, and the flexibility to add or delete deductions.	X			
14	Ability to provide for the incorporation of Federal withholding tables, Rhode Island withholding tables, and other State withholding.	X			The payroll system tracks all the appropriate Fed, State and Local taxing information within the applicable tax tables.
15	Ability to provide for the calculation and withholding of taxes on single payments and retroactive adjustments.	X			
16	Ability to provide for the ability to support withholding amounts based on withholding tables, flat amount, or percentage of gross or net pay.	X			The payroll system tracks all the appropriate Fed, State and Local taxing information within the applicable tax tables.
17	Ability to provide the ability to treat disability benefits, including workers compensation offsets, appropriately for tax purposes.	X			Various offsets can be set up on payroll.
18	Ability to support full on-line functionality for the maintenance and production of data files to be sent to the State Controller's office for 1099Rs and associated transactions.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
19	Ability to identify the fund, including multiple funds, from which each payment is made.	X			
20	Ability to pay multiple alternate payees, including lien, levy, garnishment, and approved court orders processing.	X			The payroll solution offers an optional service that tracks garnishments and handles the garnishment disbursements.
21	Ability to direct deposit and pre-notification.	X			
22	Ability to process and pay one time transactions, for an individual or user specified group.	X			
23	Ability to process stop payment and replacement check transactions on-line, utilizing the same payment process. This would involve possible BAI formats from local banks.	X			The payroll solution also offers an optional paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
24	Ability to treat and pay disability retirement benefits separately from other retirement benefits, including the ability to offset disability retirement benefits with workers compensation awards for the same disability.	X			
25	Ability to treat and pay death benefits to both the estate and beneficiaries of a deceased participant.	X			
26	Ability to offset Workers Compensation amounts, dollar for dollar, against specified portions of the retirement allowance.	X			Various offsets can be entered in payroll
27	Ability to create retroactive retirement payments and hold them in a suspense file, through workflow, pending receipt of verifying documents.	X			
28	Ability to incorporate annual cost of living adjustments based on individual plans and units.	X			
29	Ability to differentiate between those Members that have and those that do not have a COLA provision and what type of COLA is chosen.	X			
30	Ability to switch from compounding to non compounding.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
31	Ability to support moving Members from an active status to estimated payroll and from estimated payroll to full benefits.	X			
32	Ability to, if all contributions are not received from a unit, compute a "best information" payment and upon receipt of final contributions, adjust the pension payment and make any necessary retroactive payment or reduction.	X			
33	Ability to, if contributions are received from Members receiving a pension, place the contributions in a suspense account, generate a report identifying those participants, and when ERSRI determines that the contribution is valid, permit the user to post the suspense transaction to the participant account.	X			
34	Ability to report Members who are both receiving benefit checks and making contributions.	X			
35	Ability to prohibit the editing of the date of retirement without supervisor approval.	X			The retirement date is maintain in the <i>Ariel 360</i> CRM event and cannot be changed once the request is created.
36	Ability to require supervisor approval of ALL monetary adjustments before approval into the system and subsequently the payroll.				
37	Ability to maintain and track reason codes ("English") for deactivating a pension.		X		Reason can be recorded in <i>Ariel 360</i> without customization.
38	Ability to edit the contributions to the Survivor Benefits Fund and compute benefit payments.	X			
39	Ability to edit for beneficiaries, which include only spouse, dependent under 18 (or 23 in school), or dependent parent.	X			
40	Ability to generate letters every semester to request information to confirm if the student is still attending school.	X			
41	Ability to track survivor benefits, automatically reducing the benefit when the dependent student reaches the age of 23.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
42	Ability to, when a retiree dies, provide the functionality to suspend retirement benefit payments, and to make appropriate payments to the designated beneficiaries of participants.	X			
43	Ability to track actions associated with the death, e.g., receipt of death certificate.	X			
44	Ability to generate a report of deceased Members, indicating the beneficiaries and their SSN, as well as the new pension amount that would apply to the beneficiary.	X			
45	Ability to, upon a payroll being generated, provide a reconciliation of the transactions that make up the payroll, starting with the prior month's balance and reconciling the changes such as deductions, COLA's, one-time adjustments, deaths, suspensions, and new pensions; this reconciliation report is to be available in summary form, as well as detail.	X			There are several delivered reporting tools that offer the ability to create summary as well as detailed reports. The reporting tool allows users, based on their security, to access any number of fields within the system. These reports can be setup to run on a pre-determined schedule with email notifications.
46	Ability to produce a pre-check payroll listing.	X			
47	Ability to automatically calculate pro-rated payments for partial months and 'catch up' payments for multiple months.	X			
48	Ability to provide the capability to adjust the pension based on the new contributions and salary and make retroactive adjustments; before updating the pension, alert users that contributions have been received for the retiree; if the contributions are deemed to be valid, the user must authorize the update; if the contributions are invalid, allow the user to refund the money.	X			
49	Ability to provide balancing reports as a tool for users to quickly balance the payroll and transfers from one month to the next.	X			There are several delivered reporting tools that offer the ability to create summary as well as detailed reports. The reporting tool allows users, based on their security, to access any number of fields within the system. These reports can be setup to run on a pre-determined schedule with email

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
					notifications.
50	Ability to support multiple tax exclusion calculations, i.e., the Safe Harbor method.	X			
51	Ability to provide for electronic fund transfers to the clearing bank.	X			The payroll solution also offers an optional paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
52	Ability to provide check reconciliation capabilities, including tracking all batch generated and demand-generated checks, voids, deposits, and bank charges.	X			The payroll solution also offers an optional service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
53	Ability to provide ability to clear checks via bank interface, individually, or within a user specified range.	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
54	Ability to generate a direct deposit tape or transmit electronically to the paying bank.	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
55	Ability to accept feed from the bank identifying which checks have been cashed.	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
56	Ability to, once the check reconciliation is verified by management, allow for the total payroll amount to be deducted from the appropriate general ledger account.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
57	Ability to charge the appropriate amount from the Municipal or State reserve for its respective portion of the payroll; for the Municipal reserve, charge the individual units their portions of payroll.		X		Need to ensure the correct configuration and processes. Dependent on the allocation method.
58	Ability to provide for processing adjustments to payrolls subject to management controls that allow for the approving and processing of adjustments.	X			The payroll solution provides the ability to schedule off-cycle adjustments or make adjustments during the regular payroll run.
59	Ability to provide for pension payroll checks to be sent to alternate addresses based on effective dates of dates.	X			
60	Ability to rebate medical coverage money taken in error and send as a batch file to the State Controller.	X			
61	Ability to automatically generate four months in advance notices (form letter) of option changes for retirees turning 62 who have elected the SRA Plus/Social Security Option; include the detail of the amount to be paid; adjust the COLA (if applicable) and reduce the pension by the appropriate actuarial social security reduction.		X		Some minor customization will be required to comply.
62	Ability to compute COLA percentages and produce a report of those participants receiving a COLA showing the current pension and current COLA and the change to take place upon management approval.	X			
63	Ability to accommodate both compounded and non-compounded COLA adjustments as per the ERSRI business rules.	X			
64	Ability to automatically generate (aggregated, if appropriate) payments (with explanation of payment and recovery amounts) to providers based on deduction and plan issues (i.e., state co-payments, state subsidies, etc.).	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
65	Ability to automatically produce a Monthly Payroll Summary Report for reconciling a given month's benefit payroll to that of the preceding month prior to printing the actual checks (by reflecting the net effect of all new benefits, benefit adjustments, benefit reinstatements, and benefit deletion transactions that were posted during the payroll period against the prior period payroll; the report should also indicate the expected number of checks to be produced (i.e., number produced in the previous pay period, plus number of new retirements, plus number of reinstated retirees, minus number of retirees suspended / terminated); separate detail reports should be available on demand as backup to the Summary Report – including: New Retiree Detail, Monthly Benefit Adjustment Detail, Reinstated Retiree Detail, and Retirees Suspended / Terminated Detail.	X			There are several delivered reporting tools that offer the ability to create summary as well as detailed reports. These reports can also be setup to run on a pre-determined schedule.
66	Ability to automatically produce at the conclusion of every check run a report of the number of checks printed, the total amount of all checks printed, and the check number of the first and last checks printed.	X			
67	Ability to ensure that for each check successfully changed to "void" status, a corresponding automatic entry is made to the general ledger.	X			
68	Ability to ensure that only users with appropriate permissions are able to access and update the check print file.	X			The payroll solution is delivered with robust security parameters allowing for an unlimited number of security profiles. These profiles can be setup for a class of users or for unique user roles and responsibilities.
69	Ability to ensure that the first check printed is numbered with the next available check number and that all remaining checks are numbered sequentially.	X			
70	Ability to ensure that the number of checks printed agrees with the number to be printed per the print file.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
71	Ability to produce (and save indefinitely) an accurate check register file, identified as a 'trial' or 'final' run, such that all amounts and check numbers can be reconciled with the actual checks produced.	X			
72	Ability to process returned benefit checks and update Member's account accordingly.	X			
73	Ability to capture "bulk" changes in bank routing numbers (supporting bank mergers) for direct deposit of retiree payments and updates (e.g. update all payee records with new routing number).	X			
74	Ability to capture all types of stop payments (retirements, refunds, direct rollover, vendor payments, etc.) including the date of stop payment and a reason for the stop payment.	X			
75	Ability to capture changes in individual and bank routing numbers for direct deposit of retiree payments.	X			
76	Ability to capture check / payment statuses, including cancellation status at the check level, the account level and the person level since some individuals receive multiple checks for numerous reasons.	X			
77	Ability to capture information from checks that were returned to ERSRI but not deposited and initiate workflow process for investigation and corrective action.	X			
78	Ability to automatically generate correspondence to the Member explaining that he/she has received two consecutive outstanding checks that have not been cashed or if a check is outstanding for more than 60 days.	X			
79	Ability to generate separate monthly benefit and refund reports identifying the monthly journal entries posted to GL and a summary of all benefit payrolls, taxes, and adjustments.	X			There are several delivered reporting tools that offer the ability to create summary as well as detailed reports. These reports can also be setup to run on a pre-determined schedule.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
80	Ability to produce a report (user-defined period: e.g., daily) notifying the bank of concerns/issues relating to checks, including any stop payments that need to be authorized.	X			
81	Ability to accommodate an automatic check reconciliation process (as opposed to a manual paper reconciliation process) for multiple checking accounts – with all accounts being handled in the same manner.	X			
82	Ability to fully reconcile all pension payments/receipts against bank payments/receipts.	X			
83	Ability to identify the type of payment made to a vendor or Member (i.e., system-generated check, manual check, or wire transfer).	X			
84	Ability to match stop payment requests to payments made that have not yet cleared.	X			
85	Ability to process a response from the Member relating to uncashed check and to reissue a new check and send that transaction to the office of the Treasurer to generate the actual check.	X			
86	Ability to process ACH rejects electronically and via paper and to reissue check or new ACH and tie check to rejected ACH payment.	X			All accounts are pre-validated with a zero-dollar transaction before an actual ACH transaction is initiated. This ensures a very low error rate.
87	Ability to process manual payment transactions (on a very special case-by-case basis with the highest of security / audit levels) for situations where an immediate disbursement must be made.	X			The optional paperless payroll service called Totalpay can streamline the manual check process with the one-time Instant Check feature.
88	Ability to record and report the number of consecutive ACH rejects for each annuitant	X			
89	Ability to support the creation of one-time special checks tied to Member's account.	X			
90	Ability to support the following types of check payment types: original, replacement, reissue, re-sent, etc.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
91	Ability to support the setup and creation of recurring payments (pension payroll).	X			
92	Ability to support the transfer of direct deposit information to the office of the Treasurer for running payroll.	X			
93	Ability to tie various addresses and bank routing information to the check (not necessarily just the Member) for those cases where a person wants his/her checks / payments to go to different places / accounts.	X			ADP's self-service offers members the ability to tailor their desired check destination. Single checks cannot be redirected. For those paid electronically, members can allocate any number accounts where their payment should be deposited.
94	Ability to track each step of the stop payment process, including that it was sent to Treasury / bank for investigation and the results of that investigation.	X			
95	Ability to capture and maintain separate disbursement addresses for refunds, death benefits and annuity.	X			
96	Ability to track income verifications, i.e., Member / company / agency requesting income verification, including date received and date information was returned for both active and retired Members.	X			
97	Ability for Member, via web self-service, to obtain printable proof of contribution account balance and/or monthly pension benefit.	X			
98	Ability to create and maintain exception types and codes.	X			
99	Ability to produce various reconciliation reports used to reconcile the COLA increase, escalations, etc., and ensure that the overall pension payroll is balanced before any disbursements are issued.	X			
100	Ability to recalculate unattended process totals after a payroll exception/error is corrected or if records are created or deleted; new summaries must be displayed for the corresponding payroll process.	X			The payroll solution provides the ability to run pre-payroll results with corresponding summary audit reports. Once the 'preview' is approved a 'final' run can be submitted for processing.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
101	Ability to support a reconciliation process for all payroll transactions against ERSRI accounting system (to be performed after payroll validation).	X			
102	Ability to track and reconcile benefit recipients receiving any third party payments against amounts deducted for those payments in payroll run.	X			Possible if there is an indicator that they are receiving 3 rd party payments.
103	Ability to capture and update direct deposit information.	X			
104	Ability to capture and update key financial institution information.	X			
105	Ability to capture file format changes for deposits and disbursements dictated by third party payroll service provider (this should be done through a parameter driven menu requiring no recoding).	X			
106	Ability to capture, update, and validate bank routing numbers and cross match with financial institution name and address.	X			Supported by both Dynamics and ADP.
107	Ability to enter one or more messages (to be determined conditionally) to be printed on a check stub or ACH advice for all or a subset of disbursements.	X			
108	Ability to receive and update payroll information from third party payroll service provider.	X			Possible, but interface with provider other than ADP not included in our pricing.
109	Ability to automatically generate correspondence notifying Member of adjustment to monthly check or when there is a change in the amount.	X			
110	Ability to combine correspondence about check change with COLA correspondence.	X			
111	Ability to generate a "Check Change correspondence" when a benefit payroll amount is adjusted/changed (combining multiple adjustments into a single correspondence), including variable paragraphs based on nature of the adjustment.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
112	Ability to generate comprehensive reports listing all changes that took effect since previous report or since previous month's pension payroll (additions, deletions, modifications, old amount vs. new amount, changes in tax withholding, name changes, etc.).	X			
113	Ability to generate an additional information correspondence to the Member, beneficiary, survivor annuitant, financial institution, etc.	X			
114	Ability to generate Check Register Report.	X			
115	Ability to generate Deduction Register Report.	X			
116	Ability to generate Direct Deposit Register Report.	X			
117	Ability to generate exception reports after the COLA adjustments, etc., have been applied.	X			
118	Ability to generate Monthly Benefit Adjustment Detail Report.	X			
119	Ability to generate New Retirees Detail Report.	X			
120	Ability to generate Payment Register Report.	X			
121	Ability to generate Pension Exception Report.	X			
122	Ability to generate Reinstated Retirees Detail Report.	X			
123	Ability to generate Retirees Suspended/Closed Detail Report.	X			
124	Ability to generate various Acknowledgement correspondence for name, address, W4P, and direct deposit changes	X			
125	Ability to generate various correspondence to the Member (annuitant) regarding attachments, garnishments, IRS payoff amounts for tax levies, end of benefit date, etc.	X			
126	Ability to generate various payroll control reports.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
127	Ability to include MICR encoding on checks and to include MICR code numbers, when appropriate and applicable, in check file transmitted to check print provider.	X			
128	Ability to process year end payroll reporting for fiscal and/or calendar year.	X			
129	Ability to provide a report identifying all demographic changes made to retirees accounts for a user defined period.	X			
130	Ability for user to maintain the COLA percentage at the fund level.	X			
131	Ability to accommodate active employee payroll deductions to pay for purchased service credit on installment basis (allowable for first XX months after retirement).	X			
132	Ability to accommodate QDRO payments (fixed amount or fixed percentage of benefit) and related COLA processing.	X			
133	Ability to accommodate the addition of onetime special subsidies that the Legislature/ Board may choose to award.	X			
134	Ability to add survivors to payroll for either recurring payments or one-time payments.	X			
135	Ability to apply Cost of Living Allowance (COLA) to a payroll transaction when applicable.	X			
136	Ability to apply the new pension benefit automatically depending on various options chosen (accelerated or joint coverage) and applicable life events (e.g., death, attainment of age 62, etc.).	X			
137	Ability to automatically adjust a monthly benefit payment amount to recover disability/retirement overpayments until the debt is satisfied.	X			
138	Ability to apply COLA that occurred when a Member's benefit was suspended, when the benefit is resumed.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
139	Ability to automatically redistribute pension amounts to beneficiaries upon qualifying event, e.g., remaining dependent children when one of the dependent children reaches age 18.	X			Not automated, usually manual, low volume process
140	Ability to automatically terminate benefits to beneficiaries upon a qualifying event, e.g., to a dependent child upon his / her reaching age 18.	X			
141	Ability to automatically update payroll system with new (adjusted) benefit information (gross annuity, taxable, FWT, etc.).	X			
142	Ability to calculate and apply COLA adjustment based on legislation.	X			
143	Ability to calculate and issue retroactive payments to a Member who has been suspended from payroll for a period of time.	X			
144	Ability to calculate federal and state withholding tax (based on a fixed dollar amount and current tax tables) and update the taxable amount.	X			
145	Ability to calculate tax levies or support payments and apply/update attachments (percentages or fixed dollar amount).	X			
146	Ability to control the addition and deletion of individuals from payroll with status codes and status effective dates.	X			
147	Ability to create deduction-ending dates that automatically suspend deductions when applicable and generate a notification correspondence.	X			
148	Ability to cross reference account information (e.g., Member, beneficiary, alternate payee, survivor annuitant, etc.) and display the associated account.	X			
149	Ability to display all detailed benefit payment information (current/historical) for each electronic transfer/direct deposit or "paper" check initiated (e.g., check number, payment type, gross payment amount, net payment amount, deduction amounts, check address used, etc.).	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
150	Ability to generate multiple payments per payee in a single payroll run.	X			
151	Ability to include all deductions on check stub – current period and year to date.	X			
152	Ability to maintain a historical file of payroll exceptions.	X			
153	Ability to maintain more than one benefit account for a payee, (e.g., annuitant, beneficiary, etc.).	X			
154	Ability to maintain payroll status types and codes.	X			
155	Ability to maintain yearly gross check amount, taxable amount, deductions, excludable amounts, ratios, and recovered amounts for 1099R reporting.	X			
156	Ability to make a payment payable to a third party (e.g., a guardian) on behalf of a payee.	X			
157	Ability to perform payroll “production run” after successful validation.	X			
158	Ability to perform payroll “trial run” to validate payroll data prior to the generation of the payroll tapes/checks/files and payroll reconciliation reports.	X			
159	Ability to place a “hold” on a benefit payment check and release when applicable.	X			
160	Ability to process special deductions to financial institutions and provide for reconciliation and payments to the appropriate institution.	X			
161	Ability to provide adequate check numbering, voucher numbering, and payroll controls to ensure accurate information is sent to third party payroll service provider, banks, and financial institutions.	X			
162	Ability to provide an online Web utility for ERSRI Members (annuitants) to update/maintain their federal and state withholding tax amount, multiple check addresses, and other pertinent information.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
163	Ability to re-execute payroll edits once a correction has been made in response to an exception/error or a new record is created.	X			
164	Ability to reissue a direct rollover amount to a different financial institution.	X			
165	Ability to retain both the rates used in calculating the COLAs for past years as well as the actual COLA increases applied to individuals' benefit amounts.	X			
166	Ability to retain history of check addresses, the Member's address, and their survivor's addresses, with effective dates 'attached' to all historical addresses.	X			
167	Ability to send the payroll file to an outside agency for printing of checks using the format specified by ERSRI.	X			
168	Ability to set up, process and transfer a disability retirement to a regular (service) retirement if Member no longer qualifies for disability and is eligible for regular (service) retirement.	X			
169	Ability to store and display the before check amount, the COLA increase, the COLA percentage, and check amount after application of the COLA (including all applicable deductions).	X			
170	Ability to support Joint and Survivor Annuity payments and provide detailed tracking of this annuity, with the ability to transfer the annuity to the survivor after eligibility validation and certification of death of the retiree.	X			
171	Ability to support negative, zero, and positive account balances but generate only positive payment amounts and create appropriate warnings/error messages when zero or less than zero.	X			
172	Ability to support payment of a rollover amount to multiple financial institutions and/or multiple accounts within one financial institution.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
173	Ability to support the entry of federal and state tax withholding for a future date and implement the change with the benefit payroll corresponding to the date.	X			The payroll solution provides the ability to effective date changes, including future dating.
174	Ability to track receipt of notification of change in marital status or death of survivor annuitant or divorce.	X			
175	Ability to withhold (or credit) healthcare and dental premiums and other third party deductions from a benefit payment.	X			
176	Ability to provide an automated process for entry of information relating to "manual" and "one-time" checks, including the following safeguard: Only users with appropriate roles and permissions are authorized to enter "manual" and "one-time" check information.	X			The payroll solution is delivered with robust security parameters allowing for an unlimited number of security profiles. These profiles can be setup for a class of users or for unique user roles and responsibilities.
177	Ability to provide an automated process for entry of information relating to "manual" and "one-time" checks, including the following safeguard: checks are appropriately posted and linked to the recipient in the pension solution, including ensuring that the issue date in the solution is the check's true issue date (not necessarily the posting date).		X		
178	Ability to validate entry of a new financial institution's bank routing number by using the ABA 'check digit' calculation (the 9th digit in the routing number).		X		
179	Ability to execute a payroll run during the day or evening without interfering with business operations.	X			Not an issue, as ADP's facility is separate and can scale well beyond ERSRI's needs.
180	Ability to adjust distribution to mandated payee(s) when pension is adjusted or because of subsequent court action and to recover overpayments or make retroactive distributions.	X			
181	Ability to terminate distribution to mandated payee(s) because of pension termination or subsequent court action and to recover overpayments or make retroactive distributions.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
182	Ability to print a check.	X			The payroll solution also offers a paperless payroll service called TotalPay. This service, for example, includes paycards, stop payments, check reconciliation, positive pay and check fraud protection features.
183	Ability to reprint a check that may have been damaged during printing - or otherwise, using same check number.	X			

1.3.8 Purchase of Service

Table 1.3.8 provides the detailed requirements for the Purchase of Service function.

Table 1.3.8: Functional Requirements for Purchase of Service

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to allow Member to purchase service as per the ERSRI business rules.	X			
2	Ability to provide for the "installment" purchase of service over time, with interest, through payroll deductions.	X			
3	Ability for system to limit the amount of time to be purchased as specified by ERSRI.	X			
4	Ability to allow User to easily adjust service credit purchase parameters in response to ERSRI business rules and RI law changes.	X			
5	Ability to prompt for what type of purchase is going to be made, and determine whether the Member is entitled to make the purchase.	X			
6	Ability to, if the Member is not entitled to make the purchase, allow the purchase only with supervisor override and approval.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
7	Ability to calculate the cost of the purchase with interest and generate a bill capable of being printed at any printer upon the on-line approval by management; provide the ability to edit the contents of the bill format.	X			
		X			
8	Ability to credit interest on a purchase to the employer's reserve account, but display it in the Members file.	X			
9	Ability to calculate the actuarial value of a benefit and use that value to calculate the amount of liability to be transferred from employer to employer upon employee transfer.	X			
10	Ability to edit for concurrent time and prompt the user to check further into the circumstances.	X			Customization may be required to generate the "prompt" according to ERSRI's needs.
11	Ability to calculate cost of Teacher's service purchase using the same rules by which they accrue service.	X			
12	Ability to recompute interest owed if Member makes the purchase late.	X			
13	Ability to cancel purchase of service if no payments are made	X			
14	Ability to include obvious, simple edits such as not allowing a retired Member to buy any amount of time.	X			
15	Ability to, for purchases of service credit using pre-taxed moneys from IRA, 401k and other defined benefit and contribution plans, post these transactions as pre-taxed contributions.	X			
16	Ability to not add service to Member's account until all payments are made.		X		

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
17	Ability to automatically update Member's account for service purchased, when all payments are completed.		X		
18	Ability to pro-rate service purchase in the event of termination during the course of installment payments of service purchase as per ERSRI business rules.	X			
19	Ability to create an un-remitted contribution report so that ERSRI knows what money is still owed on all outstanding service purchases	X			
20	Ability to combine the purchase of multiple periods of service and/or multiple types of purchases into one service purchase.	X			
21	Ability to apply installment payments to multiple purchases by either applying the payment to purchases in a sequential defined order or spreading the payment over all outstanding purchases in a defined distribution method.	X			
22	Ability to provide the employer and/or ERSRI staff with the capability to extract purchase of service reports through a Web utility (e.g., report listing all satisfied/outstanding purchase of service agreements, report listing any outstanding purchase of service receivable against the employer, etc.).	X			
23	Ability to generate a denial correspondence if Member is ineligible to purchase service credit.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
24	Ability to generate a Service Purchase Agreement / Cost Sheet / Invoice (turnaround document) for the Member which provides the cost (Member) of the purchase, choice of payment plans, terms and conditions for each payment plan, the amount of service.	X			
25	Ability to generate an updated statement (revised Purchase Agreement / Cost Sheet / Invoice) for the Member or employer when an overdue payment arrives.	X			
26	Ability to "pend" purchase of service payments (from both employer and Member) until the purchase has been completed, then post the full amount of service credit purchased to the Member's account.		X		
27	Ability to apply the appropriate service credit amount (in the appropriate service credit "buckets") to a Member's account based on the purchase of service agreement and payments received.	X			
28	Ability to automatically create, update, and maintain a history of each purchase of service receivable record (e.g., amount of service, type of service, cost of service, payments received, tax status, and "Investment in Contract", etc.) for a Member and/or employer purchase of service agreement.	X			
29	Ability to grant service credit with no cost up to the limit applicable to the plan.	X			
30	Ability to maintain a scheduled employer installment payment (of amounts withheld from Member's payroll checks) process as part of the employer's regular (wage and contribution) reporting schedule.	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
31	Ability to maintain a table of purchase of service types with an associated code including the ability to add a new type when legislation warrants it.	X			
32	Ability to maintain in Member account a detailed history of all refunds such that, when the Member elects to purchase service corresponding with a historical refund, the cost of the purchase can be calculated automatically and, when payment is received, the account can be re-built automatically (to avoid users having to manually re-build the account).	X			
33	Ability to provide the employer, Member, or ERSRI staff a calculator to determine a purchase of service estimate / update (for all types of service purchases) through a Web utility.	X			
34	Ability to route the account for audit and/or review prior to issuing a Service Purchase Agreement / Cost Sheet / Invoice.	X			
35	Ability to update Member demographic information while processing a purchase of service application.	X			
36	Ability to allow Member to check outstanding payment balance via web portal.	X			
37	Ability to maintain service purchase credit within the system in situations in which there is no associated ERSRI employer, e.g., air time, military service.	X			

1.3.9 Refunds

Table 1.3.9 provides the detailed requirements for the Refund function.

Table 1.3.9: Functional Requirements for Refunds

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to provide a reconciliation tool to allow the end user to reconcile the refund processed against the retirement system with the posting to the general ledger accounting system, and to allow the Employees' Retirement System to reconcile the checks with the paying bank.	X			
		X			
		X			
2	Ability to reverse a check and reverse all deductions associated with it, adjusting all applicable accounts and year-to-date information, and charging the appropriate reserves within the individual Municipal units; this function should be accessible from the Member's history screen.	X			
3	Ability, upon death of a Member, check to see if a beneficiary exists for benefit payment (i.e., work flow); if there are no survivors, transfer the contributions to the appropriate ERSRI fund.	X			
		X			
4	Ability to provide a refund process to generate full or partial refunds of account balances to eligible Members, fully integrated with the system's own internal accounting system.	X			
5	Ability to provide a periodic report displaying participants who may need additional refunds; queue these items so they can be researched.	X			
6	Ability to process additional refunds, automatically generating a letter explaining why the additional contribution is being returned.				The refund process will be a managed workflow in <i>Ariel 360</i> , ensuring a controlled process with approvals and notifications as required.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
7	Ability to require refund requests from Members in writing or via web-site, including pertinent data such as mailing address, permanent contact or 1099R mailing address, and tax withholding instructions; allow input of these data elements both in batch and on-line mode.		X		Customization required to enable online refund requests. This form would initiate the <i>Ariel 360</i> workflow.
8	Ability to provide a "pending" and "application received" feature to permit confirmation that all necessary information has been received.	X			
9	Ability to permit refund requests in the system to be updated or deleted.	X			
10	Ability to provide for tax withholding to be selected as a flat amount, percentage, or not at all, and accommodate rollovers to IRA or other IRS qualified plans.	X			
11	Ability to provide for cutting multiple checks to multiple people if contributions are being returned to beneficiaries due to death.	X			
12	Ability to, in processing refunds, distinguish between pre-tax and post-tax contributions.	X			
13	Ability to check Q.D.R.O., IRS levy, CSEO (Child Support Enforcement Order), and other attachment records, and automatically reject and suspend refund request transactions that do not have proper clearance recorded.	X			
14	Ability to, if the terminating participant owes moneys back to the agency, reduce the refund by the required amount and issue a check to the agency.	X			
15	Ability to, once the refund has been approved for payment, generate a form letter along with the check confirming pertinent information.	X			
16	Ability to calculate interest for a refund of Survivor Benefits upon retirement and set the account to zero.	X			
17	Ability to provide the ability to compute and pay interest as well as to adjust the rate being paid in various years.	X			Interest supporting for refunding in the event of termination from the plan

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
18	Ability to provide the capability to switch between yearly, monthly, and daily interest calculations.	X			
19	Ability to process refunds to employers, either as cash payment or credit on future employer contributions.	X			
20	Ability to pay refunds by check or ACH.	X			
21	Ability to automatically suspend a refund from being processed if a new enrollment form is received for the Member.	X			Depends on the timing of the transactions. The new fees must be billed and posted as payable to create the necessary offset.
22	Ability to confirm that there is no legal-hold on Member's account before issuing a refund	X			Would be documented in <i>Ariel 360</i>
23	Ability to determine status of application for withdrawal while in process.	X			Would be documented in <i>Ariel 360</i>
24	Ability to generate a "non-zero balance" report (i.e., negative/positive) after a refund has been processed and trigger additional refund processing if necessary	X			Standard AR reporting
25	Ability to receive notification of an additional refund if earlier refund did not zero account	X			Based on AR reporting
26	Ability to capture direct rollover related information (e.g., percentage or specific amount to be rolled, financial institution information, account number, plan types, etc.)	X			
27	Ability to capture refund related information (e.g., last day worked, termination date, unreported salary, un-reported contributions, comments, etc.) from refund documents	X			Documented in <i>Ariel 360</i>
28	Ability to provide statistical, managerial, and demographic data for various reporting purposes, such as number of refunds generated in total, by fund, by employer, by job classification		X		Requires custom report drawing upon available sources
29	Ability to create a system generated refund payment correspondence	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
30	Ability to generate 1099s for those individuals who received a refund	X			
31	Ability to generate a "check stub" for each refund payment	X			
32	Ability to "split" the amount to be refunded between the Member, one or more financial institutions, or another third party in a single transaction	X			
33	Ability to assign to a refund: cancellation status, status date, and reason as a transaction in the Member's account	X			Documented in <i>Ariel 360</i>
34	Ability to automatically calculate the amount to be refunded	X			
35	Ability to automatically correct/reverse a refund transaction already posted against a Member's account		X		Would need to enter reversing transaction manually. Cannot fully automate without a trigger. Requires definition of process.
36	Ability to display a check summary and/or a check detail pertaining to each refund payment	X			
37	Ability to ensure that the refund date is more than XX days (user-specified) from the date of re-employment	X			Data available. Would be controlled by individual authorizing the refund.
38	Ability to inform user that Member is active with more than one employer, so user can verify that multiple refund forms have been received	X			
39	Ability to recalculate a refund based on receipt of additional information and re-verify payment options (direct rollover versus direct payment)	X			
40	Ability to refund both regular contributions and purchase of service contributions, creating appropriate tax records, reducing service credit according to the amount refunded, and voiding any outstanding purchases of service	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
41	Ability to release refund for payment	X			Based on workflow
42	Ability to retrieve previously identified financial institution information (e.g., name, federal identification number, routing information, etc .) to avoid re-keying common information	X			
43	Ability to route the account for audit and/or review prior to issuing refund check	X			Workflow in <i>Ariel 360</i>
44	Ability to support and track deferred vs. . non-deferred contributions in refund processing	X			
45	Ability to automatically support Court Ordered processing where there are multiple payments to be issued	X			
46	Ability to track termination date, last wage and contribution reporting date, refund request date, refund-processed date, check date, etc .	X			Data is recorded on the member record in <i>Ariel 360</i>
47	Ability to update Member demographic information while processing a refund application or direct rollover form	X			
48	Ability to track the distribution, turn-around, and processing of multiple direct rollover forms (i.e., if Member requests payment to be distributed to multiple financial institutions); confirm the Member has completed a Rollover Form for each financial institution	X			
49	Ability to capture withholding waiver information as part of the application or by reaching out to the refundee for that information	X			
50	Ability to identify and automatically refund §401.17,a overpayments	X			
51	Ability to generate multiple refunds of the same type to the same individual (e.g., for different time periods)	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
52	Ability to automatically rebuild a Member account (when the account was erroneously terminated - or as a result of Member "change of mind")	X			
53	Ability to automatically create all necessary refund-related GL entries	X			
54	Ability to maintain employee contribution history after a refund	X			

1.3.10 Return to Work

Table 1.3.10 provides the detailed requirements for the Return to Work function.

