

In particular to Part B, Offeror Response on Project Scope, and in general of the overall response to this proposal, we have questions regarding transitioning from the current actuary:

1. In Part B, does “transition from current actuary” include the administration and investment services currently being performed by the same firm?

Yes see answer to question 1 – Yes, the proposal shall include all aspects of pension administration services, actuarial services, investment services, pension risk management services, asset allocation services in accordance with the Investment Policy Statement, selection and monitoring of Investment advisers, custody and registration of plan assets through the period of plan closure.

Therefore you will need to describe your approach to the transition from the current actuary/firm.

2. Has the 10/1/2018 actuarial valuation been performed? **The valuation is in process**
  - i. If not, we will provide a quote for performing the 2018 valuation.
  - ii. If the 2018 valuation has been completed, could we get a copy of the report?
3. Should we provide a quote for actuarial valuations beyond 2018 (2019+)? **Yes**
  - i. Is MCHD committed to terminating the plan as soon as possible upon conclusion of the RFP process, regardless of the cash cost? **Yes**
  - ii. Could market conditions cause you to delay the plan termination? **It is not the intention of the board to delay the plan termination**

In particular to Part D-11, Indemnification and Liability Restrictions, the conditions appear atypical to industry standards per our experience:

1. Are the D-11 conditions currently in place with the current actuary?
2. If not, we would consider the same indemnification provisions offered to the current actuary.

**Please see the attached Indemnification that we would accept**

Section 8 Provides:

8. Liability/Indemnification

- (a) \_\_\_\_\_ will correct its work product without additional charge if any errors or omissions occur in its work. \_\_\_\_\_ shall indemnify and hold Client harmless from and against any and all claims, demands, actions, damages, losses, liabilities, and expenses of any nature (including reasonable attorneys' fees and expenses) (collectively, a "Loss" or "Losses") arising from \_\_\_\_\_ failure to comply with the applicable terms and conditions of this Agreement (regardless of whether such Loss is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise):
- (i) for all Losses arising from Services performed in a particular Year, in an amount not to exceed the amount of the consulting fees paid to \_\_\_\_\_ under this Agreement during such Year, and,
  - (ii) without regard to the limitations of Section 8(a)(i), for Losses arising from (aa) \_\_\_\_\_ gross negligence, willful, fraudulent or criminal misconduct, (bb) bodily injury, including death, or damage to personal or real property, (cc) infringement by \_\_\_\_\_ pursuant to Section 5(f) hereof, and (dd) breach of its confidentiality obligations set forth in Section 6 hereof and any Schedule. Any claim under this Section 8(a) must be asserted before the date that is three (3) years following the act or omission giving rise to the claim.
- (b) Subject to \_\_\_\_\_ indemnity obligations in Sections 5(f) and 8(a), Client shall indemnify, defend, and hold \_\_\_\_\_ harmless from and against any and all Losses of any nature made by third parties, including, without limitation, Client's employees, affiliates, and plans with respect to the Services provided hereunder.
- (c) In no event will either party be liable to the other party for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.
- (d) Notwithstanding the foregoing, as applicable to the Client and the Services, \_\_\_\_\_ will not be liable to Client for any amounts for which Client or any of its employee benefits plans would have been responsible to pay irrespective of any act, error or omission by \_\_\_\_\_ including interest adjustments.

Section 5 (f) Provides:

- (f) Provided that Client promptly notifies \_\_\_\_\_ of a claim that the \_\_\_\_\_ Technology infringes a presently issued U.S. patent or copyright, \_\_\_\_\_ will defend such claim at its expense and will indemnify Client for any costs and damages that may be awarded against Client in connection with such claim. \_\_\_\_\_ will not indemnify Client, however, if the claim of infringement results from (i) use of other than the most recent version of the \_\_\_\_\_ Technology made available to Client by \_\_\_\_\_ (ii) Client's alteration of the \_\_\_\_\_ Technology; (iii) use of any \_\_\_\_\_ Technology in combination with other software not provided by \_\_\_\_\_ or (iv) improper use of \_\_\_\_\_ Technology.