Table 1.3.10: Functional Requirements for Return to Work

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comment
1	Ability to apply system, plan, and/or group specific standards and conditions in event of return to work.	X			
2	Ability to allow employer/employee to report return to work situations via a web interface. Web interface should then inform employers/employees as to the specific return to work rules related to employer/employee.	X			Customization required to allow for employee to report on work status.
			X		
3	Ability to generate correspondence to retired Member returning to work to request repayment of retirement benefits previously paid.	X			
4	Ability to track income of pensioners and suspend benefit when limit is exceeded.		X		Customization may be required to allow for automated tracking
			X		

Requirement ID	Description	Compliant	Customization	Non- Compliant	Comment
5	Ability to track income of pensioners and warn of possible benefit suspension when limit is neared.		X		
			X		
6	Ability to automatically generate correspondence to employers asking for supplemental employment information.	X			
7	Ability to automatically reinstate suspended benefits and withholding and appropriately adjust COLA (in other words, make the account whole) at end of mandated and/or recovery period – as appropriate.	X			
		X			
8	Ability to compute earnings limitations.	X			
9	Ability to fully automate the collection, calculation and communication of the Post Retirement Employment process.	X			

1.4 Desired “To Be” Major Business Functionality - Narrative Requirements

The specific business functional requirements in this section are broken down into the following functional areas corresponding to the RFP sub-sections which follow:

- Beneficiary Maintenance - Includes the requirements for inputting a Member’s nomination of a beneficiary, changing that beneficiary’s data, keeping an effective date history of nominated beneficiaries, and maintenance of the survivor annuitant record after they have been placed on the payroll**
- Benefit Estimates - Requirements pertaining to the ability to perform estimates of retirement benefits (both by agency staff and by the Member through the use of self-service tools)**
- Benefit Processing and Calculations - Requirements pertaining to the complete Member pension application process and any pertinent retirement calculations**

4. **Enrollment** - This includes the enrollment of new Members into the system. It includes such topics as enrollment waivers and changes to current Member enrollment and employment information. These requirements include both paper application processing and employer- and web-based enrollment
5. **Member/Pensioner/Employer Maintenance** - Includes the requirements for keeping a Member's census, demographic, and account information up to date. It also requires maintenance of all employer related data
6. **Member/Employer Education** - These requirements include the registration of Members for both group education sessions and individual counseling sessions. This also includes reporting and recording of sessions in which Members participated
7. **Power of Attorney** - The ability to add the various types of power of attorney and grant the attorneys the appropriate rights. This also includes requirements for guardianship
8. **QDRO and Court Orders** - All requirements used for identifying the alternate payee and establishing the appropriate benefit distribution for Qualified Domestic Relations Orders and other court orders
9. **Tax Reporting** - The majority of these requirements are related to the generation of the 1099-R, but this group also includes requirements for identifying taxable and non-taxable contributions (safe harbor), and other reporting and remittances to the IRS
10. **Third Party** - These requirements are for cover tracking eligibility, withholding of premium deductions, and remittance of those premiums to third parties (typically healthcare providers, unions, etc.)
11. **Web Self Service** - These requirements list the various functions to be made available to ERSRI's various stakeholders: Members, retirees, beneficiaries, deferred vesteds, employers

In response to each one of these functional areas, the offeror shall provide a narrative description of the functionality provided. This narrative description shall, at a minimum address the specific requirements that appear as a bulleted list in each area. The narrative descriptive shall not exceed three pages plus any samples provided, if requested.

1.4.1 Beneficiary Maintenance

ERSRI provides different benefits to its Members. For each of these benefits, the Member can name one, or more, primary beneficiaries and zero, or more, secondary beneficiaries. Each beneficiary can be allocated a percentage of the benefit, with the sum of all beneficiaries for a particular benefit, primary or secondary, equal to 100%. From time-to-time, the Member can change any beneficiary.

ERSRI requires that the SaaS solution:

- Allow for different sets of beneficiaries for different benefits
- Ensure that the sum of allocations for each set of beneficiaries equal 100%
Effective date all beneficiaries
- Link beneficiaries to the Member so that User can easily navigate from the Member's record to any beneficiary.

Offeror should provide information about its beneficiary maintenance functionality. This information should specifically address the requirements outlined in the bullet points above. It should include screen shots. Offeror should specify which business rules are in place to ensure that only correct beneficiary information enters into the system. Offeror should also indicate any special functionality that it provides as part of its beneficiary maintenance functionality that ERSRI would consider of "added value".

Employees can enter beneficiary information directly through the self-service website. Both primary and secondary (contingent) beneficiaries are supported. Members may elect different beneficiaries for each benefit requiring a beneficiary election. *Ariel* will automatically prompt for beneficiaries by benefit, depending on the benefits selected. For example, if a member has not enrolled for optional life insurance, the member would not be prompted to enter an optional life insurance beneficiary.

Our benefits administration system defines and tracks the dependents and beneficiaries of each plan member. . They are directly associated with the plan member and appear on the on-line personal profile and benefit confirmation statements.

Where beneficiaries are added on-line, an electronic signature process eliminates the need for a signed beneficiary form; though, a signed form requirement can be triggered if the process demands it. Beneficiaries elected on paper forms required a signature. If the form is unsigned, the administrator can still process the enrollment elections and enter the beneficiaries. They would be left in a pending state until the status of the signed beneficiary form is updated; however, it is more common to request a signed form since the signature typically attests to the entire transaction.

<REDACTED>

1.4.2 Benefit Estimates

The ability to generate benefit estimates is a key component in helping ERSRI to achieve one of its primary objectives in procuring an SaaS solution: providing its Members with the capability of becoming more self-sufficient and less reliant on ERSRI staff.

As such, ERSRI requires that the SaaS solution:

- **Provide the ability to generate benefit estimates to ERSRI staff and ERSRI Members.**
- **Ensure that these estimates be based on all existing data within the system for the Member for whom the estimate is being generated.**
- **Provide the User/Member with the option of adding service (that a Member may purchase) to the service already being projected and modifying the default salary projections.**
- **Store all estimates generated by a User/Member with an indication of the time it was generated and the User/Member who generated it.**
- **Ensure that whoever generates the estimate be able to view or print the estimate.**

Offeror should provide information about its benefit estimate functionality. This information should specifically address the requirements outlined in the bullet points above. It should include screen shots and samples of various benefit estimates. Offeror should also indicate any special functionality that it provides as

part of its benefit estimate functionality that ERSRI would consider of “added value”.

Our solution will provide the ability to generate benefit estimates through our web tools. Morneau Shepell hosts over 100 customized websites that are completely branded for our clients. We believe our expertise will give you much more flexibility in the design of your website and the delivery of employee communications through the site. In addition, their simplicity in navigation with complete self-service functionality will enhance the employee and retiree experience.

A variety of services can be made available to ERSRI staff and Members through our client-branded websites. The website that is part of our SaaS solution will provide your employees with the following features:

- An online pension plan statement.
- An online summary description of the ERSRI pension plans.
- Forms for printing (for example, to designate a new beneficiary).
- Retirement income modeling tools (i.e., the ability to do pension estimates).
- Service Purchase modeling tools.
- Simplified “hot links” to relevant government agencies and other sites of interest.
- Information on relevant trends, changes to legislation, etc.
- Names and phone numbers of key contacts.
- Glossary of pension terms.

<REDACTED>

<REDACTED>

Pension Modeling Tool

Our modeling tool is an integral part of the self-service website. It generates calculations based on up-to-date information – including personal and spousal data – that is a mirror image of the administration system. This makes the modeling tool much more user-friendly for employees, and will eliminate the need for employees to enter personal data as well as eliminate input errors. Members using the application will have all the information that is required to perform pension estimates.

The primary advantage to having a pension modeling tool on the self-service website is the reduced involvement of your administrators in this activity. This will allow you to streamline your internal workflow and allow your Pension Team to focus on more value-added activities.

It is possible to generate up to three projections at three different dates and the user is provided with the results on the same page, in a side-by-side view. If the user would like to generate an estimate using different assumptions, the tool allows inputting of the desired values (e.g., salary increase of X%, future percentage worked of Y%, etc.).

<REDACTED>

The option of adding purchased service to the service already accumulated is a custom feature that would be developed to meet ERSRI's requirement.

Each time an estimate is generated the user can view and print the result. A "save or retrieve" feature is part of the standard tool, allowing for users to save up to five projections to be easily retrieved subsequently.

<REDACTED>

Samples of various benefit estimates produced by our Benefits Online tool can be found under Attachment 9.

Additional member web tools are available. Below are brief descriptions of each of them. Associated fees would depend on the tool or tools desired, and as such, bundled fees would become available. We would be pleased to discuss further the possibility of including these tools on the website at any time (and perhaps provide a demo of our web tools) with ERSRI if it is of interest to you.

Retirement Horizon Planning Tool

<REDACTED>

In addition to the features listed above, we can also include our *Retirement Horizon* planning tool on the website. This application allows individuals to estimate the total

retirement income that they will require, and then to project under various scenarios how well their current personal and employer-sponsored program savings will cover their needs. The model allows them to determine what additional annual savings might be required to meet their retirement income goals.

On-line Retirement Initiation Tool

Morneau Shepell's on-line retirement initiation tool provides members with the ability to elect pension and benefit options through a single integrated checklist (producing a prefilled form for signature & requesting associated forms of proof) to reduce time to set-up pensions for a new retiree or deferred vested member.

The following tool is part of standard SaaS offering and is designed to support ERSRI administrators and employers with various pension administration functions.

Ariel Portal/Tool

Client users access our *Ariel DB* system and perform functions using a Web Portal connection called *Ariel Portal*. This tool is designed for plan sponsors and administrators to ensure that all information related to the administration of their pension plan is kept in a single location and that any changes to this information is tracked. The main drivers behind the development of *Ariel Portal* were efficiency of process and audit requirements.

Clients can designate specific HR and managerial staff to have "administrator" access to the *Ariel Portal* website and we provide administrator access to these users. This allows these individuals to view the information on plan members (helpful in responding to questions) and to perform other online functions if required.

<REDACTED>

Client users will be able to access this site to view various types of information on pension plans, consult personal information on members, transmit data on members (with automatic validation tests) and perform specific pension projections. Users are also able to submit requests for calculations online. Finally, users can easily access all standard forms, frequently asked questions, descriptions of administrative procedures, as well as links to other useful Internet sites.

A standard Windows-based web browser (Internet Explorer) is required to access this tool.

Key features of *Ariel Portal* are:

- **On-line data collection and validation:** Using a new cost-effective non-linear process, users can upload Payroll and HR data files; process validations that compare new data with existing *Ariel DB* data for consistency; correct data issues as required.
- **Calculation Request Tracking:** Allows for submitting and tracking status of calculation requests (full audit trail of changes to status such as who submitted and accomplished the request with date/time and status). Morneau Shepell support team is automatically notified of new calculation requests via automated e-mail notification.
- **User Support Requests:** Allows users to submit support questions on-line to the Morneau Shepell team supporting them. All request and answers provided are logged in a central email database and can be searched as required for audit purposes.
- **Access *Ariel DB* database personal information:** Users can quickly retrieve “live” data from *Ariel DB* and also obtain the history of Annual Statements that were transmitted to members.
- **Access to execute pre-defined reports:** Users can run reports using live data in the *Ariel DB* database and obtain results immediately.
- **Log service reports:** All reports (and data results) provided by Morneau Shepell (such as service reports, ad hoc data extracts, valuation extract, etc.) will be posted on the *Ariel Portal* site (database) and can be retrieved by the user at any time. All historical reports information is maintained in the database.
- **Pension Forecast:** Users can perform pension forecasts for specific plan members while providing assumptions relating to future salary increase and change in future work status (part-time vs. full time).
- **Plan information:** Plan texts, Amendments, Filings and other such information will be posted on the *Ariel Portal* and therefore made available to all users.
- **Member Support Information:** Administrative procedures, Forms, FAQ and Glossary will be posted on the *Ariel Portal* site and thus become an ideal location to look for responses to Member questions.
- **Contact information:** This section includes contact information for Morneau Shepell staff supporting the client and also links to key Government web sites.

1.4.3 Benefit Processing and Calculations

ERSRI administers pension plans for employees of the State of Rhode Island and some of its municipalities. One of ERSRI's key administrative functions is enabling a Member to retire. This requires performing a calculation of a Member's benefit at the time of retirement.

ERSRI requires that the SaaS solution:

- Perform benefit calculations using all pertinent data resident in the system.
- Follow all the business rules contained in the ERSRI pension handbooks, the Federal and State of Rhode Island laws and regulations pertaining to pension plans, and administrative rules and practices used by ERSRI.
- Ensure that all benefit calculations be audited and approved before being finalized.
- Save and link all details used in the benefit computation, included but not limited to, data used, formulas applied (calculation workbook). Provide notification of any irregularities found during the calculation. Provide all accounting transactions associated with a retirement, including but not limited to the transfer of employee and employer accounts to the retirement reserve account and, based on the details of the calculation (in the case of multiple employers) the transference of liabilities from employer to employer.

Offeror should provide information about its benefit processing and calculation functionality. This information should specifically address the requirements outlined in the bullet points above. It should include screen shots and samples of various benefit calculations and workbooks. Offeror should also indicate any special functionality that it provides as part of its benefit processing and calculation functionality that ERSRI would consider of "added value".

Ariel is our proprietary Defined Benefits Plan Administration application. It is a state-of-the-art Windows-based application that supports and enables all our DB plan administration processes. It can accommodate virtually any plan design, including all defined benefit, defined contribution, hybrid, cash balance and non-qualified plans.

The *Ariel* development processes are built around the single-system paradigm. Under this approach, any enhancement required to meet new client needs is implemented in a parameterized and re-usable fashion and is included in the next general release of the *Ariel* software. The result has been a single, expanding version of *Ariel* and a constantly decreasing need for additional custom enhancements as the system matures. This approach is virtually unique in our industry. It greatly simplifies development and maintenance, reduces ongoing costs, and ensures that each of our clients can take advantage of features developed for other clients. This means that we are able to deliver continually better, more cost-effective service to our clients.

Figure 1 below depicts the high level logical components of *Ariel*. It is important to note that while the core components are always required, many components are optional (and so are the 3rd party applications they may require).

<REDACTED>

Ariel is a powerful software application that allows its users to perform a broad list of tasks that are all related to the general administration of defined benefits pension plans such as benefit calculation, benefit statement production and ongoing administration, to name only a few. The strength of *Ariel* lies in its flexibility as it can be adapted to the provisions of different pension plans as well as to the requirements of different legislations. Below are high-level descriptions of the functionalities of *Ariel* that address all of the requirements asked by ERSRI:

Benefit Estimates and Calculations

The “Benefit Statement” functionality can be used to produce benefit statement based on the event type (e.g., termination, early retirement, early unreduced retirement, normal retirement, postponed retirement, pre-retirement death, disability, etc.). The complete pension benefit packages can be automatically generated at the time a calculation is performed. Such package can include cover letters, detailed pension benefit statements and required forms (example: spousal waiver, tax election, declaration of marital status, banking information, etc.). The calculation engine uses all of the existing data that is stored in *Ariel* to produce the corresponding benefit calculations.

<REDACTED>

Business Rules – Ariel DB is a Parameter driven application

Ariel DB incorporates a comprehensive set of pension rules, which allow us to implement most plans with very little, if any, customization. It can now accommodate virtually all plan definitions, benefit formulas, Federal and State laws and regulations, and allows data to be updated on either an interactive or a batch basis, thus adapting effectively to all administrative requirements. *Ariel DB* is fully parameter driven, with more than 3,000 parameters. It is therefore extremely flexible and uses computation routines that have run smoothly for many years.

Audits and Benefit packages – Documentation of Results

Each time that a benefit calculation is produced using *Ariel*, a series of calculation output documents are automatically generated based on the user's desires. All of the documents produced are automatically saved within the database under one folder and allows for the users to consult for audit and verification purposes. The user can choose to be provided with an output for:

- Information details which is basically an image of the data that is stored in the database and used to perform the calculation (e.g.,, date of birth, employment dates, spousal records, salary and service information, etc.);
- Calculation details such as information of the benefit formula used, warning messages describing irregularities that may have been uncounted regarding this specific calculation and details on values of benefits that may need to be transferred from one employer account to the retirement reserve account and transfers between employers when applicable;
- Reduction details such as early retirement factors;
- Optional form details such as amount of benefit being converted (e.g., from single annuity to joint and survivor annuity);
- Additional benefit detail should there be any special benefit provision requiring a separate output
- Actuarial factor details such as assumptions used (e.g., mortality table used, interest rates, etc.);
- Member statements to be sent out to the members
- Cover letters to be sent out to the members
- Forms to be sent out to the members

<REDACTED>

Samples of various benefit calculations produced by *Ariel* can be found under Attachment 9.

Member Statements

Ariel has built-in functionalities which allows for the production of Annual Member Statements. The first step is to run the “Annual Calculations” to calculate the accrued benefits up to the desired year-end date. The second step is to run the “Annual Statements” to generate the member statements for the desired group of members.

Annual Calculations

<REDACTED>

This functionality allows the user to select the members for whom the user wishes to execute the annual calculations for a given period. The results of the annual calculations are saved in the *Ariel* database and are accessible for extracts with ListPro or for preparing annual statements.

The user completes the Member ID field in the Input Selection section to perform the annual calculation for only one member. If this field is empty, annual calculations will be performed for all members who satisfy the Pension Plan, Group, Membership Status, and Membership Sub-status (Category) filter criteria. The “...” button allows the user to open a screen to search members.

Annual Statements

This functionality allows the user to choose the members for whom he/she wishes to prepare the annual statements for a given period. The results of the annual statements are saved in the *Ariel* database and appear in the member’s Detailed Information.

<REDACTED>

The user completes the field Member ID in the Input Selection section to prepare an annual statement for one member. If this field is empty, annual statements will be

generated for all members who satisfy the Pension Plan, Group, Membership Status, and Membership Sub-status (Category) filter criteria. The “...” button allows the user to open a screen to search for members.

1.4.4 Enrollment

ERSRI affects enrollment via a notification from the employer as to the eligibility of an employee. In the past, this was accomplished by a form submitted by the employer.

ERSRI requires that the SaaS solution:

- **Allows enrollment be accomplished either by receipt of a form from the employer or directly by the employer via the Internet**

Offeror should provide detailed information about enrollment functionality, specifically addressing the detailed requirements listed in the bullet point above. Offeror should also indicate any special functionality that it provides as part of its enrollment functionality that ERSRI would consider of “added value”.

Regarding pension plan enrollment, based on our current understanding of the plan provisions, enrollment is as follows:

- Employees’ Retirement System of Rhode Island (ERSRI plan): Eligible employees become members as of their date of employment
- Municipal Employees’ Retirement System (MERS plan): Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS.
- State Police Retirement Benefits Trust (SPRBT plan): Eligible employees become members at their date of employment.
- Judicial Retirement Benefits Trust (JRBT plan): Eligible state judges become members at their date of employment.

We have the ability to configure data interfaces and scripts that will automatically create user accounts to access the website as soon as our system is notified that a new employee has been hired (i.e., through the employer data feeds to our system). For eligible employees that become members as of their date of employment, they will have instant access to all of the relevant tools and forms that ERSRI allows them to have access to. For employees that become members upon election only, an enrolment form will be available for them to complete and return to ERSRI's administrators. Although not part of our standard tools, we have the capability to allow employees to complete the form on the web and automate the enrolment process without the need to print and return the form using paper.

1.4.5 Member/Employer Maintenance

ERSRI requires that the SaaS solution:

- **Maintain data on every Member, including (but is not limited to) demographic data (including foreign addresses), employer data, pension plan data, data on relationships, contribution account data, etc.**
- **Maintain detailed data on all of its employers, including (but is not limited to) demographics, plan parameters, payroll information, contribution rates, contact information, etc.**
- **All data items should be effective dated**
- **Any changes to Member or employer data should be covered by the system's audit trail including the data element changed, the date and change was made, the individual making the change, and the values of the data element before and after the change**
- **Ensure that the display of this data be in logically consistent screens and that navigation among the screens be intuitive**

Offeror should provide information about its Member/Employer maintenance functionality. This information should specifically address the functionality detailed in the bullet points above. It should include screen shots of the various screens that would be considered Member/Employer maintenance screens. Offeror should also indicate any special functionality that it provides as part of its Member/Employer maintenance functionality that ERSRI would consider of "added value".

The *Ariel DB* database is the repository for all data pertaining to administration of the pension plan(s). Our model contains all entities required to maintain:

- Employment related information, including but not limited to employment characteristics, payroll information and event as well as leaves of absence and salary
- Plan participation data, including but not limited to beneficiaries, pension and reimbursements, plan transfers, marital breakdown and annual reconciliation.
- Employer information including but not limited to tombstone data and contributions
- Pension plan data including but not limited to tombstone data, amendment and valuation results
- Event related data including but not limited to calculation (e.g. termination and retirement, death, etc.) requests and data change requests

Effective dates and Audit trails

All data is effective-dated. A full audit trail on every entity and field of the solution is available. A “Change Report” is available to obtain a detailed report of changes. Users are able to select the members for whom the report is desired and also to select the desired period the report needs to be produced for. The type of change (add, delete, modification) and the user who made the change are also criteria available upon producing such a report.

Integrity and consistency

The service oriented architecture of *Ariel* in addition to the years of evolution and improvements with regards to its data model have provided our solution with a unique and centralized data access module which allows *Ariel* to ensure data integrity and consistency.

Data is verified and validated at all steps of every process, both during implementation and ongoing administration, against an extensive set of validation rules integrated within the core of the data access service. To name a few examples, this contextual data verification is a key step in:

- Initial conversion of data to *Ariel*
- Processing of employer data feeds
- Processing of ongoing data change requests
- Annual processes and statement production

- Benefit calculations

The initial data conversion process uses the full spectrum of validation types to ensure that data reconciles to the source system while being consistent in our system. The various types of validations used during this process range from basic reconciliation of totals to data integrity and cohesion, tests of ranges on fields, cross-field validations and calculation test cases. The number of validations on data run for every participant can exceed six hundred. Any data issues identified in that phase do not prevent the storage of data; indicators of various forms and scope are set as a reminder to ongoing processes. Processes pertaining to ongoing data feeds and data change requests use a contextual subset of those validations to keep quality and consistency in data, whether it is entered through feeds, the employer portal or within our business user interfaces.

To complement our data-based validations, our annual, benefit calculation and payroll processes use additional testing rules. These rules combine intermediary and final calculation results with participant data to identify exceptions or special cases. The results of these additional validations are then used in determining whether a case can be automated or requires review.

<REDACTED>

Approval process

We believe that data integrity and consistency is a key factor in performing automation. To that matter, our data model provides interfaces to gather confirmations and comments from the data providers on specific data issues. For instance, employers providing data through our portal are able to review all data-related validation messages. Warnings can be confirmed as correct. Users can provide an explanation on warning-type messages; the comments and corresponding confirmation of the data are then stored in our system. This results in our processes considering data as valid even though a warning was initially raised.

Other features related to data

- Full audits on every entities and field of the solution
- Data extraction tools
- Fully configurable data import tools
- Ability to run validation reports on data at all times

- Access to data via any commercially available reporting tool (e.g. SRS, etc.)

Member Data Maintenance

Ariel has an extensive number of data fields which allows for easy maintenance of members' personal records. The data elements are grouped together in relevant categories:

<REDACTED>

Employer Data Maintenance

A number of Employer related data fields are available which allows for easy maintenance of employer data.

- **Demographic data:** storage of descriptive information such as business dates, addresses and contact information:

<REDACTED>

- **Plan parameters:** storage of employer plan parameters linked to the calculation routines such contribution rates :

<REDACTED>

- **Payroll information:** storage of payroll data such as elements to be used for calculation routines:

<REDACTED>

1.4.6 Member/Employer Education

ERSRI takes an active role in educating its Members in regard to their pension benefits. This education takes the form of dissemination of pertinent information, one-on-one counseling sessions, and group seminars. The requirements for the dissemination of pertinent information are included in other sections of the requirements.

ERSRI requires that the SaaS solution:

- Allow a Member to, via the web, sign up for a one-on-one counseling session, or register for a seminar.
- Maintain a schedule for each counselor so that the Member can only register during the appropriate times that counselors are available.
- Send, upon successful registration, a confirmation email to the Member, copying the counselor.
- Send a reminder email, copying the counselor, a configurable number of days before the scheduled session.
- Maintain a list of available seminars, their times, their locations, and their capacities.
- Send, upon successful completion of registration for a seminar, a confirmation email to the registrant.
- Ensure that the system should be capable of restricting Members from registering for a session and/or seminar based on business rules related to the Member's proximity to retirement eligibility.
- Be capable of generating, on User initiation, a report of a counselor's appointments, for a specified time period.
- Be capable of generating, on User initiation, a report of all registered Members for a specified seminar.
- Be capable of generating individual retirement estimates, for all Members registered for a specified seminar.

From time to time, ERSRI is required to educate its employers.

ERSRI requires that the SaaS solution:

- Provide the ability to set up employer seminars and permit employer registration for these seminars in the same way as Member seminars, above.

Offeror should provide information about its Member/Employer Education functionality. This information should specifically address the functionality detailed in the bullet points above. It should include screen shots of the various screens that would be considered Member/Employer education screens. Offeror should also

indicate any special functionality that it provides as part of its Member/Employer education functionality that ERSRI would consider of “added value”.

Our *Ariel 360* module, based on a fully integrated implementation of *Microsoft Dynamics CRM*, will allow ERSRI to offer superior customer service and increased capacity to handle requests. Its customer service features help service representatives track customer requests, manage support issues from initial contact through successful resolution, and provide customers with the consistent, efficient service that ensures satisfaction. In addition, through the use of workflows, *Ariel 360* will ensure tracking of all business processes, whether they are initiated by a member, an employer or internal staff.

Individual Session Scheduling

Ariel 360 offers the ability to schedule, find conflicts, assign counselors, and handle the juggling of in-demand equipment and locations, such as conference rooms and training facilities. This tool will hence allow a Member to sign up for a one-on-one counseling session, or register for a seminar.

A unique centralized calendar for counseling, appointments or seminars can be configured and displayed in a manner to support conflict resolution and filtering. Service activities will also show up on the specific staff member’s assigned calendar.

When the service calendar will be accessed, a list of all resources will be available for the user to see, such as counselors, equipment, or facilities.

When scheduling an activity, the user will have a number of choices to consider. During scheduling, the user can verify whether the selected resources are available and what the available times are.

Group Session Scheduling

Ariel 360 support group session scheduling. A schedule of group sessions is established. *Ariel 360* can automatically schedule members to group sessions based on timing and location preferences or they can be assigned manually. Attendees can receive reminders via email or letter. Attendance can be tracked and a record of having attended a session is stored with the member record. If an attendee misses their session, *Ariel 360* can prompt to reschedule the member to another session.

For counselors, a report of their upcoming appointments and associated registered Members can be generated based on specified time periods.

Generating individual retirement estimates for all Members registered can be accomplished through the web tool described throughout this proposal document

Employer Sessions

All of the information detailed above regarding Members applies equally to employers, in the same way as for the Members. Sessions specific to employers can be created, with the same powerful scheduling of individual or group sessions.

Sample screenshots of our solution are available in Attachment 4.

1.4.7 Power of Attorney

From time-to-time an ERSRI Member's interests may be assigned to a third-party. This assignment may take the form of a power of attorney, guardianship, or trusteeship, etc.

ERSRI requires that the SaaS solution:

- **Capture assignments and, based on the detailed nature of the assignment, permit or deny access to the system.**
- **Require that any such assignment be audited by ERSRI legal counsel, and only upon legal counsel approval, allow the assignment to be entered into the system.**
- **Ensure that assignments be clearly displayed on the Member's record, and the details of the assignment must be clearly linked to the Member's record.**

Offeror should provide detailed information about its Power of Attorney functionality. In addition to specifically addressing the ERSRI requirements as discussed in the bullet points above, this information should contain any other features that the system has in regard to assigning Member's rights. Offeror should also indicate any special functionality that it provides as part of its Power of Attorney functionality that ERSRI would consider of "added value".

Power of Attorney is recorded in the *Ariel 360* CRM. A Power of Attorney is configured as a unique Entity in *Ariel 360* and has its own status that would follow a prescribed workflow. For example, when a request for a Power of Attorney is received it would:

- Be created in the member's record as submitted

- Can have supporting documents attached to it.
- Can be routed for legal review, with a corresponding status of “legal review pending”.
- Can be updated to an “approved” status once approved.
- If desired, a corresponding expiration date could also be added, moving the PoA to “expired” after a period of time.

Where an approved power of attorney exists, a notice can be posted prominently on the member record. Transactions for members with Power of Attorney could be subject to a specialized workflow where additional review (e.g. review of signatures) is required.

Power of Attorney could be applied to telephone interacts, paper-based forms, or Web access. User accounts specific to those with PoA can be created so that a third-party can access to the Member’s profile (e.g., the web tools).

1.4.8 Qualified Domestic Relations Order (QDRO) and Court Orders
Occasionally a Member’s benefit, or future benefit is affected by a court order. This court order may be in the form of, but not limited to, a Qualified Domestic Relations Order (QDRO), stemming from a dissolution of marriage; a child support order, etc. Members can have multiple court orders affecting their benefit. These court orders may also have expiration dates. Court Orders can be quantified as either a percentage of the Members benefit or as a fixed dollar amount.

ERSRI requires that the SaaS solution:

- **Record these various court orders, including, but not limited to, the type of court order, the amount of the court order (either as a percentage or fixed amount), the party to receive the benefit specified by the court order**
- **Apply the court order when and as appropriate**
- **Pay the party who is to receive the benefit specified by the court order, when and as appropriate**
- **Allow notes to be added to the recorded court order**

Offeror should provide detailed information about its QDRO and Court Order functionality. This information should specifically address the functionality detailed in the bullet points above. Offeror should also indicate any special functionality that

it provides as part of its QDRO and Court Order functionality that ERSRI would consider of “added value”.

Ariel has a set of specific QDRO screens and data element to ensure that all relevant QDRO information can be captured and stored in the database.

- **QDROs:** includes sub-categories to store QDRO information (Division, Provision, Effective Dates), QDRO Type (shared payment or separate interest), QDRO sub-type (fixed dollar or percentage), subsidy, etc.), QDRO pension, QDRO Lump Sum, and QDRO beneficiary information.

Upon launching a benefit calculation, the court order will be taken into consideration and both the member and the party receiving the court order benefits records can capture the associated benefit amounts. Information boxes are available to record any desired note.

1.4.9 Tax Reporting

ERSRI provides various payments to various parties (Members, beneficiaries, etc.). By law, ERSRI is required to provide each recipient of a payment, a 1099-R form for each calendar year within which any payment is made. In some cases, payments are made to the same party from different ERSRI funds. The actual production and distribution of 1099-Rs is performed by the Office of the Rhode Island Treasurer on behalf of ERSRI.

ERSRI requires that the SaaS solution:

- **Provide a file to the Department of Information Technology with the necessary information required to print the 1099s. This file format is described in Appendix E-8.**
- **Print 1099s for all recipients, for a pre-defined group of recipients, or for an individual recipient**
- **Provide 1099 data to the United States Internal Revenue Service (IRS), as per IRS requirements.**

Offeror should provide detailed information about its Tax Reporting functionality. This information should specifically address how this functionality will help ERSRI meet its tax reporting responsibilities, as outlined in the bullet points above. It

should include screen shots of any user interfaces associated with this functionality. Offeror should also indicate any special functionality that it provides as part of its tax reporting functionality that ERSRI would consider of “added value”.

ADP is the world’s largest provider of payroll and HR systems and services. More than 585,000 clients in the United States use ADP’s comprehensive solutions, including payroll processing, HR support, benefits administration, business tax deposit and reporting, time and labor management, 403(b) recordkeeping, FSA administration, and COBRA administration. Our systems are designed to meet the applicable requirements in all 50 states, the Virgin Islands, Puerto Rico, and Guam. Our dedicated agency relations associates interact daily with federal and state tax representatives – and as needed with all known local tax agencies. To maintain the system design to allow clients to comply with applicable tax laws as it relates to W2 and 1099 reporting, we make changes to our tax processing system in accordance with agency requirements. We make all required tax deposits without employing the use of “safe haven” – requesting funding from you in the amount of the required deposits. We make federal tax deposits in accordance with the Electronic Federal Tax Payment System, and we have done so voluntarily since the inception of the law in 1997. We maintain seven years of history regarding agency tax law changes and regulations as well as a catalog of pending and passed changes to agency tax law. The payroll solution can also provide a file to meet the Department of Information Technology with the necessary information required to print the 1099s.

1.4.10 Third Party

As a service to its Members, ERSRI deducts funds from Member’s monthly pension benefit and remits the moneys deducted to various third parties. These parties include (but are not limited to) governmental taxing authorities, other state agencies, insurance companies, credit unions, etc. A list of these third parties can be found in Appendix E-7.

ERSRI requires that the SaaS solution:

- **Deduct funds from member’s benefit as required Reconcile all funds deducted**
- **Provide electronic output for each third party on whose behalf funds have been deducted Create all necessary accounting entries**
- **Provide reports on deducted funds (per third party; by individual, by employer, by plan).**

Offeror should provide information about its third party functionality. This information should specifically address the functionality detailed in the bullet points above. It should also include a discussion of the operational aspects of dealing with third parties. It should include screen shots. Offeror should also indicate any special functionality that it provides as part of its third party functionality that ERSRI would consider of “added value”.

The process begins in *Ariel*. At each pay period, *Ariel* calculates the amounts due from employers and plan members. Amounts are calculated in detail, current and retroactive amounts are clearly separated. These amounts are posted to the Accounts Receivable module as amounts due.

Once the amounts due are posted, the Accounts Receivable module generates the various files or documents to collect the amounts due – whether an employer invoice, an ACH file for direct collection, or a payroll file. Payroll files can be generated for the active payroll (and sent to the State or other entity payroll office) or for the pension payroll.

ADP processes the pension payroll and takes all deductions as directed by the payroll file. Deductions are clearly indicated.

Employee contributions deposited to the Health & Welfare, Pension, or other bank accounts would be remitted to the correct third parties, such as Trustees, insurance carriers, state agencies, or others. *Ariel* produces reports to support the transfer of funds to these various stakeholders. For example, the Health & Welfare premium statement details, for each insurance carrier or vendor, the amounts due. Similar reporting is available for all calculated contributions, including those related to pension. As funds are received, the member records are updated accordingly.

During implementation, we will work with your team to design a complete reconciliation process, ensuring that all of the supporting reports exist to quickly reconcile cash collected to cash disbursed and changes in GL balances.

<REDACTED>

1.4.11 Web Self Service

A large part of ERSRI's objective in procuring the SaaS pension solution is to enable its Members and employers to provide service to themselves via web self service (WSS).

ERSRI requires that the SaaS solution:

- **Require that any Member/Employer must register and create a USERID and password that follow ERSRI security guidelines**
- **Provide the capability to set up challenge questions which can be asked of the potential user on a random basis**
- **Secure access to WSS to authorized Members/employers**
- **Ensure that any authorized Member/Employer can be limited to only see appropriate data**
- **Provides the capability for Member/Employer to obtain their USERID and/or password without, in almost all cases, the necessity to call ERSRI**
- **ERSRI requires that the self service functionality be secure and that any Member/employer who accesses the WSS only see the appropriate data.**
- **Provide WSS functionality that is context sensitive based on the status of the user. Members that are retired should not be able to perform self service functions that would be limited to an active**
- **Member, such as request a refund. Members that are active should not be able to perform self service functions that would be limited to a retired Member, such as changing tax withholdings.**
- **Provide a broad spectrum of self-service functionality to authorized Members/Employers. This must include, but not be limited to the ability of a retiree to view and reprint direct deposit advices and 1099s for at least a 3 year period.**

Offeror should fully describe its WSS functionality. This information should specifically address the functionality detailed in the bullet points above. Description should include a list of WSS functionality provided by the status (active, retired, employer, etc) of the user. Screen shots should be provided. Offeror should also indicate any special functionality that it provides as part of its WSS functionality that ERSRI would consider of "added value".

Our solution is based on an integrated and extensive Web Self-Service experience for plan members and administrators. Morneau Shepell was among the first organizations to offer WSS to our clients. We have won many awards over the years for innovation and usability. We have helped many organizations with a transition to WSS and we are a leader in the administration of multi-employer benefit and pension plans.

We can meet all of the requirements you have listed. The following sections provide additional details.

Login and Security

To access the web tools, plan members require a unique user ID and password combination to access the site. If the member provides a valid combination of user ID and password, the system logs the user into the site.

- The standard user ID for a plan member is his/her unique employee ID, provided by the employer.
- The initial password may be composed of other combinations of the plan member's information (e.g. date of birth + last 3 digits of SSN), or from a series of random characters.
- Member self-registration is possible. The typical approach is for all members, once added to the system, to be notified of their assigned ID and how to access the website. If initial passwords are random (i.e. not based on plan member information such as date of birth or portions of the SSN), they are communicated separately.

Once the plan member has successfully logged in to the site using the system-assigned default password, the system requires him/her to select a new password. The new password must meet established criteria.

After plan members log in to the site the first time and then select their own password, the system requires them to select a default of three challenge questions from a list, and to provide answers to these questions, before it displays the site's home page. The system uses these questions and answers to help members reset their password when they have forgotten theirs. If desired, challenge questions could also be used randomly on login as an additional security measure. The member only needs to select questions and provide answers the first time they log in to the site, but may change these at any time in the future.

The plan member is able to go through the challenge process if he forgot his password (without having to try, and fail, to log in to the site). The system gives the plan member three attempts to answer the challenge questions. If the plan member fails the challenge process, the system applies a special lock to the member's account; the member must contact the service center to regain access to his/her account. When the plan member successfully completes the challenge process, the system resets the member's password to a temporary value that must be changed on login. It may reset the password to either the original password based on the default formula or to a series of random characters.

Employer Access

Employer access to the website can be very empowering and *Ariel* has the functionality to provide controlled access to employers.

Employer access should not be set up as a self-registration process. Unlike new employees, which are fed in HR data feeds or entered by authorized users, there is not typically an automated mechanism to learn of potential employer administrators. When setting up an employer, ERSRI staff will need to confirm:

- The individual requesting access, ensuring that they indeed have permission to access *Ariel* as an employer administrator. Each user must have an individual account; generic (shared) accounts by employer are highly discouraged.
- The desired role of the individual. *Ariel* includes role-based security (e.g. enrollment reader, enrollment processor, manager). Each pre-configured security role includes a functional and scope component.
 - Functional security requests what an administrator can do. Can they view information? Add members? Update? Enroll on behalf of members? Run specific reports?
 - Scope controls determine which employees an administrator has access to. Larger employers may have more than one department/division where some administrators should have access only to their own employees.

Context Sensitivity

Ariel websites are sensitive to the context of the users. Well-designed navigation that is sensitive to a plan member's identity will provide the most convenient access to information and increase website utilization.

Active members and retirees have different views of the content. Additionally, further separation of content within these groups can be implemented where employees of different employers may have different plan designs. Our implementation process includes a detailed review of website content and navigation, identifying the various communications groups and what content should be made available to each of them.

Context sensitivity extends to transactions. *Ariel* transactions, such as Life Events, updates to addresses, banking changes, etc. are managed as transactions called Events. Events can be filtered for the various communications groups ensuring, for example, that active members cannot change withholding amounts or retirees cannot access the pension projection tools.

Website Functionality

Our system portal offers a 'one-stop-shop' for employees and employer administrators through a single, intuitive on-line interface. All informational and transactional tools are delivered through a single, modular website, and provide tight integration for key businesses processes (e.g. plan enrolment, pension administration, payroll, etc.) to optimize employee engagement and overall satisfaction with our service.

<REDACTED>

A key component of our web-based administration is the functionality that allows participants to enroll on-line. To recognize the varying levels of web-proficiency among employees, we have designed a simplified checklist-based approach designed to help employees successfully complete the process.

Our enrollment tool handles enrollment into the pension and benefit plans and captures beneficiaries across all relevant lines of benefits to streamline the enrolment process from the perspective of plan members.

The self-service website will maintain all participant enrolment data. The function of the eligibility module for plan members includes the following:

- View plan information, or links to plan information stored on other client websites
- Use decision-support tools. Members can model various selections and see the implications of their choices on costs.
- Use the pension projection tools to forecast the value of their pension at retirement.
- Update demographic information (e.g. address).
- Enroll and make changes on-line as a result of a work event (New hire, leave of absence, retirement) and during open enrollment.
- Initiate and complete life events. Events are completely validated; all plan rules are enforced at the time of entry, ensuring that a completed enrolment is a valid enrolment.
- Update dependent and beneficiary information.
- Access to an on-line benefit confirmation statement.
- Access pension statements.
- Access ADP payroll data, including pay advices, 1099's and more (retirees only).
- Upload required documents (e.g. proof of student status) for adjudication, review the status of required documents, view images of documents uploaded, mailed or faxed.
- Download forms

Plan Administrator system access

In addition to your own internal administration team, your member company administrators can access our system through a web portal. This second level of administrator access is optional and can be implemented for all groups, select groups, or not at all. These users could have all or some of the following capabilities enabled:

- Participant features – authorized administrators can emulate a participant's experience on the website, a critical prerequisite for effective participant call center support
- Ability to add, view, and update the member and beneficiary information
- Ability to access financial information
- Ability to download payroll files
- Ability to upload member data from the HR/ payroll system, and fix errors

- Ability to run online administrative reports using the online reports tool that support customization based on user-specified parameters, and the ability to extract output to formats such as Adobe Acrobat (PDF), Word, Excel, and text files.

<REDACTED>

1.5 Desired “To Be” Supporting Business Functionality - Tabular Requirements

The specific business functional requirements in this section are general in nature, being applicable across the entire solution. The requirements for the supporting functionality are divided into categories corresponding to the RFP sub-sections which follow. They are:

1. **Audit and Security** - This group of requirements addresses the underlying audit (e.g. tracking of data updates, implementing a segregation of duties, flagging and identifying audited records) and security (e.g. passwords, encryption, screen level, field level) functions of the entire application. Typical reviewers of these requirements are agency management, the internal auditor, and those responsible for security. The system should be capable of using any one of the following types of auditing software to be used by the Systems internal and external auditors:
 - **DB Audit-SoftTree Technologies**
 - **Audit DB - Lumigent Technologies**
 - **MNIAudit - Krell Software**
 - **ApexSQL Log 2010 - ApexSQL, LLC**
 - **Bsafe - Bsafe Solutions**

These detailed requirements are contained in tables that have the following columns:

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

3. **Compliant** - checked by the offeror to indicate functionality included in the base product with no customization required. (Configuration of tabular parameters by user administrator or business analyst is acceptable herein.).
4. **Customization** - checked by the offeror to indicate functionality not included in the base product but will be provided to ERSRI by a customization to the base product.¹
5. **Non-compliant** - checked by the offeror to indicate Functionality is not currently included and will not be provided by a customization.
6. **Comment** - Any explanation/qualification (under 100 words each) that the vendor feels would help ERSRI more fully understand the vendor’s characterization of the requirement.

To ensure that ERSRI’s selection of a vendor is adjudicated by the merits of the proposed solutions, one of the responses in columns 3-5 must be provided for each listed capability in the table. Offerors are to check the appropriate column in the table to indicate their response and provide comments as deemed necessary.

ERSRI believes that the table-oriented approach used below for presentation of these functional requirements is an appropriate method for succinct description of the requirements and for the offeror’s response.

1.5.1 Audit and Security

Table 1.5.1 contains the requirements for the Audit and Security functionality

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
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¹ Note that should the offeror propose that any required capabilities be provided through customization of the base product, offeror is also required to describe how subsequent releases of the base product will incorporate those customizations - or otherwise ensure that ERSRI loses no functionality when they upgrade.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
1	Ability to provide for all data base modifications to be date/time stamped along with an identifier of which User performed the modification.	X			
2	Ability to capture at least the following information on any data base change: Date/time of change, item being changed, User/process making change Member ID associated with change, value of data before and after change	X			
3	Ability to maintain a log or journal, of data base changes capable of being sorted by any of the fields; provide capability to merge and manipulate / analyze multiple journals .	X			
4	Ability to store the journal file on-line for a minimum period established by a user- specified parameter; then automatically archived off-line and retain for a ERSRI- determined time period; provide a facility to retrieve such archived files and manipulate them as well as restore and merge them, and then manipulate them		X		Customization required to add the "user-specified parameter" and activate an automated off-line archive process.
5	Ability to provide ability to restrict all on-line functions by the system administrator to only certain USERIDs and to restrict USERIDs to only certain functions	X			
6	Ability to provide system administrator with the flexibility to grant or restrict access at the menu, submenu, and discrete screen level as well as to limit access to screens to query only or to allow both query and update .	X			
7	Ability to provide audit trails, including date and time stamp, for all updating processes; maintain history on line, retrievable both by name and USERID of persons or identifier of the program performing updates to information in the system; enable manipulation of this data, to produce reports sorted by any field	X			
8	Ability to ensure data and system integrity while monitoring, controlling and protecting data and system access .	X			
9	Ability to validate data, including limit and reasonableness tests; protect data during abnormal terminations	X			
10	Ability to record and archive audit trails for transaction processing, system access, screen access, and system modifications	Partial			Screen access excluded

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
11	Ability to ensure completeness and security of data transmissions sent and received .	X			
12	Ability to control and limit access via logins and/or other security mechanisms .	X			
13	Ability to impose system security measures to protect operations against unauthorized internal or external access into the communications, servers/platforms or operating system infrastructure .	X			
14	Ability to identify changes to a benefit that exceed a User -defined percentage	X			Through <i>Ariel Portal</i>
15	Ability to encrypt any information ERSRI deems appropriate (including system security and role-related information)		X		Cannot respond positively without clearer understanding of what information may be requested
16	Ability to prohibit staff Members from updating records with their own information (by Social Security number, name, etc .) . Such updates shall be permitted by any customers entering through an authorizing interface			X	Not available interactively. Can control with reports
17	Ability to capture an audit (review) transaction on all ERSRI specified transactions	X			
18	Ability to capture designation of user (staff, Members, retirees, etc .) capabilities / security levels (e.g. , add, change, inquiry, delete)	X			
19	Ability to capture user permissions to determine how far back in time a user can post a transaction; only certain users should be able to post to a closed month	X (GL)		X (Pens)	Not available in <i>Ariel DB</i> . Available in GL.
20	Ability for reviewer, if any errors / irregularities are detected, to correct the problem him/herself or to send the transaction back to the originator for re-work (at the reviewer's discretion)	X			
21	Ability for the system to adhere to ERSRI standards with regard to user-id and password administration, frequency of changing passwords, etc.	X			Likely; platform is flexible. Depends on actual standards.
22	Ability for the system to keep track of a user's last access date/time by user-id	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
23	Ability for the system to monitor the number of successful and unsuccessful access attempts and to create audit trails showing these events	X			
24	Ability for the system to retain both before and after images of changes	X			
25	Ability for the system to set up, maintain and monitor roles and responsibility for system management, usage, and maintenance	X			Components that could be maintained, such as configuration elements, can be manage by roles. Most application management and maintenance done by Morneau Shepell.
26	Ability for the system to support data classification levels (e.g., secret, confidential, private, restricted, public, unclassified, etc .)	X			Available in accounting module
27	Ability for Web-based applications to be secured based on industry standards and ERSRI encryption policies / procedures				Based on industry standard: yes / Depends on ERSRI encryption policies / procedures
28	Ability to adhere to ERSRI security policies, bulletins, standards, procedures, etc .	X			We comply with all of our existing clients. Without seeing policies, it is unsure but unlikely that we could not adhere.
29	Ability to assign access to a user for a predefined period of time for that role			X	Roles cannot be granted only for a period of time and then automatically deactivate. Must be removed manually.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
30	Ability to assign appropriate priority levels / dates for review of work / audit	X			In <i>Ariel 360</i> work list
31	Ability to audit Member accounts randomly without a triggering event and flag and record the fact the account was audited, the date it was audited, and the time period/transactions audited, and by whom (internal auditor, external auditors, etc) .	X			Recorded in <i>Ariel 360</i>
32	Ability to force log off after ERSRI specified amount of time	X			Sessions can expire after period of time. Can be different for members and administrators.
33	Ability to restrict user to be logged on for only one concurrent session			X	Not desirable in Web were a session could be dropped (e.g. browser just closed)
34	Ability to prevent a user from auditing his/her own work	X			Can be controlled if the audit process is tracked in <i>Ariel 360</i> or if approval / audit process is in the system. Cannot if the audit is of a report or other off-line process.
35	Ability to prevent all processes (including unattended ones) from terminating abnormally when encountering a "locked" Member account and automatically generate a report of all unattended processes that encountered a locked account, that identifies the account against which the update was attempted and the source of the data	X			
36	Ability to capture the event (and generate a report) when an unattended process attempts to update a locked account, indicating the account was not updated due to the lock, the date the lock was effective, and the user-id of the person who locked the account	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
37	Ability to ensure data security measures are employed to prevent unauthorized access of data and/or changes to it	X			
38	Ability to ensure that for all transactions in which a user changes the status of a check to "void", the transaction is reviewed and approved by a different user having appropriate system permissions before it is committed to the database	X			Dynamics AX includes an array of controls to ensure proper segregation of duties, such as ensuring that the individual to generated a transaction to be voided cannot authorize it.
39	Ability to ensure that no audit trail data can be deleted	X			
40	Ability to ensure that security profiles are protected from unauthorized access	X			
41	Ability to extract audit log information for display and reporting purposes and ability to filter selected data from audit log files to generate meaningful and useful security reports		X		Partial. Some audit data requires DBA access.
42	Ability for the audit trail to track changes made to the data regardless of the means by which the change was made – i.e., LOB solutions, employer or Member Web site, etc.	X			
43	Ability to generate audit report(s) identifying all people, processes, dates, and/or times involved in changing Member and employer data	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
44	Ability to lock an account (in the event of stolen identity, divorce, child support, court order, etc.) and record the reason why it is locked, the user id of the user who locked (and later unlocked) it and the date/time on which it was locked	X			Account can be locked and details recorded in <i>Ariel 360</i>
45	Ability setup, maintain and monitor web access and to log an external user off the system after a user-definable period of inactivity (example: 10 minute timeout) as specified by ERSRI	X			
46	Ability to maintain a historical record of user- ids issued, including the identity of the person associated with the user-id and the timeframe during which the user-id is/was valid	X			
47	Ability to maintain an audit trail of all access to data which indicates all user access and specifies the nature and date of that data access			X	If admin has rights to access all users, do not track whether full accesses are run.
48	Ability to produce certain security reports on a regular basis (e.g., violations, access to sensitive files, etc.)	X			
49	Ability to prompt a person with a "challenge phrase" after a user-definable number of unsuccessful log-on attempts	X			
50	Ability to provide a security report listing users, their roles and security access, etc.	X			
51	Ability to provide a single integrated user logon into all applications regardless of the number of sub-systems that are being connected (imaging, workflow, etc.) in accordance with ERSRI standards	X			Our solution will be integrated with a single sign on across web-based modules.

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
52	Ability to provide access rules and role assignment which will restrict departmental employees from performing incompatible functions or functions beyond their responsibility	X			Security is role-based
53	Ability to provide an "account locking" capability such that an appropriately authorized user will be able to lock a benefit recipient's account from ANY update, either online or via an unattended process; if a user attempts to modify data in a locked account, display a message indicating the account is locked, by which user-id, and as of what date	X			
54	Ability to provide appropriate security surrounding electronic, digital and digitized signatures	X			
55	Ability to provide encryption that must be used for secret, confidential, private, or restricted information that will be stored in a non-secure location or transmitted over open networks, such as the Web	X			
56	Ability to provide formatted audit reports that show (for user-selected user id's, date-range, and/or Members [selected by last name, social security number, or other unique identifier]) all changes made to Member records, including before and after images; an "all" Members option must be included	X			
57	Ability to provide special screens for sensitive data so users are aware of confidentiality (e.g., disability screens)			X	Special screens cannot be added in all modules. <i>Ariel 360</i> (where disability is managed) can restrict screen access by role.
58	Ability to provide standard interfaces to maintain security permissions and reporting	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
59	Ability to provide the same locking capability applicable to images, as well as electronic data, such that it will not be possible to add new document images to a locked account nor to delete existing document images related to a locked account OR Ability to add new document images to the folder of a Member whose account is locked but prevent deletion of images from the folder of a Member whose account is locked		X		Images managed in <i>Ariel 360</i> . Can be configured with customization.
60	Ability to retain passwords already used by a user and prevent their re-use	X			
61	Ability to run ad hoc reports of audit trail history by transaction type, transaction date, input date or any of the fields related to the audit trail records	X			
62	Ability to send a transaction to a reviewer for audit	X			
63	Ability to support personal identification numbers (PINs) for security purposes	X			
64	Ability to track all transactions posted to a closed month, including the user-id making the change and the date of the transaction	X			
65	Ability to track sign-on access from another computer by user-id			X	Understand that this means tracking user access by computer id and user id and noting that user has logged in from a non-standard computer. Difficult to implement

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
					on Web without requiring machine certificates
66	Ability to track all updates all that are made to data validation and edit checks	X			Configuration changes are strictly controlled.
67	Ability to, at a minimum, provide the following controls: data access, menu access, screen access, screen function access, transaction access, transaction approval access, workstation location access, workstation time restriction			X	There is no control on data, menu, screen, screen function, transaction, and transaction approval accesses in <i>Ariel DB</i> . However, <i>Ariel Portal</i> , intended for external administrators, has such controls.
68	Ability for the system to adhere to the Health Insurance Portability and Accountability Act (HIPAA)	X			
69	Ability to ensure that all transactions (including view-only access) have a user ID and transaction date associated with them	X			
70	Ability to capture and display comments (e.g., transaction level, account folder level, etc) and the ability to restrict comment updates to the users or supervisors who created the comment	X		X	Comments are available in select areas (where useful) in the various modules.
71	Ability for internal auditors to audit account transactions	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
72	Ability to display, query and print the history of all changes	X			
73	Ability, at the time an audit function is invoked for a particular account, to display on the screen, the date range(s) for which audits have already been conducted and by whom - i.e., "Account has been audited for mm/dd/yyyy through mm/dd/yyyy." Multiple audit periods must be so accommodated.	X			<i>Ariel</i> has audit feature on each data element Historical audits can be logged in <i>Ariel 360</i>
74	Ability to unset an audited (verified) account flag if data within the audited period changes.	X			
75	Ability to restrict the ability to "unlock" a locked Member account to the user who established the lock or the system administrator.			X	
76	Ability to ensure there are sufficient management controls in place to ensure that a user cannot delete a plan, even if empty of Members. (This is because even empty plans have historical data associated with them; their deletion makes impossible the reconstruction of historical data from when the now-empty plan contained active Members.) However, the empty plan should have a flag that prohibits the assignment of new Members unless the plan is reactivated			X	It is not possible to set a flag that prohibits the assignment of new Members if a plan is closed.
77	Ability to modify or roll back transactions in the LOB must be role-based and an audit log maintained of any such activity	X			Available where consistent with good audit practice. Generally transactions should be reversed for proper audit trail.
78	Ability to provide role-based access to data in order to run ad hoc queries against that data	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
79	Ability to see that a Member account is "locked" and why at the time that it is accessed	X			
80	Ability to provide customers as well as internal users with password and user id recovery	X			
81	Ability to log all activity, associating an ID, name and date/time with each log entry	X			
82	Ability to monitor and report on all internal and external users' (including developers' and system administrators') access rights individually or en masse	X			
83	Ability to keep historical records of user access rights	X			
84	Ability for appropriate staff to create, modify, delete and administer users through a standard interface			X	Users other than members accessing the web tools cannot be administered through standard interface
85	Ability to create and schedule audit/security reports based on but not limited to user role	X			
86	Ability to perform ad hoc queries against audit logs and data	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
87	Ability to allow staff the use of same UID throughout ERSRI career	X			
88	Ability to permit access to system via biometric devices	X			Biometric devices are assumed to be attached to the equipment used by ERSRI.
89	Ability to inform ERSRI of changes made to SaaS for purposes of keeping system at the highest level of security	X			

1.6 Desired “To Be” Supporting Business Functionality - Narrative Requirements

The specific business functional requirements in this section are general in nature, being applicable across the entire solution. The requirements for the supporting functionality are divided into categories corresponding to the RFP sub-sections which follow. They are:

- 1. General -** The general requirements are generic in nature and apply to either the technical core of the system (e.g. parameter, table driven system, on-line help) or functions/rules within the application that are required in many if not all of the business process (e.g., support pre-filled forms, provide mailing labels, automatically capture and store all outgoing correspondence for access through the Member folder)
- 2. Reporting and Querying -** This category includes general requirements related to the system’s ability to generate pre-configured reports, ad hoc reports and queries.

In response to each one of these functional areas, the offeror shall provide a narrative description of the functionality provided. This narrative description shall, at a minimum address the specific requirements that appear as a bulleted list in each area. The narrative descriptive shall not exceed three pages plus any samples provided, if requested.

1.6.1 General

Whereby the functional requirements specified for the system are many, and for convenience have been separated into functional areas, there are requirements that are general in nature, and apply across the whole system.

ERSRI requires that the SaaS solution:

- Have a context-sensitive “help” functionality.
- Allow ERSRI to change system parameters (e.g., IRS limits, COLA percentages, etc.) without vendor help and that these parameters be effective-dated.
- Have the capability of defining groups by defining selection criteria (e.g., born after 1950, city of residence equals “Providence”, etc.) or combinations of selection criteria (e., born after 1950 AND city of residence equals “Providence”, etc.), naming the selected group, and having a system process work on the named group.
- Search for Members using either SSN or an ERSRI unique (supplied by the system) identifier. Have the capability of undoing a process, such as posting a payroll.

Offeror should provide detailed information about the proposed SaaS solution’s general functionality. In addition to specifically addressing the ERSRI requirements as discussed in the bullet points above, as appropriate, offer should provide screen shots demonstration system general functionality. Offeror should also indicate any special functionality that it provides as part of its General functionality that ERSRI would consider of “added value”.

Our *Ariel* solution is web-based, fully integrated and brings together best of breed components to deliver a solution that we believe will exceed ERSRI’s expectations for the next decade and beyond.

Addressing the specific bullets identified:

- Help is available throughout the system. Descriptive text is prominent on many transactional pages, particularly those intended for member self-service where users are less likely to read help documentation. Detailed context-sensitive help is available in administrator-focused modules.
- Client-specific parameters are user-updateable. Prescribed limits are maintained by our team.
- *Ariel* supports saved queries / groups in many of the modules. Where practical, processes and actions can be executed on these groups.
- Member searches can occur based on a range of parameters. The most commonly used are the member ID, member first / last name, and the SSN.
- Processes can be reversed, but the option to “undo” a posted batch as if it was never posted is generally not available – having an audit trail with the reversed transaction is the most desirable alternative.

In addition, we would like to highlight some elements of general functionality:

<REDACTED>

1.6.2 Reporting and Querying

As an important component of fully meeting its fiduciary responsibility to its Members and employers, ERSRI must have the ability to provide various reports that relate to all aspects of the services it provides.

Many of these reports will be produced periodically and some are produced as a result of the completion of a process. There is, however, always the need to produce reports on an ad hoc basis.

ERSRI requires that the SaaS solution:

- **Provide a set of pre-defined reports that cover ERSRI’s anticipated needs to provide reports for its own use as well as reports it may be required to provide for others. Appendix E-3 contains samples of reports used by ERSRI on a regular basis. The proposed SaaS solution must have reports that contain the content in these samples. These pre-defined reports must include (but are not limited to) statistical reports such as: 1) Number of Members eligible to retire, 2) Number of retired Members who have returned to work, 3) Retired Member statistics, 4) Active Member statistics, 5) Number of Deaths, 6) Number of**

terminations, 7) Retirement statistics (average age, average benefit, average final average earnings, service), etc.

- Provides a robust ad hoc report generation capability. This ad hoc capability must be easily usable by a non-IT user and require neither the knowledge of the system database structure nor any programming language. The proposed solution should also allow the user to perform queries against the data base in an easy, intuitive manner.
- Have the capability that any report generated by the system be downloadable into Microsoft Excel.
- Archive and allow retrieval of all reports generated by the system
- Users should not be required to know the system “table structure” in order to perform queries. If so, the vendor must develop processes/temporary tables from which users can easily identify data they are seeking to query.

Offeror should provide detailed information about its Reporting and Querying functionality. In addition to specifically addressing the ERSRI requirements as discussed in the bullet points above, this information should list, and provide samples, of all reports that are part of the base system. Offeror should also indicate how many reports it will customize for ERSRI as part of the system implementation effort. Offeror should address the various methods by which reports can be triggered. A full explanation of the ad hoc reporting functionality with examples of User screens and sample outputs should be included. Offeror should also indicate any special functionality that it provides as part of its Reporting and Querying functionality that ERSRI would consider of “added value”.

Morneau Shepell

Ad hoc queries for database information are available through our proprietary ListPro tool. This tool provides pension administrators the ability to create ad-hoc lists and execute them on the database. It is a user-oriented tool that creates the SQL queries based on the selections of the requested fields by the administrators. No SQL knowledge is required to use it. A number of existing listing will be available that the administrators can use as a starting point. For recurring reports, we would create the listing during the implementation.

Employer Reporting, including and option for Ad Hoc Reporting

Several tools are available in *Ariel* to allow for employer reporting.

Report Generator – SRS reporting tool

The “Report Generator – SRS” tool allows for a comprehensive set of standard reports to be generated. Such reports are based on pre-determined variables that the user can set (for example, the “Age and Service” report can be generated to list all the members that have over 20 years of service and who are at least 55 years old).

#	List/Report	Description
1	Age and Service	<ul style="list-style-type: none"> ■ Used to view members who meet certain age and service criteria. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Participation status <input type="checkbox"/> Minimum and maximum age <input type="checkbox"/> Minimum service <input type="checkbox"/> Minimum sum of age and service
2	Service Break Information – by Dates	<ul style="list-style-type: none"> ■ Used to verify the various types of service breaks by date entered between two dates. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Service Break Type <input type="checkbox"/> Service Break effective dates
3	Service Break Information – by Values	<ul style="list-style-type: none"> ■ Used to verify the various types of service breaks by values entered during the annual update period. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Service Break Type <input type="checkbox"/> Creation Date and Time
4	Retirement Dates	<ul style="list-style-type: none"> ■ Used to obtain the early retirement date, the unreduced retirement date and the normal retirement date for active members on the date of the last annual update. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Participation Status <input type="checkbox"/> Maximum Date
5	Special Dates	<ul style="list-style-type: none"> ■ Used to verify which member has data entries under the “Special Event 1” and “Special Event 2” <i>Ariel DB</i> data elements. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group

#	List/Report	Description
		<ul style="list-style-type: none"> <input type="checkbox"/> Participation Status
6	Terminations and Death Payouts	<ul style="list-style-type: none"> ■ Used to verify the refund and the dates of refund payments settled during the annual update. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Type of Recipient <input type="checkbox"/> Type of Payment <input type="checkbox"/> Payment Date
7	Divorce Information	<ul style="list-style-type: none"> ■ Used to show all divorce records that correspond to the selected criteria. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Sharing Date
8	Pension Adjustment	<ul style="list-style-type: none"> ■ Used to verify if the PAs are less than or equal to the maximum allowed in the annual update year. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Maximum Amount <input type="checkbox"/> Source <input type="checkbox"/> Year of Calculation
9	Bridge and Guarantee End Report	<ul style="list-style-type: none"> ■ Used to display the member's various pensions and which pensions end within a certain period of time (to allow for payee notification prior to the end of the pension payments). ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Payment End Date
10	Beneficiary Information	<ul style="list-style-type: none"> ■ Used to verify the beneficiary information. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Beneficiary <input type="checkbox"/> Minimum and Maximum Date
11	Spouse Information	<ul style="list-style-type: none"> ■ Used to verify the spouse information. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan

#	List/Report	Description
		<ul style="list-style-type: none"> <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Spouse <input type="checkbox"/> Minimum and Maximum Date
12	Member Information	<ul style="list-style-type: none"> ■ Used to verify the member information. Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Minimum and Maximum Date
13	Buyback Information (purchase of past service)	<ul style="list-style-type: none"> ■ Used to verify buyback contract information entered between two dates. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Buyback Contract Date <input type="checkbox"/> Buyback Reason
14	List of Addresses	<ul style="list-style-type: none"> ■ Used to verify the members' latest addresses. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Address Type
15	New Pensioner and Deferred Pension Information	<ul style="list-style-type: none"> ■ Used to verify information on the New Pensioner and New Deferred Pensioner. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Minimum and Maximum Dates
16	New Pensions	<ul style="list-style-type: none"> ■ Used to verify all new pension benefits (not new pensioners) including the monthly amount (useful for reconciliation with Trustee). ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Payment Start Date <input type="checkbox"/> Pension Name <input type="checkbox"/> Recipient Type
17	Paid Pensions	<ul style="list-style-type: none"> ■ Used to verify the pensioner's payable pension amounts at a specific date (useful for reconciliation with Trustee). ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan

#	List/Report	Description
		<ul style="list-style-type: none"> <input type="checkbox"/> Group <input type="checkbox"/> Member Status <input type="checkbox"/> Pension Name <input type="checkbox"/> Minimum and Maximum dates
18	Status and Sub-Status	<ul style="list-style-type: none"> ■ Used to verify the members' most recent status and sub-status. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Status <input type="checkbox"/> Sub-Status <input type="checkbox"/> Effective Dates
19	Service Breaks and Salary Rates Report	<ul style="list-style-type: none"> ■ Used to verify if there are any service breaks and the corresponding salary rate. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Maximum and Minimum Dates <input type="checkbox"/> Service Break Dates
20	Salary Rates	<ul style="list-style-type: none"> ■ Used to verify the salary rates. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Salary Rate Entry Date <input type="checkbox"/> Salary Rate Effective Date
21	Transactions Report	<ul style="list-style-type: none"> ■ Used to verify various types of past transactions over a certain annual update period. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Transaction Type <input type="checkbox"/> Creation, Entry, Target Dates
22	Accumulated DC and OAC Contributions	<ul style="list-style-type: none"> ■ Used to verify the accumulated contributions. Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Entry, Effective Dates <input type="checkbox"/> Contribution Type
23	Buyback Transactions	<ul style="list-style-type: none"> ■ Used to verify the transactions related to a specific buyback contract. ■ Available parameters: <ul style="list-style-type: none"> <input type="checkbox"/> Plan <input type="checkbox"/> Group <input type="checkbox"/> Target Date

#	List/Report	Description
		<input type="checkbox"/> Buyback Reason

ListPro reporting tool

In addition to the tool mentioned above, *Ariel* also has a custom report creation tool: ListPro. ListPro is in fact a database query tool that allows user to create and save query definition in order to produce lists from the available *Ariel* database. ListPro has various features including the ability to start from an already-existing query, modify it, and publish it to allow for other users to use it. Other interesting features include “Transposition” (allowing user to configure the report to display some of the fields in columns rather than rows), an SQL view that can be used to understand how the report is generated and “Aggregation” (allowing combining entries of a field into one single field – available aggregation function include: sum, average, count, minimum and maximum).

Also, many other out of the box standard reports are available in *Ariel*. We are providing a brief description of each of those below.



Change in Membership

This report allows the user to reconcile the additions of members, the status changes, as well as membership terminations.

Detailed Information

“Detailed information” is a report that contains all the information on a member that is available in the database.

To produce and save a member’s or a selection of members’ detailed information, the user must follow the steps below:

1. Select “Detailed information” in the Report menu.
2. Enter the member’s ID number in the Member ID field or select a list of members by clicking “” to the right of the List File field.
3. The ID number of the member selected in the Member screen appears by default.
4. To save the Detailed information, click “” to choose the directory and the file in which the result will be saved.
5. Select the language of the detailed information using the dropdown list in Language.
6. Click the Execute button to create the detailed information report.

<REDACTED>

Transactions Report

This functionality is used to produce the transaction report for a member. This report contains all the transactions that concern a given member, as well as the changes made to these transactions. It is also possible to obtain a transactions report for a given type of transaction. The user must select the tab that contains the transactions to be included in the transactions report.

Change Report

This functionality is used to obtain a detailed report of changes. The section Selection allows the user to select the members for whom the report is desired. The section Journal/book allows the user to select the desired period. The section Actions allows the user to select the type of change. The section Users allows the user to create a report of the changes made by one or more users. The section Record / Field List allows the user to target the changes for specific data.

Reports Configuration

This functionality is used to configure the presentation of various production reports. The annual statement, database reports, reconciliation tables, reconciliation support list and other statements can be formatted (text orientation, font, margins, etc.).

Pensions Payments Report

This functionality allows the user to create reports of pension payments on a specific date.

Reimbursement Payment Report

This functionality allows the user to execute reports of reimbursement payments on a specific date.

Buyback Payments Report

This functionality allows the user to produce reports on buyback payments on a specific date. The user can select active members, retirees or both.

Payment Authorization

This functionality allows the user to generate payment authorization forms.

<REDACTED>

To create the report the user must:

1. Select a member and fill in the Member ID field in the Input Selection section or select a SIN list.
2. Choose Search Info criteria to filter according to Pension Plan, Group, Trust / Insurance Co. and/or Account Number. (Information for the last two fields must have been entered earlier in the Financial Institutions screen.)
3. Refunds with a payment date that falls within the period defined by the Start Date and the End Date will be used to generate the payment authorizations.
4. Select the language of the report.
5. Click the Execute button.

Retirement Dates

This functionality shows the retirements dates calculated based on the information stored in *Ariel* at the time of execution. These retirement dates are not saved in the database.

To obtain the information concerning the retirement dates, the user must select the member in the Members screen and then select the Retirement Dates in the Reports menu.

<REDACTED>

ADP

Reports delivered with ADP's solution can be modified to suit our clients' needs, or ad hoc reports can be created via our three delivered report writing tools:

-
- The eQuery tool is an integrated, simplified query tool designed to meet the needs of HR, payroll, and benefits professionals. Administrators can select data, filter data using common logic functions, summarize data using aggregate functions, sort data on up to three fields, and extract data to Excel.

- ADP Reporting is an internally developed, web-native ad hoc reporting solution that was architected to provide a common reporting tool across ADP's products and services. This tool includes a scheduling component to automate reporting executions (jobs). ADP Reporting allows users to extract report results in a variety of formats (including HTML, PDF, Excel, CSV, TXT, and XML). Clients can leverage their own corporate reporting strategy by extracting data in whatever format necessary. ADP provides database-level security to enforce a user's security restrictions even when he or she is using the reporting tools.

1.7 Desired "To Be" Technical Functionality - Business Rules Management

Table 1.7: Functional Requirements for Business Rules Management

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
1	Ability to track all updates to data, data values, data ranges, etc., used by distinct business-based rules	X			
2	Ability to provide "rules management" capabilities	X			
3	Ability to modify an existing business rule such that when it is modified that modification is immediately realized and executable everywhere the rule is used	X			
4	Ability to maintain versions of Business Rules as they are changed	X			
5	Ability to reuse business rules and/or rule sets to create additional rule sets	X			
6	Ability to link business rules to the business process activity(ies) to which they apply	X			
7	Ability to specify the effective date of any new or modified business rule such that it will not be executed until the indicated date	X			

Requirement ID	Description	Compliant	Customization	Non-Compliant	Comments
8	Ability to specify the "No longer" effective date of an existing business rule such that it will not be executed after that date	X			
9	Ability to easily find a specific business rule in the repository of business rules, possibly by searching, use of key words, etc	X			
10	Ability to relate each defined business rule back to the source (regulation, law, policy, etc) from which it is derived	X			
11	Ability to support multiple classes of business rules including inference, computation, validation, etc.	X			
12	Ability to determine how many times a rule is executed and from which process it is executed	X			

1.8 Desired "To Be" Technical Functionality - Narrative Requirements

The following subsections list the many detailed capabilities required of technical enabling functions integrated into the proposed retirement system solution. The specific areas covered by this set of requirements include the areas described below:

- Business Process Management** - These requirements are for managing system processing to ensure that they are done in a consistent fashion and, when necessary, are not missed.
- Customer Relationship Management (CRM) and Contact Management** - The objective of these requirements is to provide users with easy (single query) access to all pertinent information about a customer (e.g., member, retiree, beneficiary, employer) when a contact occurs, as well as the ability to update the contact information to reflect the most recent transaction or information provided to the customer via the system (e.g., change in beneficiary, retirement estimate) or as a result of a communication between ERSRI and the customer - typically by in person, phone, email, or fax. Such

requirements would also include the ability to see the history of previous contacts and communications

3. Electronic Content Management (ECM) - ERSRI has chosen to collect under the single ECM heading all of the technologies that will be used in the management of electronic content (including some (Correspondence Management) that are not found in the traditional definition of ECM:

3.1 Content on Demand (aka Print on Demand) - Requirements for the on-demand (as opposed to pre-printing, storage and distribution of multiple copies) of brochures, handbooks, etc., typically customized to the specific needs of the person requesting the printing, e.g., pre-population of member name and SSN fields if a member is making a print request, but not if an employer is making it.

3.2 Correspondence Management - Requirements associated with the automatic generation, capture, and management of all correspondence that results from interaction with the new solution

3.3 Electronic Forms (eForms) and Portal Management - Requirements covering the use (and the user interface in particular) of the internet to provide interaction between ERSRI customers and ERSRI

3.4 Imaging - Requirements for an imaging system including requirements for scanning, image capture, indexing (both manual and barcode), System Standards and induction. This also includes the requirements for viewing images, annotating and manipulating. The technical standards for an imaging system (file standards, data storage, and retrieval) are included

3.5 Knowledge Management - Requirements that cover the creation and use of a repository of "knowledge" linking the laws and statutes by which ERSRI's business is governed, the practice by which those statutes (and previous ones) have been applied in making decisions affecting ERSRI's members, and general knowledge about what steps to take in using the new solution to perform a process or find an answer to a question. In response to each one of these functional areas, the offeror shall provide a narrative description of the functionality provided. This narrative description shall, at a minimum address the specific requirements that appear as a bulleted list in each area. The narrative descriptive shall not exceed three pages plus any samples provided, if requested.

BPM, CRM and CM

In supporting pension administration, a variety of operational tasks must be initiated, tracked and managed. Our BizTalk-based *Ariel Flow* module manages workflow orchestration including both the system-level automated tasks and any human components (e.g. reviewing and approving a termination calculation generated automatically upon receipt of a termination transaction in the HR interface). Our *Ariel 360* module provides a front-end for administrators to manage their work items, for Customer Service Representatives (CSRs) to log cases and initiate any retirement requests receive by phone.

1.8.1 Business Process Management (BPM)

ERSRI believes that business process management (BPM) is a powerful enabling tool to assist in the automation and management of our work processes. However, ERSRI also feels that BPM is the kind of tool that works most effectively when subordinate to and integrated with the actual processing of work.

ERSRI requires that the SaaS solution provide a BPM tool that:

- **Leads the ERSRI staff through the steps of a work process**
- **Provides guidance, at each step, in what that processing should be**
- **Routes the completed work correctly - all without intruding in the actual processing. For example, requiring that the user navigate away from the screen containing work in progress in order to indicate work status or obtain information on what action to take subsequently, only to subsequently navigate back to the screen containing the work in progress is absolutely unacceptable.**
- **Allows the work process to be initiated and/or advance by the scanning and indexing of a document**

In its proposal, the offeror is to describe how the BPM function manages automated document processing, as well as other content, and integrates it throughout the solution. In addition to specifically addressing the ERSRI requirements as discussed in the bullet points above, proposal should also address:

- **To what extent ERSRI has the capability to add a work process or modify an existing work process.**
- **To what extent can ERSRI define roles and responsibilities within the BPM tool?**
- **What statistics and reports are available to ERSRI from the BPM tool?**

- **Offeror should address how many ERSRI customized work processes are included in the initially delivered SaaS solution.**
- **Offeror should also indicate any special functionality that it provides as part of its BPM functionality that ERSRI would consider of "added value".**

Our BPM functionality is fully integrated through the *Ariel* solution. It is built upon a BizTalk foundation, and leverages our *Ariel 360* module to provide an interface to the work items. BPM is based upon two key elements: Triggers and Work Items.

A trigger is an event that causes a workflow to initiate or progress. Triggers can include data points received on a file or keyed in (e.g. a change in work status, a new employee), the passage of time (e.g. a document wait expires, reminder needs to be sent), the actions of an administrator (e.g. the processing of a work item), the receipt of an imaged document, and more. When a workflow initiates or continues, it moves through the various automated steps until completion or human intervention is necessary.

A work item is an action required by an administrator. Work items are created automatically by workflows and signify next steps / actions for an administrator. Examples of work items may include a requirement to review a received document; to approve a transaction; to follow up with a plan member. Once an administrator completes a discrete work item, the workflow continues. This may result in the completion of the workflow or another work item if further human intervention is required.

In general, letters and other correspondence will not create individual work items. They are generated automatically and recorded in *Ariel 360* in the member's record as outbound correspondence. At the end of the day, a single work item to "print and mail letters" is created, with a large PDF document ready to print and be inserted.

Work items are managed in the *Ariel 360* work list. All new work items are inserted into the work list. The work list is made up of various queues. The workflows are configured to create items in the correct queue (generally set up based on your team structure) and then supervisors can assign work items to an administrator's personal work queue. Alternatively, administrators can fetch their own work items from the general queues. The work list is designed to be the central hub for administrators who can quickly work through the actions required, without having to move through several different systems.

<REDACTED>

Document imaging plays an important role in workflow. As documents are imaged and indexed (generally to a member and document type), references to those documents are created in *Ariel 360*. The imaged document can easily be accessed when viewing a member record. Receipt of certain documents could trigger actions to review the document itself, or to approve a transaction that was awaiting a supporting document.

In response to your questions:

- Complex workflows are configured and maintained by our team in BizTalk. Some basic workflows can be created and user-maintained in *Ariel 360*.
- Within *Ariel 360* users have different roles and can be granted access to only certain abilities, certain work queues, or objects.
- All work items can be reported on and share many common attributes, such as status. Pre-defined searches that can be exported to Excel can be defined.
- We anticipate approximately 50 business events that map to 95 processes and hundreds of workflows.

Details and Examples

Member events are triggered in a few ways:

- Members self-report a variety of events (retirements, service buy-backs, marriage breakdowns, etc.) – these are logged in our *Ariel 360* module to initiate associated workflow processes;
- Ongoing HR interfaces report terminations, leaves, and other job-related changes which trigger associated workflow processes;
- Special programs (e.g. early retirement) are targeted to populations on an ad-hoc basis, initiating specialized workflow procedures.

In each case, *Ariel Flow* (our workflow solution) handles orchestration of the associated processes, which typically include:

- Queuing up a member event;

- Automated production of associated communication materials (pension kit including options statements and associated collateral, customized communications for early retirement programs, etc.);
- Publishing of communication materials to our imaging solution, recording the associated document in *Ariel 360*;
- Allocation of review tasks to administrators (where individual certification of results is required);
- Production of reminder notices to employees while materials are outstanding;
- Creating an administrative task (to review and process the associated elections) once required documents are received, scanned, and associated with the participant;
- Facilitating administrator approval or rejection (missing information or documentation regarding returned options forms) and producing outbound communication of results;
- Production of final calculation, and assignment of final review as an administrator task for confirmation into *Ariel DB*;
- Default procedures executed where response is not received by the prescribed deadline.

In the case of 250 retirement kits (likely member-initiated events), these would be handled as follows:

- Customer Service Representatives (CSRs) log the associated events in *Ariel 360*;
- *Ariel 360* calls *Ariel Flow* to initiate 250 member events;
- Retirement kits are produced automatically, and are logged in *Ariel 360* with the associated pointer to the document imaging repository;
- Kit review tasks are allocated to an administration queue, and are 'accepted' by available administrators;
- Where kits are not reviewed by a predefined date, automated reminders are forwarded to the employee;
- Received option forms are scanned and indexed, with associated records created in *Ariel 360* pointing to the stored image on the file server – these initiate a 'processing' task in the workflow queue;
- Administrator reviews the associated form and confirms acceptance or rejection (where information is missing or associated documentation requirements are incomplete);
- Letters are generated confirming the nature of missing information;

- Where forms are complete, the administrator keys the associated data (option election, joint annuitant information, banking information, etc.) into *Ariel* Pension and closes the task.

1.8.2 Customer Relationship Management and Contact Management (CRM/CM)

ERSRI prides itself in the service it provides to its Members.

ERSRI requires that the SaaS solution:

- **Provide a comprehensive contact management logging and reporting capability, fully integrated with the proposed line-of-business solution.**
- **Include a means to easily capture and subsequently reference all customer encounters.**
- **Have a small number (preferably five, or less) screens that can be quickly accessed by a Customer Service Representative (CSR), via a unique key (SSN or ERSRI specific identifier), that contains the data about which a customer typically contacts ERSRI. This typical data would vary based on the status of the customer, e.g., active, retiree, beneficiary, etc.**
- **Have one screen that provides a history of previous contacts with the Member.**

Offeror should provide information about its CRM/CM functionality. This information should specifically address how this functionality will help ERSRI meet its objectives, as outlined in the bullet points above. It should include screen shots, as well as, some sample CRM/CM previously implemented by the offeror. Offeror should also indicate any special functionality that it provides as part of its CRM/CM functionality that ERSRI would consider of "added value".

The *Ariel 360* module tracks all participant interactions, including transaction history, incoming / outgoing documents, calls / cases, etc. It serves as the primary resource for any participant related inquiries. The primary features of *Ariel 360* include:

- Retrieve any plan member's record and immediately see related cases, correspondence, enrollment transactions, and more;
- Drill down to the details of individual transactions;
- View and process any transaction approvals;

- View and manage the status of required and received documents related to transactions.
- Customer service representatives can document calls and cases. When initiating a case, standard responses are proposed based on the question entered.
- Create and assign follow-ups to cases.
- *Ariel 360* is highly configurable, ensuring a solution that suits your organization and processes well.

<REDACTED>

1.8.3 Electronic Content Management (ECM)

As the treatment and management of electronic content has expanded over the years from file management to include technologies such as Enterprise Report Management³ (ERM) and Imaging, other areas of content needing management have also been loosely coupled with ERM and Imaging. ERSRI has chosen to adopt the broadest definition of ECM to include all of the technologies and content areas listed below:

- **Content (or Print) on Demand**
- **Correspondence Management**
- **Paper- and Electronic-Forms and Portal Management**
- **Imaging**
- **Knowledge Management**

Requirements for all of these areas are covered in the sections that follow. As part of the goal of enhanced Member communication, ERSRI intends:

- **To dispense with pre-printed forms and correspondence. Instead, forms (and other informational content) will be requested via a Web-interface, pre-populated as appropriate with Member information, and either submitted via the web or printed on demand and submitted.**
- **That any turn-around or web submitted form is required to include a bar-code representing any information known to the system at the time the form is**

printed (e.g., form number, Member unique ID, Member name, Member DOB, and/or Member SSN).²

- That the return or on-line submission of such a form will initiate a business process. ERSRI believes that such a bar-code on all outgoing or web-generated/submitted correspondence will facilitate indexing of the forms when they are completed by a Member and returned to ERSRI. ERSRI, in another section of this RFP, has asked the vendor to review its current equipment and provide an opinion of its appropriateness for use with the SaaS solution. Vendor should consider ability to read the bar codes it provides as a criterion in evaluating ERSRI's scanners.

Much of the material and many of the requirements listed in the topics within ECM overlap. Content on Demand must be available via Web Self-Service, instances of electronic forms must be printable and subsequently available from the electronic Member record archive, etc. Every effort has been made to categorize the material within the ECM sub-sections below appropriately.

1.8.3.1 Content on Demand (aka Print on Demand)

ERSRI currently maintains many different informational brochures, handbooks, etc. Thousands of such documents are printed each year. An undetermined proportion of those pre-printed brochures are discarded because of changes in content prior to their use. Despite ERSRI's best efforts at announcing the issuance of updated materials, some of the pre-printed material is not discarded as they should be - even though the brochures and booklets contain outdated information. The opportunity that avails itself when reformatting such material for delivery by multiple means (with an emphasis on replacing paper with electronic delivery) means that the provision of content on demand is an appropriate solution. ERSRI requires that the SaaS solution:

- Store ERSRI informational documents electronically and

² Enterprise Report Management (ERM), is a technology that captures the print stream created by the system in addition to (or sometimes instead of) having the print stream actually sent to a printer. The captured file can be indexed and stored in a file repository so that it, like scanned images, can be distributed, retrieved and viewed electronically. The capability is typically used to capture reports such as check registers, but, depending on the generation capability used, it can also be used to capture printed correspondence, etc.

- **Allow ERSRI informational documents to be printed, either by the User or the Member, on an as needed basis.**
- **Enable updating of ERSRI informational documents, with no vendor support.**
- **Keep all versions, in an effective-dated fashion.**

Offeror should provide information about its Content on Demand functionality. This information should specifically address how this functionality will help ERSRI meet its objectives, as outlined in the bullet points above. Offeror should also indicate any special functionality that it provides as part of its Content on demand functionality that ERSRI would consider of "added value".

Our plan member websites are designed to accomplish all of your objectives. We have successfully helped many clients transition from a paper-based environment to one where plan information is disseminated electronically and/or printed on demand by the plan members. As you have noted, this approach dramatically reduces costs, waste, and ensures access to current information.

To facilitate this, our *Ariel* solution:

- Can contain any amount of web content, targeted to the user based on their login. Many of our clients use the *Ariel Portal* as their primary HR website. The design and navigation is flexible to ensure that your branding and content objectives are met.
- Can link to PDF documents for printing or present printer-friendly versions of any page on the website.
- Can allow certain documents to be user-updated. Through a streamlined upload process, users could refresh PDF documents without our intervention.
- Uploaded documents can be versioned, if desired. Old versions could be archived or alternatively presented on the site with the current version.

In addition to these features, we are currently planning a significant enhancement to our *Ariel* web framework that will offer full content management capabilities, enabling you to edit most aspects of the website without assistance. While not fully designed at this stage, the solution will likely include approvals and versioning of content to ensure controlled updates.

1.8.3.2 Correspondence Management

ERSRI currently provides significant amounts of correspondence to its Members.

ERSRI requires that the SaaS solution:

- **Be able to generate, archive, and store as an electronic image, such correspondence automatically**
- **Print correspondence, if, and only if, Member specifies that correspondence be delivered by**
- **"mail"**
- **Initiate well-defined work processes within the BPM tool in those situations in which the generated correspondence requires follow-up action (e.g., a request to the Member for more information to be supplied within ten days).**

ERSRI currently utilizes a number of standard correspondence documents which are currently generated by the ANCHOR system. Often these documents are merged with data from the system's database. A listing of these documents is provided in Appendix E-1As such, ERSRI requires that:

- **The offeror replace, convert or redesign, in conjunction with ERSRI, these document templates to be compatible with the correspondence management solution proposed in the new system and to integrate them into the new system's line-of-business and BPM components. It will be the offeror's responsibility after contract award to define in detail all requirements pertaining to the existing documents and their conversion to the new environment**
- **ERSRI be able to modify these documents without vendor involvement.**

Offeror should provide information about its Correspondence Management functionality. This information should specifically address how this functionality will help ERSRI meet its objectives, as outlined in the bullet points above. Offeror should also indicate any special functionality that it provides as part of its Correspondence Management functionality that ERSRI would consider of "added value".

The *Ariel Flow* workflow engine and *Ariel 360* CRM are the hubs for correspondence management. Based on prescribed workflows or on demand, *Ariel Flow* generates letters or documents to plan members. They can be printed immediately or batched into a once-daily fulfillment batch. When a letter is generated, an electronic image is stored. A reference to this image is created in the member's record, ensuring that letters are easily available on an ongoing basis. Similarly, this image is available to the member on-line in their Web inbox.

Ariel Flow can decide whether to include a letter in the fulfillment batch or to email the member; the criteria can be based on a mail/email flag, the existence of an email address, or any combination of factors. Emails could contain the actual content of the letter or, where PHI may be present, instructions to view the actual letter on the member website.

The document templates included in Appendix E-1 will be converted to a format compatible with *Ariel*, such that these letters can be produced.

The letters could be made updatable by ERSRI. We would like to understand which elements might be updated. Most of the letters include elements of dynamic content, some more complex than others. Depending on the technical proficiency of the users editing the letters, there is a risk that the programmatic elements of the letters could be adversely changed. We would like to find a compromise, such as separating static text into a separate configuration file, which would allow ERSRI to maintain control but not introduce technical risk by potentially altering the programmatic elements of the letters.

1.8.3.3 Paper and Electronic Forms (eForms)

ERSRI currently uses various forms in conducting transactions with its Members. Appendix E-2 contains samples of all current ERSRI forms.

As such, ERSRI requires that:

- **The selected offeror replace, convert, or redesign all existing forms (and/or combine where appropriate to reduce their number), subject to agreement from ERSRI**
- **All new forms which are to be returned or electronically submitted must include barcodes which can be read, upon return or electronic submission; enabling indexing and storage into the system and kicking off appropriate processes automatically.**
- **The selected offeror is required to train ERSRI staff how to use all form creation tools to maintain and update existing forms, and to create new ones.**

Offeror should provide information about its Paper and Electronics forms functionality. This information should specifically address how this functionality will help ERSRI meet its objectives, as outlined in the bullet points above. Offeror

should also indicate any special functionality that it provides as part of its Paper and Electronic Forms functionality that ERSRI would consider of "added value".

We will work with ERSRI to review the forms in place today, determine which are needed moving forwards, suggest opportunities to optimize their use through combination or replacement with online forms, and implement them as required.

Many forms-based transactions can be managed using our on-line enrollment tools. In these cases, forms would be completely replaced. Our enrollment tool can be used to capture a wide range of transactions, not just those strictly related to enrollment into benefit plans. This provides us with significant flexibility to collect data electronically. In other situations, forms might still be required. We would determine whether these forms are to be accessed on their own (e.g. application forms) or should be triggered as a follow-up to a transaction.

We can ensure forms are appropriately bar coded to facilitate indexing. Optionally, forms can be designed for Optical Character Recognition where the hand-written text completed by the member is turned into data. We have implemented bar-coded and OCR solutions for other clients, allowing them to quickly index forms and create system transactions from the extracted data. When integrated with workflow, OCR can be a powerful time-saving tool.

We can work with ERSRI to train resources on the ongoing maintenance of forms. If there is a change in the programmatic logic, ERSRI may choose to make the form changes or request that Morneau Shepell complete the change.

1.8.3.4 Imaging

ERSRI requires that:

- **The SaaS solution have an imaging solution that is fully integrated with the SaaS retirement solution**
- **All images and indexes currently maintained by its current imaging system be converted to, and fully incorporated into the new imaging solution.**

Appendix E-5 contains a list of Member File Document Types for Imaging

Offeror should fully describe its imaging solution. This includes the identification of the product being used. In addition to specifically addressing the ERSRI requirements as discussed in the bullet points above, offeror should describe the degree that the imaging solution is integrated into the SaaS pension solution and the BPM solution. Offeror should also indicate any special functionality that it provides as part of its Imaging functionality that ERSRI would consider of "added value".

The approach to scanning and imaging documents varies by client. Some clients prefer to leverage our Kofax document management software, and simply forward soft copies of scanned documents to our office on a daily basis. Kofax handled indexation (leveraging either code 128 or PDF 417 bar coding) and can be used to automate data entry through Optical Character Recognition (OCR). Other clients prefer to use their own document management software, and simply forward an index file containing participant ID, document type, and reference ID into *Ariel Flow* – this facilitates the same level of workflow orchestration, but leverages the client’s document management system to hold the soft copy documents. In either case, the hard copy documents remain with the client under a licensed software model.

We propose a model that leverages storage and indexing in our data center to create a maintenance-free solution. Document intake (imaging & indexing) would occur locally.

Experience

We have supported document imaging as our method for dealing with inbound documents from participants for the past five years for selected SaaS, co-sourcing and full-outsourcing clients for Health & Welfare and Pension administration services.

An imaging solution typically leverages a document intake center which handles scanning and indexing of inbound mail to the specific participant, and document type.

These documents are attached to the participant’s record in our *Ariel 360* system. For each imaged document, a corresponding object is attached to the member’s record. This object tracks the type, date and other metadata relevant to the document. The object has a link to the image that opens in a viewer when selected. If applicable, receipt of a document may create a task within the work list queues, from which administrators accept their work (initiating final pension calculation, etc.). When complete, the administrator closes the applicable task, removing the item from the work queue. At all

times, a record of the document (including status and a link to the content) is available to Customer Service Representatives (CSRs) to support participant calls.

Document Imaging Solution

We use Kodak i1440 scanners in our own imaging centers to ingest hard copy documents and turn them into electronic images. We will review the hardware environment at ERSRI and determine if it is necessary to procure new imaging hardware. Kofax Capture software is used for this process along with the Kofax KTM module which streamlines the process of document classification and data extraction. Kofax can be installed locally or within our data center and accessed using Citrix. To automatically match and extract data from expected incoming documents, we employ either code 128 or PDF 417 bar coding.

Documents captured at the scanning stations are released to our proprietary document management system and any registered waits for those documents are also released. Workflow processes that are waiting for the incoming documents are progressed to the next step automatically.

1.8.3.5 Knowledge Management

One of the benefits that ERSRI expects to receive from the ERSRI solution will be measured by the degree to which its members can answer their own questions, rather than rely on ERSRI staff.

As such, ERSRI requires that the proposed SaaS solution:

- **Contain Knowledge Management functionality that will enable ERSRI members to obtain information about their retirement benefits**
- **Allow retrieval of information using free-form, English language, queries**
- **Contain a knowledge-base repository of both ERSRI-specific and general knowledge information. The repository shall consist of, but not be limited to, ERSRI handbooks, manuals, policies and procedures, Rhode Island legislation pertaining to retirement, banking regulations, IRS regulations, etc.**
- **Return easily understood responses**
- **Contain Frequently Asked Questions (FAQ) or context sensitive FAQ.**
- **Allow ERSRI should to add information to or modify information in the knowledge repository without IT or SaaS vendor involvement.**

Offeror should provide information about its knowledge management functionality. This information should specifically address how this functionality will help ERSRI meet its objectives, as outlined in the bullet points above. It should include screen shots, as well as, some sample queries and responses. It should also include any general "knowledge" already a part of offeror's knowledge management repository. Offeror should also indicate any special functionality that it provides as part of its knowledge management functionality that ERSRI would consider of "added value".

Ariel meets your objectives of providing self-service information to plan members primarily through well organized website content. During the requirements phase, we will design the site navigation based on your existing documentation and additional content you wish to develop for the new website. Our communications team can optionally assist in the development of content specific to your plans and members.

Content will typically include:

- Pages of general information about your plans
- Specific details about the plans
- Plan details & comparisons, where plan members can compare health & welfare options side-by-side and view the detailed features of the benefits
- “What happens if” content providing direction on next steps in the case of common life or work events.
- Frequently Asked Questions
- Access to forms
- Links to useful external resources

Members access this content through navigation, cross-linking, and content searches. Navigation is designed to put the most common content at members’ fingertips. Menu structure and specialized “Quick Links” facilitate this. Ongoing monitoring of the website helps develop an understanding of what members read. Extensive linking within the content to other relevant content provides quick access to information and multiple routes to reach information. Searches are keyword based and return the articles / pages that best match the search criteria. Enhanced search capabilities are planned for an upcoming enhancement to our Web framework with categorized result sets and more extensive search capabilities.

We have a web based knowledge management solution to deliver information to call center staff. Although the tool can be deployed for use by plan members, the extensive website content generally precludes the need to deploy the knowledge tool externally. The information available is customized based on each client's unique requirements. A complete CSR desktop typically includes:

- Forms, letter templates, key contacts, summary plan documents (SPD), employee notices, etc.
- Vendor/provider information
- Business process flows and process diagrams
- Calendars (working, payroll, enrolment, interface, etc.)
- Client news, intended to provide up to date information related to important events

Administrators can create new articles/content and publish directly to the repository for immediate access by the Knowledge Base users. Articles can be viewed by category or via key word searches; statistics for the effectiveness of both the article and keywords used to classify it are tracked by the tool.

1.9 Desired "To Be" Transition Functionality - Interface to Accounting System

ERSRI currently has an accounting system that is no longer supported by its vendor.

As such, ERSRI requires that the vendor set up its accounting system early in the project and connect the ANCHOR system to this accounting system using the same files (See Appendix E-8) ANCHOR currently uses to interface to its current accounting system.

When the new SaaS solution is complete, the interface between the vendor's accounting system and ANCHOR, will be transitioned to be an interface between the vendor's accounting system and the new SaaS solution.

Offeror should confirm an understanding of this requirement and a commitment to meet this requirement.

ADP

ADP General Ledger (ADP GL) is a web-based product that provides enhanced functionality for posting payroll results. Clients enjoy easy access to payroll information

from a GL perspective – while still receiving the traditional data file required for posting. Accounting professionals can more efficiently address inquiries regarding labor costs, which may not be reflected in the typical summary-level, payroll data imports into the GL system. Via a browser that accesses the ADP GL web site, your designated associates can access payroll data from a GL perspective and see consolidated data for all payrolls, data for individual payrolls, and department payroll data. The ADP GL solution provides:

- **Rich user experience on the desktop.** Via Java applets that are delivered through a browser connection to the Internet, the ADP GL application enables a visually intuitive, functionally rich user experience. The application is very easy to use, and the applet is updated at every sign-on with the latest version of the software – so the user is always using the most optimized and reliable interface.
- **Support for any financial package.** You provide the output layout for your financial package during implementation. ADP adds the layout to the ADP GL output file template library to support the creation of a posting file that is ready for processing directly into your financial package.
- **Decentralized business environments.** ADP GL supports separate business organizations from an accounting perspective. This methodology is used when chart-of-account information must be held distinct within an organization, when employee groups are to be totally segregated from other groups, or when different accounting calendars must be maintained.
- **Accounting calendar.** The accounting calendar sets the fiscal year and defines how accounting months are allocated by week throughout the quarter. Each client can set up 4-4-5, 4-5-4, calendar-year, or customized fiscal years. Multiple accrual calendars with varying numbers of payroll days can be established based on either a five- or seven-day work week.
- **Flexible accrual and reversal functionality.** Multiple accrual calendars and reversal dates can be set up to manage a variety of accrual scenarios. For example, payroll days for different employee groupings can be set to calculate the correct number of accrual days.

- **Employee cost distributions.** Cost distributions can be set at the employee level to facilitate inter-company transfers and job-cost allocations beyond the labor allocations that are already available through payroll processing. ADP GL supports all current job-cost capabilities delivered with ADP's AutoPay application.
- **Scheduling and monitoring.** GL processing can be scheduled by date or on demand. Real-time configuration changes can support on-demand processing that may be needed to manage out-of-balance conditions. Users can review online reports through the balancing process. Once a balanced file is ready, the user can access final reports and download the posting file.
- **Drill-down reporting.** This functionality provides complete visibility into payroll data, which enables high-quality decision management results at all organizational levels. Authorized users can extract data directly from the browser to spreadsheet or document formats. Department-level security allows users to access the payroll information that is specific to their responsibilities.

Crowe Horwath

This confirms our understanding that ERSRI will require integrations between the ANCHOR Pension Administration System and the new Dynamics AX Accounting System. These integrations will be developed during the initial implementation of Dynamics AX at ERSRI. Please see Section A-1.4 Assumptions for the detailed list of integrations that will be implemented during this phase of the project.

In addition, new integrations will be created during the implementation of the Morneau Shepell Pension Administration System. Please see Section A-1.4 Assumptions for the detailed list of integrations that will be implemented during this phase of the project.

B-2 Technical Requirements

The next sections contain requirements related to the technology employed by the SaaS solution.

2.1 Browser-Based Solution

ERSRI desires a pension administration solution residing in a Software as a Service (SaaS) environment. The solution must be browser-based, with a zero footprint

client. ERSRI believes such a solution provides a number of advantages, including: little to no need for ERSRI technical support, readiness for remote (from ERSRI offices) accessibility (when enabled with the appropriate security) - while still enabling a rich user interface as well as providing the option/alternative for telecommuting. However, ERSRI recognizes that some scanner controllers are not yet web-enabled (and in the low numbers involved, may not need to be so enabled. There may be other special-purpose client interfaces that the offeror proposes as part of the solution that are still thick-client interfaces.

Because ERSRI has no control over the browser platform that members and retirees select for use on their own computers, it is essential that the portion of the solution exposed to ERSRI external stakeholders (i.e., members, retirees, employers, etc.) via the web support the current release and at least the two immediately previous version of Microsoft's Internet Explorer, Mozilla Firefox, Safari, Netscape, and Chrome.

Offeror should confirm an understanding of this requirement and a commitment to meet this requirement.

Morneau Shepell

The plan member website is designed to work on any HTML 3.2 compatible browser. This would include virtually all browsers in use today. We currently test for compatibility with Firefox 3+, and Internet Explorer versions 6 and up. We currently have over one million plan members accessing our web tools and have not encountered any compatibility issues with other web browsers.

The employer and administrator functionality of the self-service website has similar standards, though plug-ins are required for some features. These plug-ins (e.g., Silverlight, Console Java) are all available for the web browsers listed above and can be easily deployed. The payroll tools for internal administrators require the use of a Java plug-in. All plug-ins are self-installing and will meet your requirements zero maintenance. In the event of any issues or questions, our support team will be able to assist.

The pension plan administration, payroll, and accounting functionalities are accessed using a Citrix plug-in from within the Web browser. This ensures the highest levels of performance and productivity, providing the benefits of a full Windows application with

the zero-maintenance convenience of a Web application. The Citrix plug-in supports Internet Explorer and the Mozilla Firefox browsers.

Since February 1st, 2008, the Netscape browser is no longer supported by AOL, its last manufacturer. Since we wanted to take advantage of the more advanced features offered by mainstream browsers, Netscape compatibility is no longer a requirement for our more recent development.

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For internal administrators (i.e. not employer administrators), the *Ariel 360* CRM and Accounting solution (GL, banking, etc. based on Microsoft Dynamics), and pay administrator Payroll tools require Internet Explorer 7 and above.

2.2 Compatibility with Existing ERSRI Environment

The ERSRI existing environment consists of printers, desktop PCs, and scanners. Upon selection of a vendor to provide the SaaS solution, the successful vendor will be asked to review the ERSRI environment to determine if the current ERSRI environment will provide ERSRI with the full benefits of the new SaaS solution. If it is determined that changes to the environment are necessary, the vendor will provide detailed specifications for the additional hardware and software necessary.

Offeror should confirm an understanding of this requirement and a commitment to meet this requirement.

We will work with ERSRI to review their environment to determine if the current ERSRI environment will provide ERSRI with the full benefits of the new solution.

2.3 Connectivity between Vendor And ERSRI

Inasmuch as the solution being sought by ERSRI is an SaaS solution with a zero client footprint, the connectivity between the ERSRI staff and the solution is critical

to ERSRI fully benefiting from the proposed solution. Because of the absolute necessity of this connection, ERSRI requires:

- A fully independent path between ERSRI and the vendor's primary facility
- A fully independent path between ERSRI and the vendor's disaster recovery facility.

The Vendor should fully describe this connectivity. Specifically:

- What is the primary path of connectivity between ERSRI offices, in Providence, RI, and the proposed SaaS solution?
- What is the primary path of connectivity between ERSRI offices, in Providence, RI, and the proposed disaster recovery facility?
- What are the provided speeds of these paths?
- What communications capability must ERSRI have in place to fully benefit from the proposed SaaS solution?

ERSRI considers everything on the ERSRI premises to be the responsibility of ERSRI (subject to ERSRI's decision to accept an option of having the vendor be responsible for this also. See section B- 5.1) and everything off ERSRI's premises to be the responsibility of the vendor.

Offeror should confirm acceptance of this responsibility.

Morneau Shepell

Our SaaS clients employ standard Internet connectivity to access our solution. Our data centers each have dual, redundant 40 Mbps links from separate providers to ensure continued availability. Our Internet utilization is under 40% of its capacity. Further, these 40 Mbps links are burstable to 100 Mbps, providing a significant safety buffer so that we may handle any significant increase in bandwidth usage with ease.

Some clients, in addition to the standard HTTPS connectivity, also implement a VPN tunnel over the Internet. This is only required for direct access to servers, printers or other devices which may not be externalized within either location. Based on the requirements, we do not anticipate that this would be necessary.

A dedicated link between our primary or primary & secondary data centers to your offices could be implemented, if desired. The cost of this dedicated link is not included in

our fees. Due to the nature of the application and redundancy built into our standard Internet connectivity, we do not believe that a dedicated link would be cost beneficial.

The communications capability requirements are quite basic. The majority of communication occurs over HTTPS, with some use of secure FTP (FTPS) for file exchanges. Citrix uses the proprietary ICA protocol through standard Web ports and as such does not generally require any additional configuration for use.

ERSRI should maintain redundant Internet access from multiple Tier-1 Internet Service Providers. While we are prepared to take full responsibility of the equipment and software hosted in our data centers, we cannot take the full responsibility of the Internet as it is outside our immediate control.

ADP

For the Payroll module hosted by ADP, secure broadband Internet communications is the connectivity method used for primary and recovery facility communications access. Internet access assumes a client - and/or end-user provided Internet Service Provider (ISP) circuit with adequate bandwidth and latency measurements. Internet access supports application access from the Internet. Session security is supported by 128-bit encryption.

ADP uses fully redundant OC-12 (622mb each) Internet communication circuits. Redundancy is supplied by independent tier-1 ISPs.

To ensure similar redundancy at both ends of the connection, ERSRI should maintain redundant Internet access from multiple Tier-1 Internet Service Providers.

2.4 Connectivity between Vendor and Third Parties

ERSRI, in the course of its day-to-day administration activities, receives and provides data from/to various third parties. These third parties include, but are not limited to, banks, insurance providers, government entities, etc. In most cases, these communications include member personal data that must be kept secure by ERSRI policy or by statute, and other financial data that must be handled securely. As such, ERSRI is interested in the means by which the offeror transmits data to third parties - encrypted or other techniques, and standards followed, e.g., NACHA.. How often is the security of this connectivity audited? Is ERSRI, via its connectivity to

the SaaS system, able to initiate the receipt/transmittal of data between ERSRI and its third party vendors?

Offeror should answer the previous questions, confirm an understanding of this requirement and a commitment to meet this requirement.

Morneau Shepell

We can support a number of data transmission methods to adapt to ERSRI requirements:

<REDACTED>

Our solution employs NACHA standards and maintains security protocols in compliance with all federal and state laws and regulations

During the Analysis phase of our implementation, we would work with ERSRI Security and IT personnel to determine a data transmission method that will meet both organizations security requirements.

Regardless of the data transmission protocol, files are received/sent, scanned for viruses, de/encrypted on dedicated servers (in the DMZ) with restricted access to protect our encryption keys and the data. The file transfer process is automated and an audit log is maintained.

Morneau Shepell maintains linkages with all major enterprise resource planning (ERP) packages - SAP, PeopleSoft, and Oracle HR, and payroll providers such as ADP. Our system incorporates an on-line error detection tool which would allow member administrators to fix problems with their HR file uploads themselves. Our payroll reporting capabilities are extensive, and we support formats typically used by the key providers in the industry.

<REDACTED>

We currently interface with all major North American insurers through a robust re-usable outbound interface module. We take accountability for production, validation, and distribution of interfaces using our automated tools as part of the service contract.

Our team will be responsible for ensuring that all interfaces will be exchanged in a timely manner, accurately, and in the correct sequence. We have implemented sophisticated tools and infrastructure to perform extensive validation and scheduling of interfaces. Our objective for both parties is a seamless and fully automated process that is equivalent to a fully integrated module.

Our systems and processes are certified under the SAS 70 Type II standards, providing added assurance to ERSRI of the integrity of our work

Each year since 2005, Morneau Shepell employs external auditors to provide impartial assessments of our practices in the form of a SAS 70 Type II Report. Their audit is conducted in accordance with the standards established by the American Institute of Certified Public Accountants for audits of controls at a service organization. These audits allow us to provide the highest level of assurance to clients in relation to our quality and control procedures.

In general, most file interfaces are scheduled and automated. Our methodologies for data exchange allow ERSRI to initiate file transfers. This can be done by initiating an HTTPS upload or by dropping a file where a “file watch” process is running. Outbound files can be initiated by a request to our service team (by telephone or over the Web) to execute an interface. Alternatively, we could provide access to our job management console where you could initiate jobs yourself.

ADP

ADP requires all transmission traversing public networks to be encrypted using secure industry standard communication methods such as SSL, SSH (SFTP) and or PGP file encryption. ADP employs NACHA standards and maintains security protocols in compliance with all federal and state laws and regulations. ADP security controls are continuously being reviewed via independent SAS 70 and SysTrust audits. ERSRI, via connectivity to the system is able to schedule and or initiate on demand outbound transmittals of data to third parties that have been configured for secure transmittals.

2.5 SaaS Environment

ERSRI's expectations of the "environment" of the proposed solution are that:

- **It enables the meeting of all ERSRI functional and performance requirements, as detailed in Part B of this RFP, for at least the next ten years**

- It is reliably available as needed including during unexpected disasters
- It adequately secures all data from unauthorized access
- It is based on technology that is reasonably standard and can be transported to a similar host without incurring significant cost or taking too long.
- It is, as much as possible, able to use ERSRI's existing hardware and commodity software
- It requires no IT support from ERSRI
- It is relatively easily configured to ERSRI's pension business
- It provides ERSRI with the ability to test solution enhancements/fixes without affecting the production environment

As such, the responses to information about the "environment" of the proposed solution should address these expectations. Vendor should also provide a network diagram of the proposed solution.

Our proposed solution supports the aforementioned requirements. All server side hardware, operating system software, and database software is managed by Morneau Shepell or ADP and does not require ERSRI IT support. Test environments are also provided. ERSRI retains support responsibility for their LAN/WAN and desktop environments.

2.5.1 Vendor Hardware

ERSRI recognizes that an SaaS solution will be hosted on vendor hardware already being used to provide service to other clients. Although ERSRI is interested in the details of this hardware, its primary interests lie in its ability to satisfy the expectations specified in Section 2.7, above. The offeror is required to list all hardware being used and to explain how the hardware of the proposed solution does not meet, meets, or exceeds ERSRI's expectations. A diagram depicting the solution's hardware architecture should be included. Whenever possible, the offeror is asked to provide evidence that supports the offeror's self- assessment. For example: "The proposed solution is fully operational X%. Attached are reports that confirm this stated percentage." This applies to all the expectations listed in Section 2.7, above.

Morneau Shepell

The solution will be hosted at the Morneau Shepell and ADP data centers. Diagrams outlining our respective data center infrastructure can be found in Attachment 2, Appendix B.

The network infrastructure, such as firewalls, load balancing appliances, and the Internet connections themselves all have redundancy built in. The Web and application servers are managed as a load balanced pool that can be scaled horizontally as needed. Database and File servers are configured in failover clusters connected to SAN disks. This architecture greatly simplifies hardware maintenance, avoiding downtime, and provides scalability

The table below explains how our Solution technology infrastructure or hardware meets or exceeds ERSRI's expectations stated in section 2.5.

Expectation	How our Solution meets or exceeds
<ul style="list-style-type: none"> Enables meeting all ERSRI functional and performance requirements in Part B 	<ul style="list-style-type: none"> Our server infrastructure is built with commodity WinTel Servers assembled load balanced pools for application servers and in clusters for database and file servers. Our Solution Architecture can scale horizontally and capacity (and performance) can easily be improved by deploying new servers nodes.
<ul style="list-style-type: none"> Is reliably available as needed during unexpected disasters 	<ul style="list-style-type: none"> Our infrastructure is highly redundant. Redundant network infrastructure and hardware across tiers ensures continued uptime. A diesel generator ensures that uptime is not affected by power failures. In the unlikely event that a disaster is declared, a disaster recovery plan ensures recovery of the application in the backup data center.
<ul style="list-style-type: none"> Based on technology that is standard and can practically be transported to another host 	<ul style="list-style-type: none"> Our application is Intel and Microsoft based. We use standard tools and technologies, ensuring prompt availability of replacement hardware and ease of transport to a new host.
<ul style="list-style-type: none"> Able to use ERSRI's existing hardware and commodity software 	<ul style="list-style-type: none"> Our solution leverages basic web technologies, ensuring that any reasonably current computer can run the application with ease. Our imaging solution uses off-the-shelf software for intake, increasing the likelihood that existing scanners are supported.
<ul style="list-style-type: none"> Requires no IT support from ERSRI 	<ul style="list-style-type: none"> Our solution is fully managed, Web-based and uses simple web plug-ins. Our technical support staff can assist with troubleshooting any problems, using remote collaboration software, in the unlikely event any deployment problems should arise.
<ul style="list-style-type: none"> Easily configured to ERSRI's pension business 	<ul style="list-style-type: none"> <i>Ariel DB</i> is highly flexible – recognized as one of the most flexible systems available – and configured entirely through parameters. No custom-coding is used to implement a plan.

Expectation	How our Solution meets or exceeds
	This ensures ease of maintenance. Our implementation methodology created detailed plan and process documentation that is kept up to date ongoing – having such documents makes maintenance significantly easier.
<ul style="list-style-type: none"> ▪ Provides ERSRI with the ability to test without affecting production 	<ul style="list-style-type: none"> ▪ All configuration and application changes must first be tested and signed off in the User Acceptance Testing environment before they can be deployed to production. This environment is used on an ongoing basis. This control is tested in our SAS 70 Type II audit.

ADP

Please refer to Attachment 2, Appendix B: ADP EPS Architecture & HA Hosting Services for a description of the Payroll Module hardware environment being proposed.

2.5.2 Vendor Software

ERSRI recognizes that a SaaS solution will use software already being used to provide service to other clients. Although ERSRI is interested in the details of this software, its primary interests lie in its ability to satisfy the expectations specified in Section 2.7, above. The offeror should provide a detailed list of all software being used (operating systems, compilers, utilities, applications, etc.) and explain how the software of the proposed solution does not meet, meets, or exceeds ERSRI's expectations. The offeror should also identify the programming language(s) that is (are) being used by the main LOB application. The offeror should also confirm that all "proprietary" software is fully owned by the offeror.

The table below lists all the software components that make up our integrated solution.

<REDACTED>

The Architecture Reference Model found in Attachment 2, Appendix B depicts how all the software components listed above are assembled together to build a cohesive integrated solution. In our Solution Architecture, the business logic is implemented as a suite of specialized and highly configurable software components that all exposes a rich set of business services that are integrated by our BizTalk workflow engine to implement all the business functions required by our front end applications. This Service Oriented Architecture enables us to deliver a best of breed solution to the State. The table below explains how this Architecture meets the State requirements listed in section 2.5.

<REDACTED>

Microsoft Dynamics AX is the ERP solution for enterprises that provides a purpose-built foundation for ERP functionality across financial, human resources and operations management. It empowers your people to anticipate and embrace change so your organization can thrive. All functionality is packaged into a single solution providing you a rapid time to value implementation.

Microsoft Dynamics AX helps Public Sector Clients manage their finances, procurement, human resources, citizen relationships, funds, projects and grants, budgetary control and service delivery—all with a low total cost of ownership (TCO).

Microsoft Dynamics AX 2012 was developed using the X++ programming language. Development workbench is included with AX 2012. Any modifications can be made using either X++ or Microsoft Visual Studies. Also note: we do not anticipate making any modifications based on your Accounting System Requirements contained in Section 2.7.

2.5.3 Data Base Management System (DBMS)

ERSRI recognizes that an SaaS solution will use a DBMS that is already being used to provide service to other clients. Although ERSRI is interested in the details of this DBMS, its primary interests lie in its ability to satisfy the expectations specified in Section 2.7, above. The offeror is asked to identify which DBMS is being used and explain how the DBMS of the proposed solution does not meet, meets, or exceeds ERSRI's expectations.

Morneau Shepell

Morneau Shepell uses Microsoft SQL Server 2008 as the DBMS. Databases servers are mounted as Windows Clusters connected to SAN disks that also provide high availability and fault tolerance.

ADP utilizes commercially available database technology software from Oracle. The database is deployed using Oracle RAC clustering technology.

Our DBMS solution easily meets ERSRI's requirements for a solution that ensures continued uptime and lasting availability for a decade or more to come. Fully managed

by our teams, Microsoft's SQL Server and Oracle can provide the assurance of a worry free DBMS for many decades to come.

ADP

ADP's Payroll module utilizes commercially available database technology software from Oracle. The database is deployed using Oracle RAC clustering technology.

2.5.4 Security/Control

The solution provided by the offeror will house all ERSRI member data as well as ERSRI financial information. As such, the security of that information will be a critical component in the selection of an SaaS solution. The offeror is asked to specify how this data is secured and how often, and by whom, is this security tested and/or audited. ERSRI reserves the right to conduct its own security testing or engage a third party to do such testing. The offeror is asked to explicitly agree to this right.

<REDACTED>

In addition to data security, ERSRI is interested in how the SaaS solution provides user controls. What audit trails does the solution provide? What ability will ERSRI have to access and generate reports from that audit trail?

All updates to the participant database are audited and can be reviewed through the *Ariel Change Report*. A history of all changes made to the database is kept on our system, providing a complete and detailed audit trail. The audit trail covers all data pertinent to plan members. This includes personal information, employment data, and plan membership records. For data related to plan rules and plan provisions, *Ariel* keeps a complete history of plan amendments. In addition, we have an audit trail feature for parameters that will provide information on the user who made the change, and the time that the change was made. Maintenance of a complete audit trail is implemented either at the application server or database level. The transactional nature of our systems ensures that the audit records are not missed as part of the process. Similar functionalities also exist in both Dynamics CRM and AX.

Detailed execution logs and reports are automatically generated when a functionality is being used (e.g., a calculation is run, the plan parameters are modified, a query report is executed, etc.). With the audit and execution reports, supervisors or experienced plan administrators are able to detect unplanned activities or suspicious data updates. Our standard administration processes usually incorporate audits and checks at critical steps, depending on the task being completed. For example, data validations that are automatically generated (e.g., salary increase that do not fall within some predefined range) are available to detect and flag unexpected data changes for investigation when performing annual update activities.

Our solution implements a role-based security model enabled by our Security Service. The Standards roles are:

- View only (no ability to make changes)
- User (Performs day-to-day pension administration tasks)
- Power User (Configures and changes, Plan Parameters)
- System administrator (Performs System Administration Tasks)

However, our Security Service allows us to create client specific roles with different levels of access. Business Roles are associated to a list of tasks that they are allowed to perform in our solution. Those business roles are usually determined during the Analysis phase of our implementation project in conjunction with the business process mapping exercise that occurs during that same phase. The security could be extended to each data element to specify for each user type the functionality (add, delete, view and change).

Our security model also provides for restricting scope by administrator; i.e., limiting which employees that an administrator may access. This is particularly important for employer administrators who should only have access to see their own employees.

One of the evaluation criteria used in selecting the SaaS solution will be the features of the solution. Vendor should be informed that the security features of the solution will weigh heavily within this evaluation criterion.

We ensure that our security is up to date against the latest threats. We take security and privacy matters very seriously. Our systems are designed with multiple security levels to

ensure confidentiality at all times. We can proudly say that our security procedures are second to none in the industry. To demonstrate our security, a well-known security consulting firm conducts vulnerability assessments (i.e., “ethical hacker” tests) of our systems.

We have multiple security protocols to protect the data and privacy of your members when they are using our web solutions. For example, the application is multi-tiered adding security since there is no direct access through the application to the data. It is a web application and SSL is used for the entire session so all communication between the users browser and the application is encrypted. Members must logon with a unique user ID and password to view their own personal data. If the user has an administrator account the account must also have a unique user ID and password.

Security between our web components are managed via Integrated Windows Authentication using service accounts. The calling component needs to have the right level of authority in order to connect to a service/database. All user credentials are hashed in our database.

The offeror should provide a copy of its Security Plan.

Please see Attachment 2, Appendix C for a copy of our Security Plan.

2.5.5 Multiple Environments

During the lifetime of ERSRI's use of the selected SaaS solution, there will be times when business rules may change or system problems may be encountered. As enhancement and/or fixes are made to the SaaS solution, it is understood that those enhancements/fixes would be tested before being placed into a production environment. As such, the solution must have, at least, a testing and a production environment. It could be expected that the offeror may have other environments also: a development environment, a staging, environment, etc.

Offeror should enumerate all environments that would be used in supporting ERSRI. Specify whether any particular environment is physically distinct from other environments. Identify which environments are available to ERSRI.

The table below lists all the environments that are used at Morneau Shepell:

Environments	Available to the ERSRI Users	Description
Development	No	Separate environment used for programming and unit testing.
Integration	No	Separate environment used for system integration testing
Performance Lab	Test Reports	Separate environment used for performance and load testing.
UAT	Yes	Separate environment used to test software releases and configuration updates
Q/A	Test Reports	Separate environment in which our automated regression testing is performed.
Production	Yes	Separate production environment
Pre-Production	Yes	Separate environment containing multiple copies of the production data that are used for reporting, sampling, and to test configuration changes.

ADP's standard offering includes separate development, test, and production environments.

All enhancements and/or fixes undergo multiple phases of testing and any application changes to the production environment must be reviewed and agreed upon by authorized ERSRI representatives before being deployed to UAT or Production.

2.6 Operational Requirements

The following sections detail the operational requirements for the proposed solution.

2.6.1 Sizing

ERSRI is concerned that the proposed solution has the processing and communications capacity to accommodate all potential users and uses of the system, during peak usage times. Section 4.1 contains information as to the numbers of ERSRI employees, number of employers, and numbers of members (actives, payees, and terminated vested). Although not all of these users will be accessing the system at any one time, there will be times when many of them are. The vendor should state how many concurrent users could be using the system at the same time without a noticeable drop in system response time.

Morneau Shepell

We have reviewed the ERSRI organizational structure and potential user community requirements and does not anticipate any material impact to user response times. We have many clients with over 30,000 plan members. The Web and application tiers, where capacity constraints are experienced, are load balanced and scale by adding additional servers. Capacity is of particular concern for Health and Welfare clients where open enrolment drives a large percentage of the membership to the website during a short period. In all cases, *Ariel* has met our clients' expectations for uptime and performance.

These results are achieved through deliberate design, load testing, soak testing, capacity planning, and careful monitoring. Our Production Application Support (PAS) team monitors the servers and Internet connections for usage above conservatively established thresholds. If those thresholds are passed, we work with our client to determine whether the spike could grow. Did a communication go to all plan members? Is there an important change in the plans? If the activities are determined a threat to application performance, the solution is scaled outwards.

Prevention is the most important aspect of capacity planning. We meet with our clients regularly to understand if any changes or activities are planned that may affect capacity. This helps ensure that we develop and test a capacity plan before the usage spike occurs.

ADP

ADP has reviewed the ERSRI organizational structure and potential user community requirements and does not anticipate any material impact to user response times. The system is configured to anticipate each client's use case and does not impose concurrent user limits.

2.6.2 Performance

Whereby the performance of the system can be affected by the number of concurrent users, the largest effect on performance is the execution of process-intensive activities. What follows is a list of some process-intensive activities that are performed by ERSRI in their normal course of work. For each process listed, offeror should indicate the number of units of the activities (in parentheses) the solution can perform, per hour, without affecting the user experience. For example: How many transactions can the solution process per hour?

- **Payroll Processing (Checks and ACH) (payees)**
- **Wage and contribution edits (members):**
- **Wage and contribution posting (members)**
- **Interest posting (members)**
- **1099 generation (individuals)**
- **Benefit Statement generation (members)**

In all cases of individual transactions, the system must respond to the User in three seconds or less. For purpose of ensuring that this response time is met, response time will be measured on a PC permanently connected as close as possible to where the ERSRI environment meets the outside environment - in order to eliminate any issues that could be attributable to ERSRI's internal LAN traffic, or other software that may be running on users' workstations over the LAN, or other similar issues.

Transaction Types	Response Time and Throughput Characterization
Payroll Processing (Checks and ACH) (payees)	The proposed system is configured to anticipate each client's use case with sub-second internal response times for interactive user sessions. The number of transactions processed is dependent on each client's use case and configuration parameters and requirements.
1099 generation (individuals)	
Wage and contribution edits (members):	The majority of Wage and Contribution edits and postings are done through a batch interface that has a high throughput and that can run in parallel. Since the types of edits and validations vary greatly from one client to another, the processing time will also vary accordingly. It is part of our standard installation procedure to do performance test to fine tune the configuration and to determine those benchmarks. When those edits are performed online, the response time is well under the 3 seconds.
Wage and contribution posting (members)	
Interest posting (members)	For each interest account that needs to be allocated to a pension fund, we will be able to complete the allocation within your 3 second threshold provided ERSRI has a logical or straight forward allocation formula such as the average daily balance formula for calculating the allocation.
Benefit Statement generation (members)	Benefit statements can be generated in batch and online. The actual generation time and through will depend on the nature and complexity of the plan rules. While some simple cases may take around 3 seconds to generate, the actual calculation time may average around 5 to 10 seconds. For benefit statements, we use batch processing whenever possible to get the throughput that is required by the client operations.

To address these types of client concerns, Morneau Shepell and our hosting partner ADP will work with ERSRI to ensure full user acceptance testing and sign-off during the

implementation process and before go-live. Should user response times become an issue at any time after go live, Morneau Shepell will work closely with ERSRI resources to determine root cause and assist to remediate any issues.

2.6.3 Scalability

The solution must provide the ability to scale the environment support that necessitated by the current growth predictions.

As stated previously, the solution must be able to meet the projected growth in processing volume of at least three to five percent per year for at least the ten-year expected lifetime of the solution with no additional cost to ERSRI. Offeror should discuss the process by which the system is originally sized as well as the ongoing process to ensure that the system meets the future needs of ERSRI.

Morneau Shepell

Before each client deployment in our production environment, we assess the impact of the existing capacity and extra capacity is added when required. Our Production Application Support (PAS) team monitors the servers and Internet connections for usage above conservatively established thresholds. We also have a capacity planning process during which we estimate the expected user load growth for the next year and plan the additional hardware that will be required to meet that growth that is independent from the client implementation. Our solution architecture supports both horizontal and vertical scaling. We do not anticipate any scaling issues based on the information provided.

ADP

Morneau Shepell and ADP's proposed system architecture support horizontal and vertical scaling. ADP does not anticipate any scaling issues based on the information provided.

2.6.4 Availability

ERSRI requires a system that is available for use virtually full-time. Although it is understood that periodically, preventive maintenance, backups, system change migration is performed, it would be expected that these could be performed without the system being taken off-line. Vendor should provide statistics as to the actual uptime of the system, monthly for 2010, and annually for 2006-2009. Vendor should specify how these numbers were measured. On those rare occasions when the system has to be taken down, is there any indicator (other than no response) given to

the user indication the system is down and the anticipated time for its return to operability.

Morneau Shepell

<REDACTED>

ADP

ADP's annualized system availability has averaged 99.9% using the following formula. In the event ADP's portal used to access the system is off-line a message is displayed.

The following formula is used to measure hosted system availability.

$$[(SA - OM) / SA] * 100$$

SA is system availability minutes in a month (i.e., minutes in the month excluding the published maintenance window and any other scheduled maintenance hours)

OM is outage minutes (i.e., unscheduled downtime minutes outside the published maintenance window).

2.6.5 Planned Downtime

If there are any circumstances in which the system is to be taken down, those circumstances should be itemized. For each of these expected circumstances, how long will the system be down? Is the vendor taken any steps to mitigate these planned downtimes?

- **Application Upgrade – no down time.** Application and hardware all have built-in redundancy which enables us to perform the majority of our upgrade activities without impacting member experience. If impact is un-avoidable, it is then communicated to all Client Managers at least one month in advance. The Systems Implementation group will then perform the upgrade according to the timeline provided by the Client Managers.
- **Database Maintenance – possible intermittent downtime.** This maintenance is performed every Sunday, from 1 am to 4 am in order to minimize the possible impact to the members.
- **Security Patches – possible intermittent downtime.** This maintenance is performed on the last Saturday of every month, from 10 pm to 1 am in order to minimize the possible impact to the members.

- **Infrastructure Upgrade – no down time.** Application and hardware all have built-in redundancy which enables us to perform the majority of our upgrade activities without impacting member experience. If impact is un-avoidable, it is then communicated to all Client Managers at least one month in advance. The IT group will then perform the upgrade according to the timeline provided by the Client Managers; a maintenance splash page will be enabled on any impacted websites indicating the anticipated time of return.
- **Emergency Upgrade/Fixes – case by case scenario.** If members are impacted, we initiate our Admin Solution Alert process which involves all Client Managers. The Production Application Support group will inform them of the situation, the impact, the strategy and timeline to resolve; a maintenance splash page will be enabled on impacted websites indicating the anticipated time of return.

The Payroll system is taken off-line only when system or infrastructure maintenance requires. Please refer to the attached Exhibit: ADP EPS Architecture & HA Hosting Services for a description of the maintenance window.

2.6.6 Recoverability

Inasmuch as systems do fail, ERSRI is interested in how the proposed solution recovers from these failures. Specifically vendor should state within how long ERSRI could typically expect the system to be fully recovered and operational. Are there interim steps in the recovery process by which certain functionality (for example, ECM) may be available before the system is fully operational. If so, the vendor should specify the progression of returned functionality and indicate how soon these incremental functionality steps will be available.

The vendor should also provide information related to how the recovery process works: starting with notification from ERSRI of a problem through final recovery.

<REDACTED>

2.6.7 Network Vulnerability

Protection of member information through means such as determination of system vulnerability is a critical issue for ERSRI. The successful offeror will be contractually obligate to provide a secure network environment. Each offeror must provide ERSRI, with their response to this RFP, documentation that certifies the security of all environments (production, testing, etc.) at both the primary hosting

facility of the solution and at the facility that will host the disaster recovery site. Offeror should also indicate how often network vulnerability is tested and recertified. Offeror should also indicate how offeror remains current as to network vulnerabilities.

ERSRI reserves the right, through a third-party organization, to periodically conduct network vulnerability assessments. Upon completion of the assessment, the third party organization will review all events with ERSRI personnel, determine which of the identified shortcomings are false positives and which actually need repair. Offeror should confirm acceptance of this ERSRI right.

In the event there remain shortcomings in the network security configuration of the proposed solution, the successful offeror will be immediately notified and provided an opportunity to respond. Should ERSRI remain convinced that any of the shortcomings are, in fact, issues of significance, the offeror will be responsible for rectifying these shortcomings, at the offeror's sole expense within fifteen (15) business days of being advised of them. Offeror should confirm acceptance of this responsibility.

<REDACTED>

B-3 Project Management-Related Required Services and Deliverables (Intro)

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

- Project management
- Assisting ERSRI staff and users
- Standard project management deliverables

3.1 Project Management (Intro)

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

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

3.1.1 Relationship

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

- The offeror has a demonstrated ability to understand and deliver realistic mission-critical systems
- There is a high degree of cooperation between ERSRI and the offeror
- The offeror can provide technical leadership and has the skills and ability to suggest innovative solutions and take advantage of opportunities as they present themselves
- The offeror understands the aggressive nature of the schedule and will take ownership of tasks in a proactive manner
- The offeror understands the vision for ERSRI and is able to align the offeror's capabilities with ERSRI's needs
- The relationship is not an opportunity to sell untried offeror offerings that may place ERSRI at risk in meeting its business objectives.

Morneau Shepell has a proven track record for delivering complex administration systems on time and on budget. We have developed a methodology for implementation that recognizes our clients' need to implement quickly while managing risk. In developing our preliminary plan, we have carefully considered your plan designs,

resourcing constraints, the extent of changes, complexity of the system interactions, change management, and more.

Our clients expect us to take a leadership position in any implementation. Our approach to requirements, project management, and issue resolution is based on a recommendation / approval model, where we recommend, discuss and agree on the best courses of action. Having implemented hundreds of clients, some with hundreds of thousands of plan members, our clients expect us to benefit from our experience; our approach reflects this expectation. In the end, the system and processes we help implement belong to our clients and as such any deliverable requires their clear understanding and acceptance.

We consider our solutions some of the most innovative available. We are driven by a need to deliver increasing efficiency and an enhanced employee experience; however, an administration system must be accurate and reliable to succeed. As such, innovation tends to build upon already proven functionality, delivering innovation gradually in a way that minimizes risk.

3.1.2 Project Oversight

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

We agree to this requirement.

3.1.3 Three Party Relationship

All offerors must understand and acknowledge in their proposals that the project is a three-party relationship between ERSRI, the offeror, and the Oversight Project Manager / Quality Assurance (OPM/QA) consultant selected by ERSRI. The OPM/QA consultant will assist ERSRI with any and all of the following (without restriction): (1) assessing the project methodologies, planning, and execution, (2) assessing implementation quality, (3) evaluating quality and compliance of deliverables, and (4) participating in activities such as hands-on testing of the solution in order to accomplish the first three listed activities. The selected OPM/QA consultant will also assist ERSRI in developing and implementing the following project monitoring procedures:

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

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

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

Therefore, offeror staff may be required to perform some document and file manipulation in order to accommodate the delivery to the OPM/QA consultant. Further, due to e-mail transmission constraints, no files bigger than 5 MB may be sent. This limitation may require additional planning and coordination on the part of the offeror to ensure that materials are delivered for review in a timely fashion. Offerors should plan to compress or "zip" all significant files. Offerors are cautioned to factor into their project- staffing plan any additional efforts related to delivery of project materials to the OPM/QA consultant.

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

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

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

We understand and acknowledge these requirements and will provide materials to the OPM/QA consultant as described. We will work with ERSRI's outside OPM/QA consultant to ensure the efficient communication of information consistent with their requirements. We will offer resources or technology that could assist in the process, such as our project collaboration and document management website; ERSRI's outside OPM/QA consultant can adopt those they believe to be beneficial to the process.

3.1.4 Offeror Responsibility for Detailed Requirements Definition

Offerors must note that ERSRI's environment is governed by a myriad of rules, regulations, "standard" operating procedures, and long-standing practices (both formal and informal, documented and undocumented). Developing a full set of all of the rules, regulations, procedures, and practices that need to be accommodated in the new solution is a critical, integral part of the project - and the key to its eventual success. Offerors must factor into their proposals, in terms of manpower, cost, and schedule, their responsibility to completely:

- **Explore and define all such rules, regulations, policies, procedures, practices, and calculations - both written and unwritten (i.e., policy of long standing) - that currently exist and those to be added in the new environment**
- **Develop pertinent specifications**
- **Implement those capabilities.**

In preparing their responses to this RFP, offerors are cautioned to budget sufficient manpower to decompose this information to a level of detail sufficient to obtain sign-off from ERSRI staff during the initial phases of the implementation.

Among other factors, offerors' responses will be evaluated on the basis of their commitment to this portion of the effort, as evidenced by their work plan for

addressing this issue and the manpower, time allotment, and quality of offeror staff proposed to be dedicated to it.

Because this issue is critical, offerors must affirm in writing, both in their proposals and in the accompanying cover letter, their understanding of this responsibility. In developing the requirements definition of the new system, ERSRI expects the selected offeror to involve ERSRI staff members in many requirements and design "workshop" sessions. This involvement of staff members is understood by ERSRI as being essential to preparing correct, comprehensive requirements definitions and systems designs. Yet the time required of ERSRI staff for this level of participation may inhibit the day-to-day business of ERSRI. Therefore, ERSRI requires that staff participation in the requirements definition process be as efficient as possible. This includes determining what staff will be needed and when so the ERSRI management team can plan workload issues in advance.

To this end, any written materials supplied by the offeror for use in requirements and design meetings with ERSRI staff must be targeted specifically to ERSRI. ERSRI recognizes that the offeror may utilize materials prepared for other retirement system customers to "bootstrap" the design definition effort. However, such materials must be purged of any specifics (including but not limited to name references, forms numbers, and calculation routines) that relate to another of the offeror's customers. Ideally, these materials should be tailored to ERSRI's specific business practices from the time they are first exposed to ERSRI staff members. At a minimum, they must be neutral, that is, they must not contain any overly specific references to specific practices of other retirement systems so as to avoid any confusion or wasted effort during the requirements definition and design sessions with ERSRI staff.

We understand the significance of resource constraints during the implementation phase of a project. We designed an implementation methodology that specifically acknowledges the time constraints of the various client resources and subject matter experts involved in the project. Our methodology is driven from a series of workbooks, separated into sections. Within each section, the relevant subsections for Pension, Payroll and Accounting will clearly document the requirements:

<REDACTED>

These workbooks survive the project and are updated on an ongoing basis as configuration or business processes change. They become valuable program documentation from a training, audit and control perspective.

3.1.5 Project Management and Control Methodology

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

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

Due to the magnitude and complexity of the effort, it is essential that an automated project management tool be utilized for this purpose; Microsoft Project is the required tool. The offeror will deliver to ERSRI the Microsoft Project files (either .mpp extensions or equivalent - but not .pdf) at various points in the project.

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

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

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

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

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

- **Calendar driven manpower loading charts, by month/week, for both offeror and ERSRI staff including variable man-hours per work day.**

The offeror must describe in its proposal the control methodology that it will utilize to ensure that any problems that may develop in the course of the project (including but not limited to schedule slippages or resource constraints) will be quickly identified and resolved.

The offeror must provide examples of how this project control technique, i.e., issue resolution, has been utilized successfully in previous similar engagements on behalf of other clients.

The project management tools must be an integrated part of the offeror's system development life cycle approach and project management methodology.

Change management and change control methodology are critical to the success of this effort. The offeror must describe the methodology and mechanisms it has in place and will use to support the effort. Particular emphasis must be placed on how revisions will be managed and controlled, as well as ERSRI's responsibilities in this area. For further information, refer to Sections B-3.3.7 and B-3.3.8 which describe detailed requirements pertaining to change requests and problem incident reports.

Our project management process is based on the Project Management Book of Knowledge (PMBOK) methodology developed by the Project Management Institute (PMI). It has been applied successfully to a wide range of projects in a variety of environments. Our goal is to transform the implementation process from a series of “invisible activities” to a clear progression of concrete, measurable deliverables that have clearly defined start and end points by which our clients can judge our progress.

As a basis to establishing such an environment, our methodology requires us first to produce a “work breakdown” structure that simultaneously addresses the processing models, the work to be done, and the deliverables. We have established procedural guidelines to select and implement the tools and techniques that will best meet the specific needs of the client.

Our goal is to have deliverables that are compact, manageable building blocks for the implementation. This deliverable-based approach is the key to our Project Management methodology.

Project management, planning, and control are facilitated by clearly defined work products. These deliverables replace volatile, potentially open-ended activities. Implementation teams are organized around deliverables. Thus, participant morale is improved because our focus is always on deliverables with clearly defined start and end points.

Our principles of project management partition the delivery process into various phases. In particular, the Analysis phase is crucial as it sets the foundation for all other phases of the project. After the Analysis phase, a global detailed project plan will be produced.

The key to project planning is consistent communication with all parties involved. Our methodology provides for weekly status meetings for the core project team and daily communication between the project managers. This allows for careful monitoring of all deliverables and insures that issues are known and resolved promptly.

In terms of client implementation, we have developed our own proprietary project management tools. Overall, our implementation methodology is designed to maximize the level of project planning and control and minimize the exposure to risk. Ours is a proven approach to delivering higher quality services more productively and with greater return on investment.

The Implementation Project Manager is the key to the process and will be responsible for the following:

- Prepare project plans, identifying the deliverables to be produced in each phase, the resources assigned to these deliverables, the time allocated to develop the deliverables, tracking of the deliverables and eventual user sign-off.
- Manage any changes to scope and/or effort resulting from, or required as a result of, circumstances outside the control or influence of the project. A formal Change Request document indicates the impact on the project in terms of the original timeline, required resources, and/or dollar budgets. Each such document would be submitted to ERSRI for approval.

- Manage any issues identified by team members by recording and tracking them. This ensures complete control of all problems requiring resolution. Such discipline is critical to the control and management of the project.
- Co-ordinate and participate in Quality Assurance reviews at pre-defined points within the project plan.
- Prepare and present Project Status Reports on a weekly basis.

As an added control feature, the Project Manager also reports progress to senior management through a Steering Committee. This Committee meets at minimum on a monthly basis to review the status of current projects. It includes a Quality Review process where senior practitioners with the appropriate technical or benefits/pension experience perform more rigorous audits of project progress and deliverables.

The Project Manager will communicate regularly with ERSRI and your OPM/QA consultant on both a formal and an informal basis. You will benefit from continuous proactive project management, early problem identification and resolution, and an appropriate and extensive level of reporting.

The Project Status Reports will provide the information necessary to effectively monitor the project and detect potentially significant variances from plan in a timely manner. These reports will include:

- Accomplishments (deliverables completed) during the previous reporting period
- Objectives (deliverables planned for completion) for the next reporting period
- Change Requests items requiring approval
- Problem Tracking Report, when items exist, including resolution procedures or requests for escalation if the resolutions are not accepted
- Critical path items
- Outlook to next milestone

A monthly report to the Steering Committee will focus on:

- Project deliverable situation
- Issues to be resolved
- Risks and mitigation factors

Morneau Shepell has a dedicated team of implementation specialists and business analysts whose role is to conduct “best practices” reviews for each and every client implementation project. Expertise is shared within the team, and enhanced by the strategic input of our senior people. We continually build on our knowledge base and use our practical experience to best serve each new client.

Project Control Methodology

The key to our project planning is consistent communication with all parties. Our methodology provides for weekly status meetings for the core project team and daily communication between the project managers. This allows for careful monitoring of all deliverables and insures that issues are known and resolved promptly.

From an overall perspective, our methodology is designed to maximize the level of project planning and control and minimize the exposure to risk. Ours is a proven approach to delivering higher quality services more productively and with greater return on investment. The Implementation Project Managers and the Program Manager will perform many activities, some of which are:

- Prepare project plans, identifying the deliverables to be produced in each phase, the resources assigned to these deliverables, the time allocated to develop the deliverables, tracking of the deliverables and eventual user sign-off.
- Manage any changes to scope and/or effort resulting from, or required as a result of, circumstances outside the control or influence of the project. A formal Change Request document indicates the impact on the project in terms of the original timeline, required resources, and/or dollar budgets. Each such document would be submitted to ESRI for approval.
- Manage any issues identified by team members by recording and tracking them. This ensures complete control of all problems requiring resolution. Such discipline is critical to the control and management of the project.
- Coordinate and participate in Quality Assurance reviews at pre-defined points within the project plan.
- Prepare and present Project Status Reports on a weekly basis.
- Report to the Steering Committee on a regular basis or as required. This report would include overall status, issue escalation, and identification of new project risks as well as mitigation strategies implemented to avoid issues.

As an added control feature, the Implementation Project Managers reports progress to senior management through the Steering Committee. This Committee meets at minimum on a monthly basis to review the status of the project.

It includes a Quality Review process where senior practitioners with the appropriate technical or pension experience perform more rigorous audits of project progress and deliverables.

The Project Status Reports will provide the information necessary to effectively monitor the project and detect potentially significant variances from plan in a timely manner. They will include:

- Accomplishments (deliverables completed) during the previous reporting period
- Objectives (deliverables planned for completion) for the next reporting period
- Change Requests items requiring approval
- Problem Tracking Report, when items exist, including resolution procedures or requests for escalation if the resolutions are not accepted
- Outlook to next milestone

<REDACTED>

3.1.6 System Development Life Cycle (SDLC)

Inasmuch as ERSRI is looking for an SaaS solution, it is understood that the concept of SDLC, as used in the context of this RFP, does not refer to a classic software development effort, but rather the systemic, repeatable process by which the offeror configures and/or customizes its existing pension SaaS offering to meet all of the ERSRI requirements. It is further understood that the offeror has an SDLC with which it is familiar and which it has used many times. It is not the intent of ERSRI to demand a particular SDLC but to require the SDLC to meet the following objectives:

- **Optimize the use of ERSRI resources: The ERSRI resources that will be supporting this project will also be responsible to perform their day-to-day duties.**
- **Be consistent. The same SDLC should be used throughout the project. ERSRI staff members are to be educated in the offeror's SDLC and should be expected to utilize only this SDLC and terminology set for the duration of the project.**

- **Provide project-wide documentation for review and approval before getting into detailed "development".** Documents such as, a Work Plan (to be revised and maintained as necessary), Development Methodology Overview, Risk Management Methodology, Change Management Methodology, etc. are examples of these documents. As part of the response to this RFP, the offeror should list the documents it will provide, outline the contents of each document, and provide the time-line for their delivery and ERSRI review.
- **Involve ERSRI in the requirements definition.** This needs to be a balance of confirming ERSRI needs, minimizing ERSRI staff time, ensuring that all needed functionality is provided.
- **Break the work up into smaller, functional areas, known as Work Units (WU).** Each may involve numerous activities/tasks (as defined in the offeror's SDLC) which will be implemented sequentially or on an overlapping basis. These activities/tasks should result in documentation, such as Detailed Requirements Documents, etc. The offeror should list the documents it will provide in association with the ongoing "development" efforts, outline the contents of each document, and provide the time-line for their delivery and ERSRI review.
- **Maintain a Requirements Traceability Matrix (RTM):** The process of the initial creation of the RTM and its ongoing updating is covered elsewhere in this RFP (See Section B-3.3.1)
- **Include an appropriate control scheme such that all project participants understand what they are working on, what is expected of them, and how it fits into the overall project.** The offeror should describe how its control scheme deals with: written deliverables (numbering scheme, configuration control, review process, tracking, etc.); software deliverables (version control, migration path, testing, etc.)

The offeror should address each of the ERSRI objectives related to the offeror's SDLC and should indicate whether their SDLC does not meet, meets, or exceeds these objectives. An explanation of that assessment should be included.

<REDACTED>

Requirement	Morneau Shepell Solution
Optimal use of ERSRI resources	Our workbook and workshop approach is designed to make the best possible use of resources.

Requirement	Morneau Shepell Solution
Consistent approach	Our workbook methodology is designed to produce consistent results, following proven templates to ensure that all aspects are addressed.
Project-wide documentation is reviewed and approved prior to work	The workbooks provide valuable project and ongoing to documentation. Sign-off is required before development; this process is audited in the scope of our SAS 70 Type II. Project documentation is complete, including detailed workplans and regular status reports.
Involve ERSRI in the requirements definition	The requirements process includes ERSRI as an integral member of the team. ERSRI resources are essential to the workbook process, reviewing, refining and ultimately approving each section.
Break work into smaller, functional Work Units	Our project methodology is based on this principle. Each work unit, or Work Package as we call them, is led by a Work Package Leader, accountable for all deliverables within their work package. The work with the other work package leaders, reporting to the Project Manager, to ensure a perfectly coordinated delivery.
Maintain a Requirements Traceability Matrix	We will provide this Matrix as required.
Include an appropriate control scheme	Project plans ensure that work assignments and timelines are known. Work package managers provide the downstream oversight and upstream reporting to proactively identify any issues.

3.1.7 Phasing the Project

ERSRI is seeking proposed solutions that embrace a phased approach. The term "phase", as used here refers to the systemic progression of the project - it does not refer to "phased", formal deliveries of software components. ERSRI desires that there be one formal delivery. It understands that it is undesirable, impractical, and risky to develop and deliver a large pension solution in one unit. As such, we expect the vendor to break up the development efforts into smaller units, known as Work Units (WU), and apply its methodology on a WU by WU basis. By requiring the offeror to deliver the solution in phases, the amount of change that must be absorbed by the organization, particularly the system end- users, at any one time can be reduced to manageable levels. ERSRI recognizes that such a phased approach will incur the added cost of data bridging efforts in the form of temporary bridging routines needed to keep the legacy system and the new solution synchronized during the period when both systems will be in use.

Therefore, offerors will provide proposals that will structure the implementation to have several phases. The required Phases are defined by ERSRI below:

- **Phase 1 - Delivery of a detailed work plan within the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables. The detailed work plan must include a Transition Plan, an Integration Plan, a Data Migration/Conversion Plan, a Training Plan, and a Work Breakdown Structure Plan which identifies the WUs, including but not limited to narratives, task definitions, schedules, Gantt charts, dependencies, ERSRI and offeror manpower loading, payment points tied to deliverables tied to the work plan, and monthly cash flow projections. This plan will encompass all mandatory project elements and all options authorized to date at that time.**
- **Phase 2 - Delivery of a detailed requirements document, a revised detailed work plan. This phase will be completed within the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables.**
- **Phase 3 (iterative) - is left to the offeror to define in its proposal. This iterative phase will consist of the provision of WUs to ERSRI for familiarization. This discussion must address the rationale for the recommended breakdown of Work Units, the reasons for the recommended order, and a top-level schedule indicating expected start and completion dates for each WU. The proposal provided by the offeror and the ensuing contract shall clearly define all of the WUs and the relationship among them in terms of schedule and deliverables.**

ERSRI requires that Phase 3a (i.e., the first functional WU of the new pension application) include delivery of the required ad hoc query and reporting capability. In this way, "super users" will have the early capability to run ad hoc queries, generate reports, and perform all "balancing and reconciliation" activities, thereby achieving a level of self-sufficiency well before final system delivery.

Figure 1 below outlines our suggested approach to Phase 1. We have selected the applicable task packages and deliverables from both our Implementation methodology and our Software development methodology. The result is a custom and unique approach and project plan designed specifically for ERSRI.

<REDACTED>

Our approach structures the work in three work streams: Project Management, Business Architecture and Product Fit & Gap Analysis. The Project Management work stream is concerned with delivering the Phase 1 project and preparing the approach, workplan and

budget for the subsequent phase(s). During the Business Architecture work stream, the overall integrated solution business architecture is refined and the fits and gaps are then assessed. Finally, the Product Fit & Gap work stream will focus on the areas that are critical to the success of the installation of the SaaS solution including plan and data analysis.

The top level streams and sub-streams are described in more details in the following sections.

Project Management Work Stream

<REDACTED>

Project Plan

Please see Attachment 5 for a copy of our Project Plan.

Proposed Vendor Resources

<REDACTED>

The organizational chart included in below will support the activities as described for the three phases.

Short biographies of the team members have been included in Attachment 2, Appendix E.

ERSRI Resources Required

The core deliverables for Phase 1 can be summarized as:

1. Detailed estimated budget and workplan
2. Detailed set of requirements for Phase 2 delivery
3. Detailed configuration and customization specifications

In order to ensure deliverable completion, Morneau Shepell will require the support of ERSRI resources that are empowered to make quick decisions for the organization, are knowledgeable of the current state and can articulate the vision for the future state.

We have identified the ERSRI roles required for each phase in the previous tables. Without having an ERSRI organizational chart describing functional roles, we have assumed positions/skillsets based on the following profiles.

Resources required include:

- Business Sponsors (s)
- Project Manager (s)
- Pension Subject Matter Expert (s)
- Finance Subject Matter Expert (s)
- Business Architect(s)
- Technology Architect (s)
- Business Analyst(s)
- Technology Analyst (s)

Project Management Approach to Phase 1

The Morneau Shepell project management process is based on the Project Management Book of Knowledge (PMBOK) methodology developed by the Project Management Institute (PMI). It has been applied successfully to a wide range of projects in a variety of environments. Our goal is to transform the implementation or development process from a series of “invisible activities” to a clear progression of concrete, measurable deliverables that have clearly defined start and end points by which our clients can judge progress. Figure 4 below outlines our baseline PMLC processes that present the detailed structure we use as the starting point for implementation and development projects.

<REDACTED>

In the Phase 1 project, our team of project and program managers will spend a significant amount on Planning and Execution.

Project Planning (Phase 1 and subsequent)

The purpose of this phase is to fully review the project and agree on a division of responsibilities between Morneau Shepell and ERSRI. It is important that responsibilities be clearly defined and understood by all participants. Our proposed project work plan will also be reviewed at this time, and modified as required. At the conclusion of these reviews, a detailed Service Agreement will be developed for your review and approval.

This document will detail the deliverables, responsibilities, project team organization, schedule, and processes for project control and change management.

It is important, during this stage, to identify a Project Team made up of Morneau Shepell and ERSRI staff that will be responsible for this project. We have found that a team approach ensures the functional requirements are fully understood, issues are addressed, and cohesive solutions identified. For continuity, we believe that the Project Team should meet at regular intervals throughout the project. Suggested meeting dates will be shown on the final work plan.

Phase 2 – Requirements Delivery

Phase 1 has prepared the groundwork for the delivery of the formal requirements documents for all major streams – pension, accounting, payroll and any optional services. During phase two, the requirements, which progressed significantly during phase 1, are completed. Review and sign off of the requirements is completed. These requirements become subject to the change control process, not intended to limit change but rather to evaluate the benefits of change critically in face of risk to the timeline.

Based on the requirements, gap analysis, data analysis and other information gathered during phase 1, the project plan will be refined to reflect this new information. Statements of Work will be developed for the upcoming deliverables, the Requirements Traceability Matrix updated, and detailed plans specific to each deliverable and work unit refined to the extensive detail needed for execution.

Phase 3 – Project Execution

The scope of this project calls for minimally two phases of execution: Implementation of the accounting platform with interconnections to ANCHOR, and then the full implementation of the *Ariel* pension administration and ADP payroll services. The specifics and timing of the phases will be highly dependent on the gap and data analyses performed during Phase 1. It is not possible, until these specifics are analyzed, to present an accurate timeline for Phase 3.

When considering phasing within Phase 3, additional deliverables may be desired. The pension administration system is the most complex and as such requires the most time to fully scope, configure and test. The Health and Welfare platform could be ready for production sooner than the DB pension platform, considering on typical implementation

timelines. The disability administration tools could be implemented at any point after the Health & Welfare solution and *Ariel 360* module are live. The sequence of deliverables will be dependent on the availability of ERSRI resources, ERSRI business priorities, and a desire to achieve the benefits of new modules sooner than others. A proposed sequence of major deliverables may include:

1. Delivery of accounting solution connected to ANCHOR
2. Implementation of the Health & Welfare administration platform
3. Delivery of the pension administration and payroll platforms
4. Delivery of the disability administration tools

We divide projects into distinct work packages based on major deliverables, and then again into work packages based on the specialist teams who will work towards the accomplishment of each deliverable.

Major Deliverables	Work Packages (one for each major deliverable)
<ul style="list-style-type: none"> ▪ Accounting w/ ANCHOR ▪ Health & Welfare administration ▪ DB Pension Administration ▪ Payroll ▪ Accounting w/ <i>Ariel</i> ▪ Disability Management 	<ul style="list-style-type: none"> ▪ Requirements ▪ Website ▪ Configuration ▪ EDI / Interfaces ▪ Quality Assurance ▪ Business Process ▪ Transition ▪ Deployment / Release Management

This approach to the division of work units yields the greatest level of accountability. Experts are accountable for each major deliverable, coordinating each work package below them. Each work package has an accountable work package leader who is a functional expert in the activities related to that work package. For example, the Quality Assurance work package leader will be a senior member of the QA team and fully accountable for ensuring the timely and complete development of test plans, ensuring the proper allocation of resources, the execution of test cases, and all other aspects related to the deliverables defined in their work package.

Communication & Project Status Reporting

Our Project management methodology provides a comprehensive communication plan designed to keep all project stakeholders informed about project progress against project objectives.

The following matrix summarizes the level of reporting ERSRI can expect for each key stakeholder group:

Who	What information	Participants	How/Mode	Frequency
Joint Stakeholder Committee	<ul style="list-style-type: none"> Formal report: Project dashboard including: current project status; key decisions required; change control items; updated issues / risks 	<ul style="list-style-type: none"> ERSRI and Morneau Shepell committee members (as show in the project team chart) 	<ul style="list-style-type: none"> Scheduled monthly meetings 	<ul style="list-style-type: none"> Monthly at initiation of project; may be more frequent as go-live date approaches
Morneau Shepell Internal steering committee	<ul style="list-style-type: none"> Progress (Plan vs. Actual), issues, change requests, budget, resources 	<ul style="list-style-type: none"> Morneau Shepell steering committee participants 	<ul style="list-style-type: none"> Scheduled meeting 	<ul style="list-style-type: none"> Monthly
Morneau Shepell Project team & Partners	<ul style="list-style-type: none"> Planned vs. actual progress, tasks, issues report 	<ul style="list-style-type: none"> Morneau Shepell project team & Partner project teams 	<ul style="list-style-type: none"> Conference call and scheduled meetings 	<ul style="list-style-type: none"> Weekly
Joint Project Team	<ul style="list-style-type: none"> Updated project plan and action/issues report is reviewed with the teams; 	<ul style="list-style-type: none"> ERSRI project team Morneau Shepell project team Morneau Shepell partner project teams 	<ul style="list-style-type: none"> Conference call and scheduled meetings 	<ul style="list-style-type: none"> Weekly

3.2 Assisting ERSRI Staff and Users

The following list describes some of the method that ERSRI requires that the successful offeror's responsibilities for assisting ERSRI staff and users throughout the project.

- Generate Development Methodology Overview for End-users.** The offeror must describe in a brief, high level fashion its proposed system development life cycle methodology. This explanation must be aimed at the end-user community. This document should also be under 25 pages in length, with no appendices.

- **Be prepared for meetings with ERSRI.** As expressed throughout this RFP, the staff of ERSRI who will be supporting this project will also be responsible for performing their day-to-jobs. As such, we expect the following from the selected offeror: 1) All offeror personnel who will be meeting with ERSRI should be familiar with the RFP and the offeror's response. 2) At least three business days before any meeting the offeror shall provide to ERSRI a detailed agenda for the meeting. In addition to containing the various parts of the meeting, it should also provide a statement as to the expected outcome(s) of the meeting. 3) Within two business days of the completion of a meeting the offeror is to distribute, for review, minutes of the meeting, and 4) when legitimate digressions do occur - e.g., discovery of an ambiguity in an RFP requirement that requires resolution - they should be added to the agenda of a subsequent meeting, rather than addressed in an ad hoc fashion at the original meeting.
- **Demonstrate functionality before diving in to it (i.e., conference room pilots).** The offeror is required to provide demonstrations of LOB functionality during the development of the new pension solution. ERSRI requires the following demonstrations: An end-to-end demonstration of the functionality of the SaaS solution, and demonstrations of major new functionality that is added to meet ERSRI requirements (e.g., refunds). The objective is to develop user familiarity and comfort with the new solution - its look and feel, menu and screen navigation, and data entry features (pull-down lists, radio buttons, wizards, etc.) - as early as possible in the project and subsequently as successive detail is built into the solution. By doing so, ERSRI anticipates that users will be better able to provide reliable decisions and input relating to system design alternatives.

The offeror is to state its commitment to use the above devices to assist the ERSRI staff throughout the project. If the offeror has other ideas that it believes would be helpful, please include them also.

As requested, we confirm that:

1. All of our personnel who will be meeting with ERSRI will be familiar with the RFP and the content of our proposal to ERSRI
2. At least three business days before any meeting, we will provide to ERSRI a detailed agenda for the meeting. In addition to containing the various parts of the

meeting, we will also provide a statement as to the expected outcome(s) of the meeting.

3. Within two business days of the completion of a meeting, we will distribute, for review, minutes of the meeting, and
4. When legitimate digressions do occur - e.g., discovery of an ambiguity in an RFP requirement that requires resolution - they will be added to the agenda of a subsequent meeting, rather than addressed in an ad hoc fashion at the original meeting.

As part of our work plan, we will set time for demonstrations of the line of business functionality during the development of the pension solution for ERSRI. An end-to-end demonstration of the functionality of the SaaS solution, and demonstrations of major new functionality that is added to meet ERSRI requirements (e.g., refunds) will be presented to allow developing user familiarity and comfort with our solution.

3.3 Standard Project Management Deliverables (Intro)

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

3.3.1 Requirements Traceability Matrix

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

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

- **Development of the Request for Proposal**
- **Issuance of questions by offerors and preparation of responses by ERSRI**
- **Receipt of the proposal from offeror by ERSRI**
- **Issuance of questions by ERSRI and preparation of responses by offeror.**
- **Cost and / or scope negotiations, if appropriate**
- **Execution of the contract.**

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

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

The product that will be prepared by ERSRI and the offeror to achieve ERSRI's objectives will consist of a Requirements Traceability Matrix in the format of a Microsoft Excel workbook. The Excel workbook will consist of several spreadsheets corresponding to requirements areas, such as LOB, Technical, Miscellaneous, Software, Option 1, Option 2, etc. The matrix will include ten columns, the contents of which are described below (and which may be modified if ERSRI so desires):

1. **No.** - Sequential unique number, identifying the requirement. They are aggregated by major category (e.g., LOB requirements may be numbered L-1, L-2, etc., technical requirements may be numbered T-1, T-2, etc.). The unique identifier will follow each line item through the project, regardless of how the line items may be reorganized or "shuffled" among the various spreadsheets in the workbook.
2. **Requirement (Description)** per RFP - A summarized description of the requirement.
3. **Source** - Identification of the source of the requirement. The source may be the RFP, the offeror's proposal, Q&A, BAFO, contract, contract exhibits, etc.; in some cases only one reference is made back to the RFP / proposal / contract, etc.; in others, multiple references are made.
4. **Page / Section** - The location of the requirement in the source.

5. **Work Unit - The Work Unit in which the requirement will be delivered per the project plan.**
6. **SOW - The offeror's Statement of Work which includes the requirement, if applicable.**
7. **Received Date / Who - The date that the requirement was delivered to ERSRI, and to whom it was delivered.**
8. **Accepted Date / Who - The date that the requirement delivery was accepted by ERSRI and by whom it was accepted.**
9. **Comments - Any comments relating to the requirement. Comments will include, among other things, an explanation of what caused a requirement to be removed or added. This must be specific, citing specific conversations which have previously occurred between ERSRI and the offeror, the date and attendees, and the prior document which transmitted this information (including but not limited to meeting minutes, status report, and specific correspondence) to ERSRI. As stated elsewhere in this RFP, any agreement between ERSRI and the offeror to eliminate project requirements stated in the RFP, the offeror's proposal, or the contract must be in writing, executed by both parties.**
10. **Test Case(s) - If applicable, identification of the test case that confirms that the requirement has been satisfied.**

Activities on the part of both ERSRI and the offeror related to the traceability issue will include:

- **First, ERSRI will prepare the matrix that codifies and organizes the requirements of the RFP and negotiated contract. An example of the matrix as it will be delivered to the offeror by ERSRI is shown in Exhibit I herein. ERSRI will complete columns 1 (No.), 2 (Requirement Description), 3 (Source) and 4 (Page / Section) and deliver it to the offeror for review.**
- **Next the offeror will review the matrix and verify its accuracy. Any discrepancies or differences in interpretation will be mutually resolved before the next step.**
- **Then the offeror will complete columns 5 (Work Unit of the project in which the offeror will implement the requirement) and 6 (SOW, the Statement of Work to be prepared by the offeror which will include the requirement).**
- **In cases where a function described in the RFP is not "carried" forward, the offeror will note this by providing a written explanation in the comments**

column (9) for that function. Further, if there are any new functions that have evolved during the requirements analysis, the offeror will add them as appropriate entries at the end of the matrix. An example of the matrix as it is to be completed by the offeror is provided in Exhibit II.

- The offeror will then provide the matrix to ERSRI for review.
- ERSRI staff will review the matrix - annotating any differences of opinion that they have with respect to the offeror's completion of the matrix. The annotated matrix will be returned to the offeror.
- Next, a meeting or series of meetings will be held at which discussions will occur to resolve any differences.
- Then ERSRI and the offeror will update the matrix so that it reflects the agreed upon changes, and it will become part of the deliverables from the Requirements Definition. If appropriate, any changes to schedule and cost will be identified at this time.
- ERSRI will provide the matrix to the offeror within the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables. The revised, updated, completed matrix will be provided to ERSRI by the offeror within the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables. The matrix will provide a more precise reference point for the "go-forward" strategy for the implementation phases.

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

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

Offeror should commit to use a Requirement Traceability Matrix as outlined in this section.

We confirm that we will follow the process related to the Requirements Traceability Matrix as described.

Exhibit 1 Requirements Traceability Matrix Example

1 No.	2 Requirement per Contract Exhibits / RFP	3 Source	4 Page / Section	5 Work Unit	6 SOW	7 Received Date/Who	8 Accepted Date / Who	9 Comments	10 Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1.14						
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1.1.14						
L-3	Ability to capture a new employer's plan history (i.e., in previous retirement system) and make it available on-line	RFP	B-1.1.14						

Exhibit 2 Requirements Traceability Matrix Example with Offeror Entries

1 No.	2 Requirement per Contract Exhibits / RFP	3 Source	4 Page / Section	5 Work Unit	6 SOW	7 Received Date/Who	8 Accepted Date / Who	9 Comments	10 Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1.14	4	6				
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1.1.14	4	6				
L-3	Ability to capture a new employer's plan history (i.e., in previous retirement system) and make it available on-line	RFP	B-1.1.14	4	6				

Exhibit 3 Completed Requirements Traceability Matrix Example

1 No.	2 Requirement per Contract Exhibits / RFP	3 Source	4 Page / Section	5 Work Unit	6 SOW	7 Received Date/Who	8 Accepted Date / Who	9 Comments	10 Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1. 14	4	6	20070502 PPC	20070516 RK	None	CALC-1, -2, -3, & -8
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1. 1. 14	4	6	20070502 PPC	20070516 RK	None	CALC-4 & -5
L-3	Ability to capture a new employer's plan history (i.e. . , in previous retirement system) and make it available on-line	RFP	B-1.1.14	4	6	20070502 PPC	20070516 CLF	Requires collaboration on format of transferred data.	CALC-6, -7, & -8

3.3.2 Statements of Work

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

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

Conversely, the offeror will not issue SOWs for work to be done in the distant future - i.e., "banking" of SOWs will not be permitted. While ERSRI understands the offeror's desire to be able to schedule its personnel as far in advance as possible, ERSRI's objective is to ensure that SOWs are developed in a "just-in-time" fashion in order that they reflect the project's most recent developments - and 'downstream' SOWs benefit from the experiences of the upstream SOWs.. ERSRI wishes to avoid having work conducted under "stale" SOWs. Therefore, the offeror will deliver each SOW no sooner than the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables prior to the date that work under that SOW is scheduled to begin. If work on a particular SOW does not begin within that same period of ERSRI's authorization of the SOW, then ERSRI reserves the right to require that the SOW be re-issued and re-authorized prior to commencing work there under.

This provision provides the offeror with a "grace period" equivalent to the period elapsed between delivery of the SOW and ERSRI's authorization of it. For example, if the period specified in Table 3.3 is 30 days, the offeror may deliver an SOW on day 0 for work scheduled to begin on day 30. If ERSRI takes the full ten days to authorize the SOW, then the offeror may begin work at any time between day 10 (when the SOW is authorized) and day 40 (30 days after authorization). If work under the SOW does not begin by day 40, however, ERSRI may require that the SOW be re-issued and re-authorized prior to commencing work.

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

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

Offeror should commit to deliver Statements of Work as outlined in this section.

We confirm and agree to the above requirement. Statements of work, like change request documents, are essential to creating a clear understanding and requirements and expectations. These SOW documents are a logical extension of the Project Charter and can be tracked separately or as an addendum to that workbook section. The SOW could reference the original scope and deliverable as outlined in the Project Charter to ensure that all governance documentation is in full agreement.

3.3.3 Weekly Status Reports and Project Status Meetings

The offeror will be required to submit written weekly status reports and to facilitate weekly project status meetings. The status reports must include separate sections that cover all parallel parts, phases, or aspects that were in progress or had been completed during the reporting period, that will be begun during the next reporting period, and all outstanding issues.

Vendor proposals must contain a sample weekly status report.

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

The final format of the status report will be mutually agreed upon between ERSRI and the offeror within thirty (30) days of the project start date. Offerors should commit to produce weekly status reports and conduct weekly status meetings. Offeror should also include samples of previously used status reports on other similar projects.

This is consistent with our own project governance model. We confirm and agree to the above requirement.

3.3.4 Executive Level Reporting

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

To the extent possible, executive level reports should make use of graphics to depict the status of the indicators listed above. Such reports are frequently characterized as 'dashboard' or 'critical success factor' reports - and often include point-in-time and trend information. Samples should be included in the offeror's proposal. Offeror should commit to produce monthly executive level reports.

This is consistent with our own project governance model. We confirm and agree to the above requirement.

3.3.5 Monthly Steering Committee Meeting

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

- **To monitor the progress of the project as it relates to the overall project work plan**
- **To facilitate the resolution of disputes or provide additional clarification of issues at the highest level**

- To encourage collaboration among all of the participants by reminding them that the project enjoys support at the highest levels within the organization.
- Meetings of the ERSRI Steering Committee will be scheduled on a monthly basis. The offeror's Project Manager, and other offeror senior staff as appropriate, will be required to attend each of these meetings.

As requested by the ERSRI Project Manager, the offeror's Project Manager may occasionally be required to deliver a presentation on pertinent topics at the Steering Committee meeting.

Prior to each Steering Committee meeting, the offeror's Project Manager will meet with the ERSRI Project Manager and others as deemed appropriate by the ERSRI Project Manager in order to develop the meeting agenda. Offeror should commit to attend Monthly Steering Committee Meetings.

This is consistent with our own project governance model. We confirm and agree to the above requirement.

3.3.6 Requirements Analysis

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

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

Offerors must take note of, and confirm in their proposals, the following: under no circumstances will ERSRI's approval of system design and/or specifications abrogate the RFP requirements. ERSRI staff invested a great deal of time in developing the RFP requirements. The offeror, not ERSRI staff, is responsible for ensuring that all RFP requirements are correctly reflected in offeror design and/or specification documents. Absent a specific written agreement to eliminate or modify

an RFP requirement, signed by the ERSRI Project Manager, that RFP requirement will remain operative.

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

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

ERSRI is also very interested in understanding how during the determination of requirements, the offeror plans to communicate to ERSRI staff the details of "How?" a requirement will be met (in addition to the "Yes, it's in there," response that leaves the "What it looks like" question unanswered.) What ERSRI wishes to avoid is agreement and sign-off on the existence of a function, only to find later that there was great misunderstanding on the part of ERSRI staff. To this end, ERSRI staff will be instructed not to sign off on requirements and specifications that they do not understand.

In order to discuss our gap analysis process, it is important to understand our methodology:

Implementation Methodology

Morneau Shepell takes pride in completing its implementation projects for clients on time and on budget. Our tools and processes have been developed over many years and incorporate best in class solutions. These solutions incorporate not only our successes but also lessons learned from past experiences. These experiences are culminated into our Implementation Workbook Methodology which both leverages standard feature of

our solutions while maintaining enough flexibility to meet the unique requirements of ERSRI.

Overview of Methodology Workbook

<REDACTED>

Meeting Checkpoint Dates (or Gates)

Meeting Checkpoint Dates is critical to the success of the project. Checkpoint dates are set around project deliverables that are on the project's critical path. Missing the Checkpoint Dates will likely have an impact on the project completion date and budget.

Attending Workshops

<REDACTED>

Adapting Morneau Shepell Best Practices

Our Implementation Workbook Methodology allows for considerable flexibility in plan design and administrative options. Morneau Shepell has identified a series of options that are consistent with a best-practice administrative model. We strongly encourage our clients to work within the available options in order to ensure the end product can be easily maintained.

Avoiding Repeat Work

To keep the project on track, Morneau Shepell and ERSRI must work together to ensure that out of scope work is not introduced once requirements are signed-off. Should the need arise to address out of scope work, the steering committee will jointly decide on the benefits vs. the impact of such additional work.

Communication Strategy

When clients choose Morneau Shepell, this decision is typically the result of a business strategy to outsource part or all of their Administration functions. Whether migrating to Web-based self-service for the first time or changing providers, employees will notice a change from what they are used to. For these reasons, it is important to manage change proactively by ensuring that we communicate with all of the constituents impacted by the change. Setting expectations early and communicating often will dramatically improve acceptance of the change, hence ensuring the success of the project.

Sign-off Process

Sign-offs on project documents will be done electronically via e-mail. All other sign-offs will be done through email or physical signatures as mutually agreed by Morneau Shepell and ERSRI.

Gap Analysis

A gap analysis is part of each of the above chapters and is documented in a gap list which is linked to the Requirements Traceability matrix. Each gap is detailed in terms of how it will be resolved and its impact on resources, scheduling and cost. The project manager will actively manage the gap list and ensure that it resolved in accordance with the mutually agreed plan.

3.3.7 Change Orders, Change Control, and Reporting

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

Change Orders

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

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

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

We confirm and agree to the above requirement. It is consistent with our standard methodology.

Credits for Unneeded Deliverables

If it is determined after contract approval that some deliverables or portions of deliverables are not needed, a credit may be due to ERSRI. The offeror should be prepared to demonstrate how it arrived at the credit amount if the deliverable prices are bundled.

We confirm and agree to the above requirement.

Change Request Reporting

Offerors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable change control system for managing and facilitating change requests. That evidence might consist of screen shots and accompanying narrative or whatever other vehicle the offeror chooses to use.

The offeror must deliver a detailed Change Control Plan / Methodology for use throughout the project within the period specified in Table 3.3 in Section A-3.3 - Timing of Major Deliverables.

Offeror should confirm its willingness to abide by the change management requirements as described in this section.

We confirm and agree to the above requirement.

Change requests are governed by a strict control procedure. The intent is to communicate the impacts of those changes on the work of the implementation and ongoing service teams to the client, and to explain the benefits of the proposed changes.

We have a formal procedure for documenting requested changes. It is important that this procedure be maintained, and that the appropriate review and approval of all recommended changes occur before any action is taken to incorporate them. The purpose of this procedure is not to suppress changes but to provide you with the opportunity to assess the impact that the change might have on the project, both in terms of cost, effort, deadlines, and other project objectives.

Should there be a request for change, the Project Manager (implementation) or Program Manager (ongoing services) will prepare a short, written report describing the nature and impact of the change. Most importantly, any impact in terms of cost or schedule will be described in detail. This report will be reviewed with the client Program Manager, to determine what course of action should be taken, including any required modifications to the Service Agreement that might be necessary. If significant changes to deadlines or costs are involved, the report will then be forwarded to the Steering/Executive Committee (which includes senior ERSRI staff) for the final decision.

Any change which is outside the scope of the benefits implementation project will be discussed with the project steering committee. Once there is mutual agreement regarding the required change, the Morneau Shepell project manager will draft a Change Order and submit to the State project manager for review and approval.

Changes which are outside the scope of the benefits implementation project must be documented using a mutually agreed change form and include the following:

- A detailed description of the requested change
- Date the request must be implemented
- Date the request must be approved to meet the required timeline
- Whether or not the change can be reasonably be performed under the circumstances;
- How the change will be performed
- The impact, if any, on the project budget and timeline and the cost of the additional work
- The impact, if any, on the completion of project if the change is not performed
- Testing plans to implement the change
- Impact on service agreement, if any
- Formal sign-off by the State

3.3.8 Problem Incident Reports

Offerors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable problem incident reporting (PIR) system for managing and facilitating test-related activities as well as production problems. The PIR system can be custom developed or a package - although a commercial off the shelf approach is far more desirable to ERSRI. This evidence should take the form of documentation that fully describes this system. A manual approach using a word-processor, e-mail, or electronic spreadsheet document is not acceptable. The offeror is required to describe the proposed PIR system in its proposal.

We use automated Problem Incident Reporting during the project and on an ongoing basis. Mail and spreadsheets are neither efficient nor effective at tracking issues and assisting in the transition of an issue between team members, or facilitating collaboration.

To this end, we have implemented a portal known as *ArielVu*, powered by TechExcel's SDLC suite of tools. This tool suite is the backbone of our client issue tracking, internal issue / service request tracking, release management, development release planning and service desk. A comprehensive and powerful solution, issues move through a controlled workflow and lifecycle.

During the project, *ArielVu* will be used to document tests and the related results. Failed tests are automatically dispatched to the configuration teams. Through the web-based portal, project managers can clearly see the status of all in-flight and resolved issues.

On an ongoing basis, *ArielVu* serves as a customer service portal through which inquiries, issues and service requests can be submitted. SLAs are automatically applied to the incidents and we report on our performance for reporting issues within SLA. Notifications of changes and updates are sent by email, but exchanges between Morneau Shepell and ERSRI resources occur in a Web Conversation so all interactions are recorded with the incident.

3.3.9 Risk Management

Risk management includes identification, analysis, planning, tracking, control, and communication of risk areas associated with all project phases. Risk assessment and management are on-going tasks in any project. The offeror must provide evidence that it can provide a risk management (analysis and mitigation) strategy and

methodology that can be used throughout the project to monitor potential risks and to develop mitigation strategies in anticipation of any problems that may arise. Then, based on feedback, assessments can be updated on a continuing basis for the duration of the project. While some risks can be identified from the outset of a project, others will emerge in the course of the project's life cycle. This evidence should take the form of documentation that fully describes this methodology.

Risk management is integral to our methodology. From the project charter onward, risk identification and reporting figures prominently. It is the responsibility of all work package managers and project managers to identify risks, track and report risks. All status reporting – weekly, executive and steering – includes risk identification and mitigation. Our change control process places equal importance on risk assessment, as a full risk assessment is essential when evaluating whether to proceed with a change request.

We have provided examples of our status reporting and change requests as example of how risks and associated mitigation plans are communicated.

3.3.10 Deliverable Repository

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

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

It is imperative that all versions of all documents delivered at any point in the project and at the end of the project can be identified, located, and accessed by both offeror and ERSRI staff as needed. Therefore, the offeror must maintain for the life of the project (and leave it behind upon the completion of the contract) a repository of all written project deliverables in electronic form residing on one of the system

servers. The deliverables must be accessible to all project participants, including via remote dial-up or through the Internet.

The deliverables repository must be designed and organized, with appropriate training provided, such that ERSRI staff can efficiently locate and retrieve any document of interest. Write permission to the repository must be suitably restricted. While anyone involved in the project should be able to access all repository items, the ability to add to, delete from, or modify the repository's contents is to be strictly controlled and restricted to authorized offeror personnel. It will be the offeror's responsibility, throughout the project, to guarantee the continuous correctness and completeness of the repository's contents.

Offerors are to describe in their proposals:

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

We confirm and agree to the above requirement. We use a controlled deliverable repository on all projects. Without one, document collaboration becomes difficult, confusing, and risky as various versions are exchanged. The repository serves as the central record for all documents and all versions. A controlled repository must have these features:

- Organized in a logical manner
- Searchable

- Retains all versions as new versions are added
- Check in / check out functionality
- Document approval workflow (optional)

Our repository is based on Microsoft Office SharePoint Server technology. It is hosted in our data center and benefits from all of the same security, redundancy and backup controls applied to our Line of Business applications. User roles ensure that individuals are provided with correct permissions. The repository is created during project initiation and remains the official record on an ongoing basis as documents are updated.

<REDACTED>

3.4 Data

The following sets forth the offeror's responsibilities relating to the migration of data from the legacy environment to the new solution as well as the precautions the offeror is expected to take to ensure the security of ERSRI's member and retiree data.

- **Data Security:** Although ERSRI realizes that it would be impossible to fully implement an SaaS pension administration solution without access to the ERSRI member database, ERSRI is very concerned about the risk of loss or inappropriate use of personal data, possibly leading to identity theft or other such abuses is high. Therefore, we require that the offeror provide a discussion in their response regarding how they propose to manage the security of ERSRI's data throughout the lifetime of any potential engagement.
- **Data Conversion:** ERSRI understands that a critical component of the project is the accurate and complete conversion of legacy system data to the new environment. As such, the offeror must provide, with their response to this RFP, a data conversion plan that establishes the conversion environment and outlines strategies for both the automated and, if necessary, manual conversion of data for the new solution. Appendix E-6 of this RFP contains the data model and data dictionary of the current administration system. Note: The plan must include the development of written procedures, methods, and checklists for balancing and reconciling conversion of data between the legacy environment and the new environment. This includes, in addition to developing the procedures, validating

them with ERSRI staff prior to their use in any form and during testing and training, training ERSRI staff in their use during testing, and validating that they are being used properly on an on-going basis. The procedures must provide sufficient controls that offeror and ERSRI can readily discern the validity of any step in the conversion process as well as the validity of the converted data. The plan must also include the strategy to be employed for conversion of images and their indexes.

- **Cleansing/Conversion Audit Report:** In addition to planning and executing the data conversion efforts, the offeror must also create a Data Cleansing/Conversion Audit Report (DCCAR). This report must be in a format and at a level of detail that is appropriate for ERSRI Executive Management, users, and an internal or external auditor to review and approve. This report should contain an overall summary of the effort that was undertaken along with a brief, but complete, listing of all the types of data fixes that were made - both manual and automated.
- **Wages and Contribution Reporting:** ERSRI recognizes that it would be a significant burden on the ERSRI employers to have to modify the way they provide data to ERSRI. As such, it is required that the SaaS solution receives data from the ERSRI employers in the same file format and same method of transmission as currently used. A list of ERSRI employers can be found in the Annual Financial Report (AFR) which can be found at <http://www.ersri.org/public/documentation/50309%20Annual%20Report%20Web.pdf>. Appendixes E-9 contains the current file format.

Offeror should commit to satisfy all the requirements detailed in this section

Data Security

Access to data is provided on a need-to-know basis, with both physical and logical safeguards in place to ensure that data is secured. These procedures and policies are audited in our annual SAS70 type II audit. Our security measures meet or exceed the requirements of the most security-oriented clients, such as the PBGC, the Royal Canadian Mounted Police, Exxon/Mobil, and more.

All software applications are password-protected. Access can be restricted at the application level, at the database level, or at both. Access is on a “need-to-know” basis,

so only your service team would have access to your data. These multiple security levels ensure member data confidentiality at all times.

To further protect privacy and confidentiality, a firewall is used to guard all incoming and outgoing communications between the Internet and our Intranet. Secondary firewalls further limit access to the database servers to ensure that only authorized applications from authorized sources can access member data. Files being exported are encrypted if they contain confidential data.

Data transfer is typically through electronic file transfer using a secure FTP server and PGP encryption. As an alternative, some clients transmit data over a VPN, by CD or email using PGP or other encryption software.

Site authentication

Users are authenticated at login and their credential will apply until logout or session expiration. Passwords and roles are managed in our *Ariel DB* Security application. Optionally, single-sign on can be implemented, but roles would still be managed using *Ariel DB* Security.

Data Conversion

We provide extensive support for data conversion to our *Ariel DB* pension administration system. We will perform several test conversions on a sampling of the live data. This permits us to gauge the quality and completeness of the data, so that issues can be dealt with before the scheduled date for the actual data transfer.

Once the data is deemed to be accurate and up to date, the transfer would be completed. This would be accomplished using data originating from your HR and/or payroll system.

In the course of the data conversion, our responsibilities would include:

- Developing a detailed conversion plan that includes roles and responsibilities of Morneau Shepell and ERSRI in the context of the data conversion, data sources for the conversion, as well as audit and reconciliation requirements
- Detailing data requirements and working with you to ensure that everyone has a consistent understanding of those requirements

- Working with you to identify appropriate transition/cut-off strategies in order to maintain service in a seamless manner
- Ensuring a consistent process for Morneau Shepell to receive data electronically and in a clean format
- Downloading data from the conversion file to the *Ariel DB* database
- Providing you with assistance to facilitate user testing of the conversion

Once the database is populated, we suggest that it be subject to a detailed audit by you. We will provide a convenient reporting format for this process. We believe that it is essential that the staff involved in the checking process be familiar with the current plan administration, if at all possible. These individuals are the best ones to identify any potential problems.

Data conversion, including testing, typically takes three to four months to complete.

Cleansing/Conversion Audit Report

If our validation process uncovers issues with the quality of your data, you will have the option of performing that clean-up yourself. In this case, we would offer guidance to minimize the effort required in the clean-up. Alternatively, Morneau Shepell can provide data clean-up services for you on a fee for service basis or project basis once preliminary analysis has been completed.

Clean data includes, among others, all event history, service data, accrued benefits for terminated vested members, payment options, and beneficiary information available and stored in a database. Thus in achieving clean data, we may require business and system analysts with strong query and pension expertise. Other times where data is paper based and keying is the only requirement, data entry staff are used.

Data cleansing would be performed early in the implementation, in order to have clean data available for the live data transfer. During the implementation process, basic validations are performed on the data received. Furthermore, the data will be used in our test processes during the integration phase in order to validate them against the client's pension plan parameters and rules. This permits us to gauge the quality and completeness of the data, so that issues can be dealt with promptly and the data cleansing can be planned.

As a result of these validations, the calculation results should be in accordance with the accuracy of the data received from the client as well as with the plan rules as defined for all the client pension plans installed on our system. For any future data feeds that will be sent to us (i.e. ongoing data updates), we will always perform basic validations on them but we will consider the data received from the client as being “clean data.”

Wages and Contribution Reporting

We confirm and would be able to meet the above requirement.

3.5 Project Staffing

ERSRI is concerned that the offeror has adequate and qualified staff to perform the commitments made in its response. As such ERSRI requires that:

- **The offeror include in its proposal a preliminary project staffing plan. This plan must lay out the reporting structure of the offeror's team that will be assigned to the effort and illustrate how this reporting structure fits into the offeror's overall organizational structure. It must also include estimates of the staff loading level, by staff category, throughout the life of the proposed solution. If any of the proposed staffing resources are not direct employees of offeror, this also should be stated. Finally, the staffing plan should indicate how the offeror deals with personnel problem that may occur from time-to-time during the course of the project.**
- **The offeror include its estimate as to the staff commitment required by ERSRI to fully support the vendor's efforts. In addition to the quantity of support, the estimate should include the skill levels required and the approximate timing of the support.**

Because of the limited nature of the ERSRI resources assigned to support this effort and to the extent that any time spent by ERSRI personnel is in addition to their day-to-day responsibilities, the offeror is required that any and all members of the offeror's staff who will have interactions with ERSRI staff be fully knowledgeable as to the project details. Specifically they should have read the RFP and the offeror's response and require minimal "training" from ERSRI personnel. It is also expected that offeror personnel remain current on the "happenings" of the project.

- **The offeror identify the project manager and any other key staff members who will be assigned to this engagement. The offeror should identify the extent to which each key staff member will be assigned to the project and over which**

period. It is expected that key personnel will remain continuously on the project (except in the case of death, illness, or termination of employment - or agreement for removal from ERSRI) for as long as needed. It is understood that over a ten- year engagement the nature of the efforts involved change (e.g., Implementation vs. Operations) and the talents of the resources required also change. However, it is ERSRI requirement that any time a key person is changes, the offeror inform ERSRI as the reason for the change and provide ERSRI with information that shows ERSRI that this change addresses the best interests of ERSRI.

- The offeror provide ERSRI with statistics related to the offeror's turnover rate. These statistics should be for the previous three years and be presented by staff category. Turnover should also be provided for each offeror's staff in support of each client provided as a reference.

Preliminary Project Staffing Plan

The reporting structure of our team is laid out in the diagram below. Each team member has been assigned an estimated load level throughout the life of the project. Resources that or not direct employees of Morneau Shepell are also identified.

Client Relationship Management is core to the success of any long-term relationship and Morneau Shepell has maintained relationships with many clients for over 30 years because of this focus.

As a client of Morneau Shepell, you will continually have access to senior executives within our firm. Executive Vice President & Chief Information Officer – Rene Beaudoin from Toronto would be our Executive Sponsor for ERSRI. Your Client Relationship Leader – <REDACTED> – will ultimately be responsible for your satisfaction. They will strategize with you on your future needs, help address current trends and issues and meet with you at a minimum on a quarterly basis to review service metrics and other key planning activities.

Your relationship team will be able to facilitate resource availability to ensure the appropriate level of resources and subject matter expertise is included during implementation and long after go-live.

Also, as shown in the diagram, we have a large pool of subject matter experts from which we can choose from should any personnel problem occur during the course of the project. We have the capability to quickly turn around and continue to have the expertise required should such an unplanned situation arise, thus not putting the completion of a project task, activity or milestone at risk.

Staff Commitment

For each one of the roles presented under the Business Architecture and System Configuration sections of the diagram presented earlier, we would anticipate ERSRI to provide the expert resources to allow our team members absorbing the details of the requirements and of the solution design accurately. ERSRI resources with ERSRI specific knowledge on any subject matter to be included as part of the scope of this project, such as (but not limited to) accounting, health insurance enrollment and administration, pension administration, payroll and tax reporting should be available for support. From our past experience, clients vary in the degree to which they wish to become involved in the details of implementation of such a project. The appropriate level of involvement is generally determined by the precise division of responsibility envisaged for after implementation. Please see the table below for an example of the level of commitment that could be required from ERSRI's staff. This would be reviewed once the Work Plan is finalized:

Phase	ERSRI Team Role and time commitment – will be reviewed during project planning phase
Project Definition	Project Manager (20%)
DB Plan Analysis	DB Subject Matter Expert (SME)
Health Plans Analysis	Health and Welfare Subject Matter Expert (SME)
Site Access & Security	IT Technical Analyst (10%)
Site Navigation & Content	HR representative (10%)
	DB SME (15%)
Employee Tools	HR representative (10%)
	DB SME (15%)
Interfaces & Conversion	DB SME (25%)
	IT Technical Analyst (25%)
Reporting Requirements	Business Analyst (10%)
Administrative Procedures	DB SME (25%)

Phase	ERSRI Team Role and time commitment – will be reviewed during project planning phase
User Acceptance Testing	DB SME / Actuary (50%)
Transition Plan & Execution	Project Manager (20%)
	DB SME (10%)
Overall governance	Project Sponsor (2% to 5%)

As requested, we confirm that all of our staff members who will have interactions with ERSRI staff be fully knowledgeable as to the project details. They will have read the RFP and our proposal and will remain current of the “happening” of the project.

Also, we confirm that any time a key person is changed, we will inform ERSRI as the reason for the change and provide ERSRI with information that shows ERSRI that this change addresses the best interest of ERSRI.

Information regarding our turnover rate can be found under section A.2.4.1 above.

3.6 Documentation

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

- **User documentation, including electronic help**
- **System administration documentation including material for business analysts who may need to reconfigure a function or update parameters within the system.**

The list of documents below is the minimum documentation required by ERSRI. The offeror should confirm that it does provide the minimum documentation listed and provide a comprehensive list of all user and system administration documentation it delivers in conjunction with its delivery of the proposed SaaS solution.

1. **User Documentation: The following items represent the minimum User Documentation required by ERSRI. In all cases, these documents must be delivered at least one month before the functionality for which the document is intended is tested. ERSRI will review these documents and provide**

feedback to the vendor so that the documents can be finalized before they are needed by ERSRI users. This User Documentation shall not be limited to the core Pension Administration functionality, but must cover all functionality within the SaaS solution, such as ECM, CRM, Financials, etc.

- a. **Work Process Manual:** The Work Process Manual will address all manual, as well as automated, work processes in the new environment. The manual should be organized by job functions (e.g., payroll, finance, etc.)
 - b. **On-line Help Facility:** ERSRI requires that the SaaS solution have an on-line help facility patterned after the on-line help facility in the Microsoft Office Suite: specifically it should have a "Search" capability, on-line instructional videos (typically providing "How to" instructional), and extensive context-sensitive help facilities. Offeror should fully describe all of its on-line help facilities
2. **System Administration Documentation:** ERSRI assumes that those system administration functions that are global to all the vendor's clients, such as the updating of Federal tax tables will be performed by the vendor. System administration functions that are unique to ERSRI such as updating annual COLA percentages are the responsibility of ERSRI. System Administration Documentation should cover those functions that are the responsibility of ERSRI.

Regular User

User Help / Documentation

Our implementation methodology includes a proprietary business requirements workbook. For sample documentation of our implementation workbook, please refer to Attachment 2, Appendix D.

The Implementation workbook (business requirements chapters) is developed during the implementation and will be kept up to date post-go-live with any subsequent changes as these occur. This document will hence contain customized information based on ERSRI's requirement, such as plan provisions, data mapping, statements, reports and web tools specifications, and will serve as reference for users to perform on-going pension administration work. In addition, we will provide a training manual for the *Ariel DB* system. Though we will provide hard copies of our training manual to ERSRI, our

training documentation is typically in the form of an online Help Guide, which is easily maintainable as process enhancements are performed. This online Help Guide will also be available to ERSRI and can be used as an additional training resource

Operations Documentation

Chapter 9 of the Implementation Workbook will be adapted to ERSRI's business processes that interact with our solution. It is expected that ERSRI will integrate this documentation with their internal operations procedures as needed.

3.7 User Training

ERSRI believes that key factors in the ultimate success of the SaaS solution will be the smoothness of its implementation and the facility of its use. As such, the extent to which the ERSRI User community is involved throughout the implementation will lead to a successful solution. It should be pointed out that ERSRI will not be having a dedicated project organization supporting the vendor's implementation efforts. Rather ERSRI staff will concurrently be supporting the implementation of the new system while performing their day-to-day activities. That is to say that the "Users" will be the definers/designers of the system, the testers of the system, the day-to-day users of the system, and (to as little an extent as possible) the maintainers of the system.

It is therefore critical that the provider of the SaaS solution properly train ERSRI staff to be able to perform all of the functions they will be called on to perform during the lifetime of the SaaS solution. Specifically:

- **Training in the development methodology: As definers, designers, and testers of the system the successful offeror will be required to provide training to ERSRI as to the offeror's development methodology. This training should emphasize those parts of the methodology that involve ERSRI staff. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.**
- **User training: This involves training on those functions to be performed by the ERSRI User community in the performance of its day-to-day efforts. It should be understood that not all staff members of ERSRI perform the same day-to-day functions. Therefore, although there may be some training that is common**

to all ERSRI staff members, there will also be training focused on the various functions performed by the different ERSRI's organizational areas. A partial list of items to be covered with user training would be: maintenance of time sensitive parameters, balancing and reconciliation, use of vendor provided documentation including on-line help, query languages that can be used to query the solution's data base, and report generation products that can be used with the SaaS solution. This training should not be limited to the core functionality of the SaaS solution, but include training on other, integrated functionality. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, what ERSRI facilities and equipment will be needed, and what training documentation will be provided.

- **Work Process training:** ERSRI has indicated its understanding that a solution provided in a SaaS environment will not be completely customized for ERSRI. As such the most efficient use of the system will likely be using some pre-defined processes. The vendor should train ERSRI staff in the processes that would best enable the most efficient use of the system. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.
- **Acceptance Testing training:** Although ERSRI has every expectation that the vendor will thoroughly test the system before providing it to ERSRI, ERSRI sees itself as primarily responsible for System Acceptance Testing and ultimate acceptance of the SaaS solution. The vendor's methodology should define how the acceptance process should work. ERSRI reserves the right to determine whether this process is adequate and to work with the vendor to agree on a mutually acceptable process. After agreement and at the appropriate time, the vendor would be responsible for training ERSRI staff as to how they would perform acceptance testing. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.
- **System Administrator training:** At this point of the procurement process, it is not clear what system administration functions will be performed by the vendor and which by ERSRI. If there are functions that are to be performed by ERSRI, for example, adding users, changing user rights, updating system parameters,

etc., the vendor shall train the appropriate ERSRI staff on how to perform these functions. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.

- **Employer education and training:** The employers are a very important part of the retirement system. They provide information to ERSRI, on a periodic basis, that enables ERSRI to administer the Rhode Island pension plans. It is critical to the success of the new system that the employers, to the extent practical, are involved in the implementation effort. As such, it is deemed important by ERSRI that there be training provided to the employer community. Although the employers are Users of the system, the training does not have to be of the same depth as the training provided to ERSRI Users. This training should focus on the process of defining and implementing the new system and the process by which the employers will be providing data to the new system. Although ERSRI is requiring that the SaaS solution accept data from ERSRI's employers in the same format as it is currently being provided to the existing system, the possibility exists that the process to provide data may change. ERSRI will work with the successful vendor in designing this training and arranging the logistics for this training. However, it will be the offeror's responsibility to provide this training to all employers in a number of training sessions in the Providence area. For planning purposes, the vendor should count on this training being done in five to seven sessions. **System Administrative and Maintenance training:** This training should cover all System Administration Functions that are the responsibility of ERSRI (See Section B-3.6)

It should also be noted that ERSRI believes that the most effective training is Just-In-Time (JIT) training, i.e., provided training as close as possible to when the material covered by the training is to be used by the trainees.

Offeror should provide a high-level User Training Plan.

Morneau Shepell

Training

Training will be available for users and administrators. We are able to provide On-Site training to ERSRI staff through a series of sessions that address specific *Ariel* related

subjects. Support training material will be offered to everyone who attend those training sessions and will also be made available electronically. Where needed, training session and material will be adjusted to ERSRI's pension administration particularities to ensure that all of the required subjects are covered. We will also remain available for support to ERSRI's staff for a period of time after the implementation project will have been completed. We are including further information regarding our proposed training plan here below.

As part of implementation, ADP will work with Morneau Shepell to recommend the appropriate ADP courses to best meet your training needs. However, in general, training is provided in the following area:

- **Enterprise Payroll:** Training for your super users related to set-up and processing of payroll, HR, and benefits, security administration, and reporting.

System Functionalities Training Plan

The general goal of our proposed training and knowledge transfer approach relative to the proposed solution is to ensure that the acquired knowledge and skills are transferred to the ERSRI resources in order to achieve a successful transition from the implementation to on-going activities. The knowledge transfer strategy is based on:

- Nature and complexity of knowledge and skills to be transferred;
- Current and target knowledge level of the ERSRI resources;

The key factors for the success of the knowledge transfer strategy implementation are:

- Establishing a multifunctional team of ERSRI resources, in order to manage the various functional, technical, and change management issues related to the system support
- Establish the specific roles of ERSRI and Morneau Shepell within the process.
- It is also possible to blend the knowledge transfer objectives with the performance management program of the project resources, in order to increase their motivation and to establish precise objective towards the process.
- During the training period, our resources will be On-Site. The training will combine technical courses with practical exercises based on real cases from ERSRI's pension

plan. We also recommend an On-Site presence of one Morneau Shepell experienced resource for a period of two weeks following the go-live date to ensure the success of the implementation, and facilitate follow-up on pending items . This resource would be able to offer direct immediate support to the ERSRI resources using the system.

- We will also offer phone support, to complete the On-Site support, especially for technical related issues.
- Below is a preliminary outline of the training that would be offered to ERSRI to ensure the knowledge transfer:

Training Module	Length (Estimate)	Target Audience	Content
Ariel DB Overview			
Participants will learn about <i>Ariel DB</i> basics, notably the parameters and the software structure, and how to use the basic functions to perform pension administration tasks.	5 days	Resources that will use the system on a daily basis.	<ol style="list-style-type: none"> 1. Database access and controls 2. Participant data updates 3. Employer data updates 4. Pension plan data update 5. Tables 6. On-line operations 7. Validation 8. Actuarial factors 9. On-line help
Calculations			
In depth study of the calculations performed by <i>Ariel DB</i> , and impact on calculation choices at implementation (plan parameterization). Participants will perform and verify calculations using <i>Ariel DB</i> .	3 days	Resources that will use the system on a daily basis. This module touches more complex topics. To attain maximum value from this class, users must have a very good knowledge of pension plan calculations (ideally, they could do them by hand).	<ol style="list-style-type: none"> 1. Parameters 2. Calculation Event Types 3. Output browser (the File management system)
Annual Update			
This module addresses activities to be completed for annual updates: annual data update completion, annual calculation completion, annual statements production, annual reporting, data extract for actuarial valuation, etc.	2 days	Resources that will take part in the annual processes.	The class is based on the annual update and administrative process manuals that will be customized to ERSRI's requirements.
Reporting			
A large library of predefined	½ day	Technical resources that have	<ol style="list-style-type: none"> 1. Standard Reports

Training Module	Length (Estimate)	Target Audience	Content
reports covering the majority of the needs required to perform standard pension administration. The reporting tools provide users with the ability to extract data in a file or report format. Additional training is available for users that require the ability to build custom reports based on specific requirements.		pension administration knowledge. We have obtained better results when training resources that have software application orientation and are comfortable with technology. These resources typically become "trainers" for other internal ERSRI users..	<ol style="list-style-type: none"> 2. SRS Reporting 3. ListPro
Special Cases	2 days	Experienced resources with knowledge of complex cases.	<p>Description of how <i>Ariel DB</i> handles cases such as :</p> <ul style="list-style-type: none"> ■ Small amounts ■ Transfers ■ Service buybacks ■ Supplemental plans ■ Batch calculations ■ Data sampling ■ Other modules (pensioner indexation, salary rate indexation, contribution reconciliations, etc.)
Statement Modifications	1 day	Technical resource that have pension administration knowledge	<ul style="list-style-type: none"> ■ Statement structure ■ Statement modification ■ Covered statements: <ul style="list-style-type: none"> □ Annual statements □ Benefit statements
Pensioner administration	1 day	Resources that have in depth knowledge of pension administration	<ul style="list-style-type: none"> ■ Annual statements ■ Monthly reporting ■ Pensioner indexation

System Documentation

The majority of the *Ariel DB* system administration tasks are performed with the *Ariel Dataset Manager* or *Adset*. It provides a graphical user interface and command line interface to perform the most common system administration functions. In the background, it actually uses Windows Server and SQL Server administration tools or

API. Adset User documentation is available and a sample user guide can be found by referring to Attachment 3.

Security, Back up and Disaster recovery Documentation

Disaster Recovery and Backup procedures documentation is provided - we have included a copy of our Disaster Recovery documentation in Attachment 2, Appendix F.

We have two Canadian technology centers, in Toronto and Montréal. The Toronto site acts as a “cold-site” for the Montréal site. The term “cold-site” means that required equipment is available but must have software installed and data restored on it before it can be used. The objective of the plan is to ensure that telephones are available within 24hrs of the disaster for call center and 72hrs for critical applications. Services are recovered based on priorities established with the various business units. Morneau Shepell is open to discussions with ERSRI to explore the requirement for 24 hour recovery as there would be costs on our side to change our standard in the near term. Having said this, we are continuously reviewing our DRP and will assess ERSRI’s needs relative to our overall DR planning.

We restore service within 30 minutes for unexpected failures during normal course of business, such as power outages. In all but the most extreme situations, we anticipate full resumption of operations within three business days after a catastrophic failure. Whether action is taken this quickly depends on the precise situation, as documented in our disaster recovery plan. We would be pleased to provide additional information.

Crowe Horwath

During the Dynamics AX implementation the following user training will be provided to transfer knowledge to ERSRI users:

- a) **eLearning courses** – these courses will provide the ERSRI with an introduction on each module of the Dynamics AX application . The introduction is deeper than an overview. The courses include working examples which the user is able to walk through. The following table lists relevant eLearning Courses based on your functional requirements:

eCourse	Description
Introduction to AX	User Setup

eCourse	Description
Introduction to AX	Functionality Demonstrations
Introduction to AX	Tools Menu
Introduction to AX	Introduction to Microsoft Dynamics AX 2012
Introduction to AX	Chart of Accounts
Introduction to AX	User Interfaces
Introduction to AX	Number Sequences
Introduction to AX	Command Menu
Introduction to AX	Functionality Demonstrations
Financials I	General Ledger Setup
Financials I	Journal Setup
Financials I	Chart of Account Setup
Financials I	Bank Management
Financials I	General Ledger Daily Procedures
Financials I	Bank Management Daily Procedures
Financials I	Financial Features
Financials I	Report Manager
Financials II	Budgeting
Financials II	Cash Flow Management
Financials II	Year-End Close

- b) **Instructor led training** - will be provided on-site at ERSRI during the project implementation. Crowe Horwath personnel will provide the instructors for each training session. In addition, the training exercises will be customized for your unique needs and all training exercise will be conducted on your actual Dynamics AX system. This will allow your users to train on a system with your actual chart of account structure, configuration settings and realistic data. Courses will be provided for the following user types:
- c) **On-the-job training** - A key part of some users training will be the on-the-job activities they perform either during the implementation of the project. Specific activities that will aid users learning development include but are not limited to:
- o Participation in prototyping sessions where key business scenarios will be modeled and performed within Dynamics AX.

- Participation in any manual data conversion activities where data that is not going to be automatically migrated over from your current system will be re-entered into the system by key users.
- Participation in documenting key business procedures and processes using Dynamics AX.
- Participation in conference room pilot sessions where certain scenarios will be tested and validated within Dynamics AX.

3.8 Testing

ERSRI expects a comprehensive testing process to be in place and utilized to determine whether the SaaS solution provided satisfactorily addresses the requirements defined in the RFP as confirmed or revised during requirements definition.

As discussed earlier in this RFP, ERSRI is expecting one final, formal delivery of the system. Associated with this delivery will be the formal System Acceptance Testing. ERSRI realizes that deferring all testing until a final delivery is ill-advised and risky. As such, this section outlines what ERSRI considers to be the minimum testing that it expects of the successful offeror. In this RFP, the offeror is required to confirm that it will be performing, at least, this minimum testing, and provide a comprehensive testing process that demonstrates the testing to be performed by the offeror. Of particular interest to ERSRI is the offeror's use of Regression Testing. Also, as mentioned earlier in this RFP, ERSRI requires that the implementation be broken into Work Units (WU), with the vendor breaking up the total system functionality into WUs, defined as subsets of the system functionality. Each WU should be provided to ERSRI so that ERSRI can develop familiarization on a WU by WU basis.

As mentioned above, the testing to be performed is intended to confirm system functionality. As such, with the provision of each WU, the vendor will be required to provide a written transmittal form that contains the following:

- 1. Confirmation that the contents of the provided WU have been Unit Tested**
- 2. The detailed scenarios used by the vendor in Unit Testing the WU (It is expected that the sum of these scenarios for all WUs will comprise a**

significant part of the formal System Acceptance Testing procedure).

The scenarios should map to the requirement(s) being tested.

3. A list of those requirements that are being met by the provided WU

When a WU is received by ERSRI, ERSRI Users will familiarize themselves with the WU by running both the scenarios provided by the vendor and/or other scenarios that ERSRI feels are necessary to fully test the requirements listed by the vendor as being met. Any enhancements made by ERSRI to the scenarios provided by the vendor will be incorporated into the scenarios and will be used during System Acceptance Testing.

After all WUs have been delivered, and integrated, the vendor will provide a written transmittal form indicating that the system is ready for formal System Acceptance Testing. This transmittal form shall contain the following:

1. Confirmation that all WUs have been successfully unit tested
2. Confirmation that the vendor has successfully conducted thorough Integration Testing. This involves testing of the solution with all its integrated components to ensure that they work together as designed, that the various sub-systems communicate with one another properly, errors are properly propagated from one component to another, etc.
3. The detailed scenarios used by the vendor to conduct Integration Testing. These scenarios will be used as part of the formal System Acceptance Testing procedure.
4. A list of all requirements met during the integration of the WUs that were not met during the Unit Testing of the WUs
5. Confirmation that the vendor has successfully conducted thorough system testing - and who on the vendor's staff have conducted the testing. System testing includes:
 - a. System Performance Testing: Testing of the entire system (as a system) to ensure that the solution meets the design specifications and response time requirements. Specific components of the system test include:
 - i. Stress Testing: Designed to break the solution by overwhelming it or by depriving it of resources. The objective is to make sure that the system is recoverable - that it fails and recovers gracefully

- ii. **Volume Testing:** Testing the solution by introducing constantly increasing load in an attempt to expose weaknesses that do not surface in routine testing, such as memory management bugs, memory leaks, buffer overflows, or processor saturation
 - iii. **Response Time Testing:** Designed to measure the amount of time it takes the system to respond to Users during periods of high processing load.
- b. **Business Process testing:** Scenarios covering all the business processes ERSRI conducts using data sets designed to exercise all possible variations, permutations and logic branches in base and customized function
 - c. **Life Cycle Testing:** Testing a well-defined sequence of member or retiree events that effectively represent all, or a logical and related subset of, activities one would expect to occur over the life of a member or retiree
 - d. **Backup and Recovery Testing:** Testing to verify that a backup of the applications software and data, following procedures defined by the offeror, can consistently and accurately be made and restored in an acceptable time period
6. **Confirmation that all interfaces between the SaaS solution to/from third parties have been successfully tested. These include (but are not limited to) ERSRI employers, the ERSRI actuary, insurance vendors, financial institutions, etc.**

Upon formal notification that the SaaS solution is ready for System Acceptance Testing, ERSRI will conduct rigorous testing of the system based on the scenarios delivered by the vendor and as enhanced by ERSRI. After successful completion of System Acceptance Testing, ERSRI, with the support of the vendor, will transition from its current system to the new SaaS solution as described in the next section.

Offeror should describe all testing deliverables and describe how they will meet the ERSRI testing requirements as detailed in this section.

We have 12 Quality Assurance specialists whose role is to ensure that test plans are comprehensive, to thoroughly review the results of all testing, and to report and oversee resolution of any discrepancies or problems noted. They execute test cases, log defects,

and summarize test results. Sign-off by the Quality Assurance group is required before any system upgrade goes into production.

These individuals are responsible for ensuring that all prior tests and quality processes were followed, for deploying and documenting changes to the production environment.

At a high level, testing occurs:

- Whenever a system change or enhancement occurs, regardless of the reason for the change
- During implementation, on all client-specific processes – this includes inbound and outbound data feeds, system-generated calculations, self-service functionality, telephone and other infrastructure systems, data flow and other procedures
- Whenever legislative requirements or other data elements are updated – whether at the system or the client level
- Whenever parameters are set up or changed – at the client level

Our testing protocol is critical to our quality assurance, especially for our implementation project methodology, and involves certain proprietary elements. We will be pleased to share details with you when we have the opportunity to meet with you.

Implementation Testing

During implementation, testing is performed on all client-specific processes – this includes inbound and outbound data feeds, system-generated calculations, self-service functionality, telephone and other infrastructure systems, data flow and other procedures.

Whatever the category, work is done in the test environment. All unit and other testing is performed here. Then, the code or parameter set-up is transferred to the pre-production environment. Further testing occurs, including the user acceptance testing. Once that is complete, changes are moved into the production environment.

User Acceptance Testing

User acceptance testing is typically performed at the client site, and involves a three-day on-site session facilitated by Morneau Shepell staff followed by a two week period of client-driven testing with daily conference calls to report results and prioritize any defects/changes discovered.

During the UAT phase, we perform end-to-end testing intended to prove all aspects of the solution are working as expected. This includes sending us transactions in an HR feed (e.g. new hire, termination, status change), loading the HRIS file, enrolling members, generating a payroll interface and loading the interface to a payroll test environment.

This end-to-end test cycle gives users hands-on experience with the system, serves as a dress-rehearsal for go-live, and provides confidence that the process works from end to end.

Once the UAT is complete, all processes and calculations that formed part of the formal test grid will be entered into the Quality Control software for future reference. It is these calculations that will be used as our benchmark in testing future system releases. These results will also be used in our periodic benchmarking of the administration database.

Recovery Testing

Our disaster recovery plan is reviewed and tested annually. The disaster recovery plan is documented in detail and is tested on an annual basis by Corporate Security to ensure it is effective. This testing takes the form of either a “walk through” or an actual “dry run.”

The test performed is to activate the application at the alternate location and have appropriate business teams test essential services and log results. Steps include restoring data from tape backup, disconnecting WAN connection to primary application site, and have business teams go through test scripts to verify functionality and data integrity.

3.9 Offeror Transition Support During Cutover

As discussed in this RFP, the SaaS solution will be delivered to ERSRI in one, formal delivery. Although ERSRI staff will have had the opportunity to familiarize themselves with the various Work Units, as they are made available, it will only be after formal delivery and system acceptance, that the ERSRI will be using the fully integrated system. ERSRI firmly believes that a positive User experience during the transition period from the legacy system to the SaaS solution will go a long way in defining the success, an ultimate acceptance of the system.

As such, ERSRI requires that the vendor support the transition of the new system by having a transition support team located at ERSRI for a period of six months.

The team should consist of a group of individuals that collectively possess in depth knowledge of all aspects of the solution. In addition to the knowledge, the members of this team should possess good people skills, good communications skills, and a great deal of patience. In addition to answering queries from ERSRI staff, this team should also provide ERSRI with the knowledge necessary for them to find answers to their own queries.

Vendor's response should include a transition plan which contains the level of support proposed, the composition of the support team, and ideas that the vendor may have to help the transition proceed smoothly.

Our approach to transition support is through a warrantee period whereby key members of the implementation team will remain assigned to ERSRI as these resources possess the in depth knowledge in your solution and plans and will provide the most efficient and effective support. Typically, we find that the need for resources located onsite can be less than six months; the most important element of a smooth transition is ensuring the resources that have the knowledge remain available to ERSRI post go-live. This is accomplished through a combination of onsite time and a phasing in of a combination of onsite and phone support.

The support team will consist of the project manager, the data conversion & reporting tools specialist, a CRM specialist, a payroll specialist, a pension specialist, an accounting specialist, a H&W specialist (if applicable) and the business process specialist. The Solution Architects will also remain available for questions as needed.

Good people skills, good communication skills and patience are all skills we look for when hiring employees in our organization; we are therefore confident that the staff available to ERSRI will meet this requirement.

Other key elements of a smooth transition include:

- Ensuring the warrantee period and post warrantee period support models are well defined and clearly communicated to all stakeholders. We will work with ERSRI to ensure that all stakeholders are familiar with the support model and understand how to escalate issues and obtain answers to their queries. This process greatly improves the user experience.

- Frequent monitoring of key performance indicators (KPI) – at first we will monitor mutually agreed to KPIs on a daily basis (e.g. the number of incidents being reported and resolution times) and move to less frequent monitoring as the transition stabilizes; typically between 3 to 6 months.

Given that the level support required by ERSRI will be highly related to the extent of the knowledge already gained throughout the several months prior to formal delivery date, the actual size of the team that will be located at ERSRI will be finalized during the transition planning phase.

ERSRI has communicated the limited availability of office space and the possibility that no space for vendor resources may be available on site. It may be necessary and preferable to provide a well-implemented means for providing support remotely, using tools such as GotoMeeting to collaborate interactively via the web, as if side-by-side. Should it be necessary to be physically on-site for an extended period, any expenses related to traveling and lodging will be passed-through directly to ERSRI. Expenses encountered for meals will also be passed-through, though based on a per-diem basis (actual per-diem amount to be determined during contract discussions).

B-4 Other Required Services and Deliverables (Intro)

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

- **Disaster recovery planning**
- **Warranty and support**
- **Miscellaneous.**

We confirm and agree to the above requirement.

4.1 Disaster Recovery Plan (DRP)

The offeror will be required to provide a copy of their Disaster Recovery Plan (DRP). The DRP should address "disasters" at the vendor's SaaS facility. The DRP should provide a commitment from the vendor as to the maximum time it will take between the time that a disaster occurs until the time that recovery is complete and the system is fully operational.

ERSRI requires that this be less than 24 hours.

The vendor should indicate how often the DRP is tested. Although ERSRI is also interested in the capability of the vendor to address "disasters" at the ERSRI facility, this will be addressed in Section B.5 - Options.

Security, Back up and Disaster recovery Documentation

Disaster Recovery and Backup procedures documentation is provided - we have included a copy of our Disaster Recovery documentation in Appendix 2, Appendix F.

<REDACTED>

4.2 Warranty and Support

The sections that follow provide discussion of the various aspects of Warranty and Support that are required of the offeror.

4.2.1 Changes

For statutory and regulatory changes that have been necessitated by any federal government agency, board of review, federal statute, or federal directive (including but not limited to IRS, Department of Labor, Department of the Treasury, and ERISA) throughout the contract period, including changes in the federal tax withholding tables, ERSRI will not be charged. Rather, this functionality will be provided to ERSRI at no additional cost. Vendor should indicate its acceptance of this condition.

We confirm that statutory and regulatory changes mandated by governing agencies have been incorporated in our licensing and maintenance fees and that ERSRI would not be charged extra for these changes.

Vendor should provide its policy in regard to statutory and regulatory changes mandated by a non-federal government entity.

Vendor should provide its policy in regard to changes of a general nature that may from time-to-time be requested by ERSRI.

Whenever there is a change to regulations or tax treatment, we update our *Ariel* pension administration system to accommodate the new regulatory environment. If legislative changes require system modifications, these are incorporated into the base system and made available to all clients at no additional cost.

The methodology for transferring upgrades into production is automated. In order to ensure our systems accurately reflect changes in legislation, we have 12 dedicated individuals assigned full-time to our systems Quality Assurance unit.

Changes which are general in nature and introduced by ERSRI due to events such as plan design changes or changes to the original solution requirements, will be addressed through a Change Management process. This process involves raising a change order request, which Morneau Shepell will evaluate and will provide comprehensive cost estimates to ERSRI. ERSRI will approve all change orders in advance of work being completed.

4.2.2 Implementation of New Modules and Functionality

ERSRI understands that the selected vendor will, from time-to-time, be adding functionality to its SaaS offering. The vendor should state its policy in terms of making this functionality available to all clients.

As mentioned in our response to 4.2.1 above, new functionalities are available to all clients whenever updates are made for any one client.

In terms of scheduling, updates are available bi-monthly and include interim modifications. Major releases are implemented every one to two years. SaaS clients are provided with at least three months notice of any major upgrades so that proper planning can be done. We also work with the client closely to schedule major releases to minimize business impact.

We typically perform upgrades and other major systems maintenance on weekends and late at night. This is done to minimize the impact on member service and the administrators who use our systems to process transactions and perform other record-keeping functions.

4.2.3 Help Desk and Help Desk Communications

It is understood by ERSRI and the selected vendor that there will be times that ERSRI personnel may have difficulty performing certain system functions. It is further understood that certain rarely performed functions may, by mutual agreement between ERSRI and the vendor, not be implemented, and, as such, workarounds may be necessary. It is, therefore, an ERSRI requirement that the vendor have a Help Desk that will be available to ERSRI by both email and telephone communications during the hours of 7:00 AM - 7:00 PM, Eastern Time. Inasmuch as, whenever ERSRI contacts the Help Desk, it will be in a situation where a quick response is needed, it is ERSRI's requirement that the Help Desk be staffed by people with both the systems knowledge and the communications skills to be able to provide a timely and well-understood response. Vendor should discuss it Help Desk capabilities and how they will meet ERSRI's needs.

Our support model will include a dedicated service team that ERSRI administrators will have direct access to via telephone and email. Our team will be knowledgeable in ERSRI's solution and plans and will be able to provide direct support to your administrator team. For general user support, we utilize a web based production support ticket management system (*ArielVu*) for all non-critical issues. ERSRI staff may raise tickets in *ArielVu* related to any request they may have. This is an effective and efficient way to manage requests and resolution times. It also allows for reporting that will help identify potential areas where additional training may be needed. Our support team will monitor *ArielVu* daily to ensure the requests are appropriately triaged and assigned to the resource with the knowledge required to resolve the request.

For critical issues requiring immediate attention, we have our technical support toll-free line and Production Application Support 24-hour pager for after hours. This approach ensures central logging of all issues and a single point of accountability for ensuring prompt resolution. The production support team that monitors the toll-free help line is able to assess the issue and triage the request to the appropriate support team. The dedicated support team then takes over the management of the issues and interacts directly with ERSRI to provide updates on the root cause and timing of the solution.

Our dedicated support team is available from 7:00 a.m. to 7:00 p.m. Eastern Time, Monday to Friday (statutory holidays excluded). Our production support help-line is available on a 24-hour pager system.

We take service very seriously. We understand that efficient turnaround times, coupled with accurate information, are critical to excellent service. Any issues related to system access and support will be included in our periodic service reports, allowing you to confirm that we are meeting our service commitments in this area.

4.2.4 Limitations

Offerors must identify any and all limitations and constraints with respect to software maintenance and warranty. They must be explained in terms of risk, change control, and cost implication. If the offeror does not identify such limitations and constraints and if they are not all included in the single, appropriately labeled section, then warranty and maintenance protection afforded ERSRI, and its associated costs, will be as described above without limitation or constraint.

Software Maintenance Services

<REDACTED>

4.2.5 Hardware / Software Support

The offeror should confirm that the responsibility for maintaining all hardware and software outside of ERSRI facility is the responsibility of the offeror.

We confirm and agree to the above requirement.

4.3 Miscellaneous

The following sections discuss various miscellaneous aspects related to services that ERSRI requires from offeror.

4.3.1 Expected System Lifetime

ERSRI is intending to enter into a long-term agreement with the selected vendor: **Ten years plus additional options. As such, ERSRI would like to have offerors explain to ERSRI why ERSRI can count on the selected vendor to provide the SaaS solution for at least ten years or more. Of interest would be current clients and how long they have been in the proposed SaaS environment. Of further interest would be the history of system enhancements, both hardware and software. Any other statistics and/or history that would convince ERSRI that the solution proposed will be available for the long-term would be helpful.**

First, we have a focus on our core business. That is, we have maintained our focus on the provision of pension (and benefits) consulting and administration services for nearly 50 years. We continue to augment our technical expertise and our outsourcing capabilities, embracing new ideas or technologies to fuel our clients' success, but only within the range of our core services. We believe that continued investment in our core services will enable us to maintain our low cost business advantage and ensure long-term service to our clients in this area.

We view administration as a technology business, and we are strongly committed to the continued evolution of our software and processes in this area. We have been providing fully automated outsourcing services for 20 years, since our proprietary *Ariel DB* pension administration system was introduced to the market. *Ariel DB* was developed in-house by Morneau Shepell programmers and we continue to support this system with internal resources. We have 200 full-time systems developers and IT support staff, making Morneau Shepell the largest developer of new technology in its industry. Since *Ariel DB* is used internally by Morneau Shepell as well as for our clients, we have a customers' perspective on the system. We invest more than 10% of gross revenues in systems research and development each year. Over \$50 million has been invested to date in the development of our *Ariel DB* product and we are committed to technology leadership in this area. We anticipate maintaining this level of investment for many years and we are

very confident that *Ariel DB* will continue to be a leading-edge pension administration system for the future.

Our partners are similarly committed to their respective fields. ADP is the global leader in payroll services. Microsoft, through its acquisition and continued development of the Dynamics ERP suite has demonstrated firm commitment to continued development in this area. Both invest considerably in their products and services and have demonstrated continued innovation over the decades they have offered their products. Dynamics provides a solution that is particularly well-suited to ERSRI, providing all of the functionality needed today as well as the opportunity for growth should the complexity of ERSRI's needs change. Crowe Horwath is among the largest public accounting firms in the United States and one of Microsoft's leading partners, particularly in public sector services.

4.3.2 Vendor Obligations upon Merger and Acquisition

ERSRI is well aware that, over the last few years many providers of SaaS services have either merged with or been acquired by either other SaaS providers or other companies looking to provide benefit administration services. It is also known to ERSRI that some providers of SaaS service use the same platform for SaaS services as they do for outsourcing services. This being the case, it is a concern of ERSRI's that unexpected events beyond the immediate control of the vendor could affect the long-term viability of the proposed solution.

ERSRI is interested in understanding the commitment from the offeror as to what they are contractually willing to agree to ensure that ERSRI will be have an SaaS solution to use over the expected lifetime.

In addition, in the event of a merger or acquisition or divestiture, ERSRI seeks confirmation from the offeror that the cost of the solution, over the lifetime of the system, will be no greater than that agreed to at contract signing regardless of merger or divestiture or acquisition activity.

Offeror further agrees that offeror will place the line-of-business (LOB) application source code, as customized to meet ERSRI-specific functional requirements, into escrow upon the delivery of the system for use. The terms of the escrow must include that if the vendor goes out of business or is found in default, ERSRI is a

named recipient of the source code. Placing of the source code in escrow in no way relieves the offeror its commitment to provide services or see that services are provided to ERSRI for the expected lifetime of the system.

With respect to the pension administration platform, we confirm and agree to the above requirement. It would not be possible to develop an escrow agreement with Microsoft for the Dynamics suite.

The escrow arrangement and escrow release conditions will be mutually agreed between the parties. The parties shall choose an independent escrow agent and ERSRI shall be responsible for the escrow fees.

4.3.3 Offeror Certifications/Compliance

Offerors having CMM, ISO 9000, SAS 70, or any other certification should include in their proposal a copy of the certification(s), and for the SAS 70, the last two audit reports.

The offeror should also include documentation proving compliance with the Americans with Disabilities Act (ADA)

Morneau Shepell employs external auditors to provide impartial assessments of our practices. Our auditors have recently conducted SAS70 Type II / CICA 5970 audits for all our administration practices, including Defined Benefit administration. We received an unqualified opinion. We conduct SAS70 / CICA 5970 audits on an annual basis. The report is made available to our clients to assist them as part of their audit process. We have included the cover letter from our 2009 and 2010 annual audit from KPMG in Attachment 2, Appendix G.

The terms of our audit by KMPG prohibit us from providing the SAS70 report during the sales and proposal process. We can confirm that our last two audit reports have unqualified opinions. We would be pleased to provide you with the full reports if we are chosen to serve ERSRI.

4.3.4 System Security Plan

As part of its response to this RFP, the offeror shall produce its detailed System Security Plan.

The plan must describe the processes and controls that are in place to protect the data and application from loss, misuse, or unauthorized access to or modification of information.

<REDACTED>

4.3.5 IT Security Certification and Accreditation

The Federal Government has developed a program and guidelines under which the security of IT systems in support of the government can be evaluated in repeatable, comparable, consistent fashion. ERSRI wishes to apply those guidelines to the certification of the security of the new SaaS solution, the program under which it is implemented and the resulting business environment in which it will continue to operate. The offeror is responsible for and should commit to (as part of the RFP response) developing their work and implementation plans to include IT Security Certification and Accreditation, performed by an independent contractor as described in NIST Special Publication 800-37, Guide for the Security Certification and Accreditation of Federal Information Systems.

A third-party organization, selected by ERSRI, will, at a minimum, assist ERSRI in the certification of the new SaaS solution through execution of the following phases (as described in detail in the above- mentioned Guide):

- Initiation Phase
- Security Certification Phase
- Security Accreditation Phase
- Continuous Monitoring Phase.

The information security program will include:

- Periodic assessments of risk, including the magnitude of harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the agency

- Policies and procedures that are based on risk assessments, cost-effectively reduce information security risks to an acceptable level, and ensure that information security is addressed throughout the life cycle of each agency information system
- Subordinate plans for providing adequate information security for networks, facilities, information systems, or groups of information systems, as appropriate
- Security awareness training to inform personnel (including contractors and other users of information systems that support the operations and assets of the agency) of the information security risks associated with their activities and their responsibilities in complying with agency policies and procedures designed to reduce these risks
- Periodic testing and evaluation of the effectiveness of information security policies, procedures, practices, and security controls to be performed with a frequency depending on risk, but no less than annually
- A process for planning, implementing, evaluating, and documenting remedial actions to address any deficiencies in the information security policies, procedures, and practices of the agency
- Procedures for detecting, reporting, and responding to security incidents
- Plans and procedures to ensure continuity of operations for information systems that support the operations and assets of the agency.

As with the Network Vulnerability Assessment described in Section 2.6.7, upon completion of the assessment, the third party organization will review all events with ERSRI personnel, determine which of the identified shortcomings are false positives and which actually need repair and agree upon any remaining shortcomings. In the event there remain shortcomings in the system security, the offeror will be immediately notified. The offeror will be responsible for rectifying all remaining shortcomings within ten (10) business days of being advised of them. The rectification effort may consist of any combination, or all, of the following elements: additional hardware components, additional software tools, installation services, and/or configuration services. It must include suitable testing to confirm to ERSRI's satisfaction that all of the identified security shortcomings have been eliminated. All costs associated with the rectification effort will be borne by the offeror.

In the event that the offeror is unable to resolve all system security issues to the satisfaction of ERSRI and the third-party assessment organization, ERSRI reserves

the right (and will notify the offeror of its intent) to engage the services of another (different from the organization doing the system security analysis) third-party organization to resolve all remaining network security issues. In this situation, the offeror will issue a credit to ERSRI for the full amount of the cost of the third-party organization's efforts to correct the situation. The credit will be applied to the first invoice issued by the offeror to ERSRI following notification to the offeror of the amount expended on the third-party services.

We confirm and agree to the above requirement.

B-5 Options (Intro)

The project has been divided into mandatory and optional portions. This section and all of its subsections identify the optional project areas.

Offerors must bid all of the options.

They are optional only in the sense that ERSRI will have the option of authorizing them. ERSRI may choose to authorize no options or any one, any combination, or all of the options. ERSRI will make a decision as to whether or not to authorize each option at the time of contract negotiations.

5.1 Post Implementation On-Site Support

As discussed in Section B-2.3 ERSRI requires that the offeror take full responsibility for the entire environment beyond ERSRI premises. As an option, ERSRI would like to procure the services of the offeror to take responsibility for the entire environment within ERSRI premises. These services would include:

- Purchasing/Installing/Maintaining all hardware
- Purchasing/Installing/Maintaining all commodity software
- Purchasing/Installing/Maintaining all internal communication infrastructure

As a specific requirement within this option, ERSRI wishes to accommodate the special needs of users who will be accessing the SaaS solution on one screen while also referencing documents from the imaged member folder. The offeror is required to propose a second flat-panel monitor for each desktop that will be using the SaaS solution in a production mode. The monitor must be a high-resolution and high-

contrast color unit to ensure the visibility of screen data. Its screen size must be no less than 19 viewable inches, measured diagonally. Offerors must include any additional hardware (e.g., additional or two-port video adaptors, monitor racks), software, or firmware necessary to support this requirement. In the technical proposal, the offeror must include detailed specifications for the proposed monitor(s), including overall equipment dimensions.

Vendor should provide an SLA describing the services and level of services provided.

We are not proposing these services in this proposal. Maintenance of the local hardware environment extends beyond the systems we are providing to email clients, office software, and other systems. We believe that ERSRI would be best served using a local resource who can provide on-site assistance on short notice. We do not believe that we could add significant value by engaging this resource on a subcontract basis. We would work closely with whoever is responsible for managing the hardware environment to troubleshoot any issues or assist in configuration and setup.

5.2 Bulk Printing

ERSRI, in certain situations, prints documents in large quantities: 1099Rs (Section B-1.4.9) being an example. ERSRI also sends Newsletters to all its members. Currently, these two production runs are processed using outside service providers. ERSRI is also considering sending annual benefit statements to all active members using this option. ERSRI is evaluating the option of having the selected vendor do the printing and mailing of these bulk mailings. Vendor should provide information about its capability to provide such bulk mailings and indicate the required process and lead-time necessary, on a mailing-by-mailing basis, for ERSRI to have the SaaS vendor provide these services.

Specifically, vendor should indicate the total cost (in the cost proposal) for the following scenarios:

- **1099's (includes generation):24,000/printing only/printing and mailing**
- **Member Annual Benefit Statements (includes generation): Approximately 35,000/printing only/printing and mailing**

- **One page document/1,000 copies/printing only/printing and mailing.**
- **One page document/10,000 copies/printing only/printing and mailing.**
- **One page document/30,000 copies/printing only/printing and mailing.**
- **One page document/60,000 copies/printing only/printing and mailing.**
- **Six page document (3 sheets, 2-sided)/1,000 copies/printing only/printing and mailing.**
- **Six page document (3 sheets, 2-sided)/10,000 copies/printing only/printing and mailing.**
- **Six page document (3 sheets, 2-sided)/30,000 copies/printing only/printing and mailing.**
- **Six page document (3 sheets, 2-sided)/60,000 copies/printing only/printing and mailing.**

We are not proposing these services in this proposal. We believe that ERSRI would be best served using a local resource who can provide on-site assistance on short notice. We do not believe that we could add significant value by engaging this resource on a subcontract basis. We would work closely with whoever is responsible for managing bulk printing to troubleshoot any issues or assist in configuration and setup.

5.3 Printing of Checks

ERSRI checks are currently produced by the office of the Treasurer of Rhode Island. ERSRI is acutely aware that this arrangement may represent a single point of failure in its mission of getting the checks out on time. As a mandatory requirement, the SaaS vendor solution must be capable of printing checks, in bulk and individually. As an option, ERSRI requires the successful offeror to provide the capability, if needed, to be able to print and distribute checks on behalf of ERSRI. Vendor should indicate whether this capability already exists and, if so, how many checks per month is offeror currently printing. Vendor should also indicate what security is in place to prevent fraudulent use of ERSRI checks. Vendor should provide the cost of providing this service. Vendor should also provide a Service Level Agreement for this service and indicate what steps ERSRI would have to take to avail itself of this service.

Specifically, vendor should indicate the total cost (in the cost proposal) for the following scenarios:

- **One check/print/print and mail**

- **1,000 checks/print/print and mail**
- **10,000 checks/print/print and mail**

Our best-practice recommendation for the Printing of Checks requirements stated above is to service ERSRI through a third-party vendor. As previously stated under section 5 of the RFP document, since ERSRI may choose to authorize or not this option at the time of contract negotiations, we would be please to discuss such an alternative with ERSRI at that time. Note that Morneau Shepell would pass through any related fees directly to ERSRI.

5.4 Defined Contribution Processing

ERSRI does not currently offer a Defined Contribution (DC) plan to its members. However, it is nonetheless interested in what capability the offeror has in providing DC administration capabilities as a SaaS solution. ERSRI is not, at this point, looking for detailed pricing on this option. Rather it is looking for a statement from the offeror as whether they have the capability of provided DC plan administration in an SaaS environment. Vendor should provide:

- **A list of features of the DC administration solution**
- **The typical implementation time of such a solution, and what would be required from ERSRI to make this happen**
- **An indication as to what extent this capability is integrated into its SaaS pension solution**
- **A typical SLA for these services**
- **Pricing metrics (i.e. \$x, per account, per year): This should appear in cost proposal only**
- **A list of vendor's major client and the count of clients using the DC solution**

We are not proposing a DC administration solution. We can fully integrate our website through Single Sign On with whichever organization you may choose to create an integrated member portal.

5.5 Imaging Options

Although there is a mandatory requirement to integrate the new SaaS solution with an imaging capability (See B-1.7.4.4), ERSRI would like the offeror to inform

ERSRI of any imaging options that may be less costly than the standard imaging option presented and priced as part of the mandatory SaaS solution offered. Offeror may provide up to three options that should be priced as a negative dollar amount, indicating the savings to ERSRI, per year, should they accept the particular option.

The suggested imaging solution uses the most economical, yet effective technologies available. We have not suggested a solution, such as FileNet from which we can scale downwards. Our proposed solution uses Kofax for document intake, our proprietary *Ariel* Storage for document storage indexing, and our *Ariel 360* module (based on *Microsoft Dynamics CRM*) to document retrieval and search.

5.6 Disability Process Management

ERSRI processes approximately 75 approved applications annually and reviews about 220 to 250 disability applications per year. The processing of each application is a many-step, labor intensive, manual process involving reams of paper. ERSRI's disability handbook can be found at <http://www.ersri.org/public/documentation/REVdisab+11-2006.pdf>

Offeror should provide:

- **A detailed description of the disability tracking system it is currently using to administer the disability process.**
- **The number of clients currently using the system**
- **A list of the five largest clients**
- **A statement as to what degree this is integrated with the proposed SaaS solution**

Morneau Shepell is one of the leading disability management providers in North America. Our case management system, Vistamed, administers disability cases across our line of business, supporting hundreds of thousands of employees.

We have evaluated your requirements and concluded that a system, such as Vistamed, would introduce more cost and complexity than is necessary. Our understanding of ERSRI's requirements is that an organized means of managing disability cases is what is required. This includes:

- Following the case against the member record

- Having the ability to transfer and assign activities related to the case to different individuals
- Tracking the status of the disability case
- Assembling and managing documents related to the case.

For this purpose, we recommend using *Ariel 360*, based on *Microsoft Dynamics CRM*, to manage this process. *Ariel 360* will already be used as a hub for member data. The features described are inherent to *Ariel 360*. As a CRM, it is fundamentally built on the concept of cases, activities, attachments and workflows. Security around disability cases would not be a concern; by creating activities and cases types specific to disability, we can ensure that only users with the correct roles can access information related to a disability case, even though they have access to other information related to the member.

Because the disability management solution leverages our core *Ariel 360* solution, the configuration and deployment of this solution for ERSRI is included in our fees.

5.7 System Administration

In this option, ERSRI would like to procure the services of the offeror to provide all system administration functions, specifically, but not limited to: adding new Users and setting up their rights, and deleting Users, transmitting files to third parties, resetting password for Users and members, etc.

We confirm and would be able to meet the above requirement. Automated processes, such as transmitting files to third parties, are included in our core services. User setup is and other configuration related to administrators is included in our core services. Interactions with plan members are not included in our services. We can provide services for member password resets, if desired. We would need to have a better understanding of the estimated scope to provide a cost estimate.

ATTACHMENT 1

Offeror's Annual Financial Report to Stockholders

Appendix A – Morneau Shepell

Appendix B – ADP

Appendix C – Crowe Horwath

ATTACHMENT 2

Comprehensive List of all Documentation to be Delivered

Appendix A – Red-line version document of the RFP terms and conditions

<REDACTED>

Appendix B – Infrastructure and Solution Architecture

Appendix C – Information Security Policy

Appendix D – Implementation Workbook

Appendix E – Staff Resume Summary Forms

Appendix F – Morneau Shepell Disaster Recovery Plan

Appendix G – SAS 70 Type II Sample Report

Appendix H – Microsoft Dynamics AX 2012 for Public Sector Organizations

ATTACHMENT 3

Samples of Application Documentation

ATTACHMENT 4

Menu and Screen Snapshots

<REDACTED>

ATTACHMENT 5

High-Level Work Plan (With and Without Options)

ATTACHMENT 6

Sample Data Conversion Plan

<REDACTED>

ATTACHMENT 7
Sample Test Plan

<REDACTED>

ATTACHMENT 8

List of Standard Reports

Benefits Administration Reports

<REDACTED>

Pension Plan Administration Reports

<REDACTED>

ATTACHMENT 9
Report Samples

Appendix A – Sample Benefit Estimate and Member Statement

Appendix B – Sample Reports

Appendix C – Processing Report

Appendix D – US Annual Member Statement

Appendix E – Payroll Sample Reports – ADP

Appendix F – Standard Payroll Reports – ADP

ATTACHMENT 10

Samples of Previously Used Status Reports

ATTACHMENT 11

Proposed System License Agreements and Service Level Agreement

<REDACTED>

ATTACHMENT 12

Subcontractor Letters of Commitment

ATTACHMENT 13
Subcontractor Agreements

Morneau Shepell is an industry leader in helping organizations deliver their human resource programs. For more nearly five decades, we have teamed up with North American companies to help them conceive and implement effective business solutions. The size and diversity of our client base gives our consultants a unique, forward-looking perspective on all pension, benefits, workplace health and productivity issues.



<u>CALGARY</u> 403.246.5228	<u>FREDERICTON</u> 506.458.9081	<u>HALIFAX</u> 902.429.8013	<u>KITCHENER</u> 519.568.6935
<u>LONDON</u> 519.438.0193	<u>MONTRÉAL</u> 514.878.9090	<u>OTTAWA</u> 613.238.4272	<u>PITTSBURGH</u> 412.687.3236
<u>QUÉBEC</u> 418.529.4536	<u>ST. JOHN'S</u> 709.753.4500	<u>TORONTO</u> 416.445.2700	<u>VANCOUVER</u> 604.642.5200



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