SOLICITATION, OFFER AND AWARD	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	RATING	PAGE 1	OF PAGES 127

2. CONTRACT NUMBER	3. SOLICITATION NUMBER	4. TYPE OF SOLICITATION	5. DATE ISSUED	6. REQUISITION/PURCHASE NUMBER
	TIB-2005-R-006	☐ SEALED BID (IFB) ☒ NEGOTIATED (RFP)		

7. ISSUED BY CODE	8. ADDRESS OFFER TO *(If other than Item 7)*
FEDERAL RETIREMENT THRIFT INVESTMENT BOARD 1250 H STREET N.W., SUITE 200 WASHINGTON, DC 20005	SAME AS BLOCK 7

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 5 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in BLOCK 7 until 03:30 *(Hour)* local time 10/28/2005 *(Date)*

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE *(NO COLLECT CALLS)* AREA CODE	NUMBER	EXT.	C. E-MAIL ADDRESS
	ROBERT BATTERSBY	202	942-1693		RBATTER@TSP.GOV

11. TABLE OF CONTENTS

OFFER *(Must be fully completed by offeror)*

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 120 calendar days *(60 calendar days unless a different period is inserted by the offeror)* from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT *(See Section I, Clause No. 52.232-8)*	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)

14. ACKNOWLEDGMENT OF AMENDMENTS *(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated)*:	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER *(Type or print)*

15B. TELEPHONE NUMBER AREA CODE	NUMBER	EXT.	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. ☐	17. SIGNATURE	18. OFFER DATE

AWARD *(To be completed by Government)*

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:	23. SUBMIT INVOICES TO ADDRESS SHOWN IN *(4 copies unless otherwise specified)*	ITEM
☐ 10 U.S.C. 2304(c) ( ) ☐ 41 U.S.C. 253(c) ( )		

24. ADMINISTERED BY *(If other than Item 7)* CODE	25. PAYMENT WILL BE MADE BY CODE

26. NAME OF CONTRACTING OFFICER *(Type or print)*	27. UNITED STATES OF AMERICA *(Signature of Contracting Officer)*	28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS

B.1. BACKGROUND

The object of this contract is to provide the Federal Retirement Thrift Investment Board (Agency) with a means of establishing life annuities for eligible participants and beneficiaries of the Thrift Savings Plan (TSP). The Federal Employees' Retirement System Act of 1986, Pub. L. No. 99-335, 101 Stat. 514 (1986), as amended, 5 U.S.C. § 8434 (1996), sets forth five annuity methods that are required to be made available to eligible TSP participants and beneficiaries. Section C of this document defines various annuity options to be offered within the five required annuity methods.

B.2. CONTRACTOR ANNUITY PAYMENT RATE

a. Pricing of this contract is shown below in terms of an "interest-adjusted monthly annuity payment formula" which is described at B.3 of this document. The Contractor annuity payment rate is a scaling factor, which shall be applied to the then-current interest-adjusted tabular monthly annuity payments for every annuity purchased under the terms of this contract.

b. The Contractor annuity payment rate shown below shall be applicable to the interest-adjusted tabular monthly annuity payment rates per $1,000 of single premium as described at Clauses B.3, B.4, C.3, and in the worksheet at Section J, Attachment 3. The amount of monthly benefit paid by the Contractor to the Thrift Savings Plan annuitants shall be the amount of the tabular monthly annuity payments as determined at Clause B.4.b multiplied by the following Contractor Annuity Payment Rate expressed to three decimal places (e.g., 1.011):

Contractor Annuity Payment Rate[1] ____________________

The results calculated by use of this rate will be rounded to the nearest cent and adjusted for changes in the interest rate index as described at B.3.

---

[1]Rate to be provided as part of offer.

c. The Contractor Rate shown above shall be applicable to the entire term of this contract, including the optional period. (See F.2.)

B.3. INTEREST-ADJUSTED MONTHLY ANNUITY PAYMENT FORMULA

a. The interest-adjusted monthly annuity payment formula is designed to recognize the impact of the following factors on the amount of the monthly annuity payments to be made by the Contractor: (i) the annuity option chosen at purchase; (ii) the age at purchase of the individual annuitant (and of the joint life where appropriate); (iii) the Contractor annuity payment rate; and (iv) changes in the interest rate index during the term of the contract. The exact method of calculation of each of the factors referred to in the formula is described at B.4. of this document. Selected values of the factors are given at Section J, Attachment 2.

b. Definitions:

i_{index} = The value of the interest rate index for the current month.

i_{start} = The initial value of the interest rate index (5%).

IAF (x, y, option) = The interest adjustment factor, a scaling factor based on the age of the annuitant(s) (x,y) and the annuity option, which adjusts for changes in the interest rate index.

P (x, y, option) = The tabular monthly annuity payment per $1,000 of single premium based on the age of the annuitant(s) and the annuity option, calculated based on the initial value (5%) of the interest rate index.

P' (x, y, option) = The Contractor monthly annuity payment per $1,000 of single premium based on the age of the annuitant(s), the annuity option and the Contractor Annuity Payment Rate, calculated based on the initial value (5%) of the interest rate index.

FB = The fund balance which will be used to purchase a single premium immediate annuity from the Contractor.

c. Interest-Adjusted Monthly Annuity Payment Formula

The interest-adjusted monthly annuity payment will be calculated as follows:

Step 1: P(x, y, option) * Contractor annuity payment rate

= P' (x, y, option)

The result appears in line 7 of the worksheet in Section J, Attachment 3, and is rounded to the nearest one cent.

Step 2: P' (x, y, option) * FB/1000

= Monthly annuity payment before interest adjustment

The result appears in line 8 of the worksheet and is rounded to the nearest one cent.

Step 3: (Result of Step 2) * [1 + (100 * i_{index} - 100 * i_{start}) * IAF (x, y, option)]

= Interest-adjusted monthly annuity payment

The result appears in line 15 of the worksheet and is rounded to the nearest one cent. Interim rounding to three decimal places will be used as shown in lines 11, 12 and 13 of the worksheet. Line 14 will be rounded to the nearest one cent.

B.4. DETAILED CALCULATION OF TABULAR FACTORS

a. Interest Rate Index - i_{index}

1. The interest rate index is an eight-week moving average of the 10-year interest rate swaps. Interest rate swaps are published by the Federal Reserve in statistical release H.15. The index is the average of the 10-year interest swap rates for the eight weeks ending on the next to the last Friday of the month prior to the month in which the annuities will be purchased. The interest rate

index is rounded to the nearest one-eighth of one percent.

2. As an example of the preceding paragraph, annuities purchased in the month of May 2005 would be based on the value of the interest rate index determined in April 2005, which would be calculated from the weekly average rates from March 4, 2005, through April 22, 2005. The rates for those weeks were 4.75%, 4.84%, 4.92%, 5.00%, 5.02%, 4.92%, 4.85%, and 4.69%, and the average of these rates is 4.87%, which, rounded to the nearest one-eighth of one percent, produces an interest rate index of 4.875%. All of the tabular monthly annuity payment rates have been calculated using an initial index rate of 5%.

b. <u>Tabular Monthly Annuity Payments - P (x, y, option)</u>

1. As discussed in Section C, "Statement of Work," the tabular monthly annuity payments are based on the following assumptions: (i) an interest rate based on the eight week average of the 10-year interest rate swaps; and (ii) the use of the Annuity 2000 Mortality Table based on 55% females and 45% males. There is no specific recognition of expenses. The blended values of the Annuity 2000 Mortality Table are presented at Section J, Attachment 2, Table J.2.4. As noted at B.4.a, the interest rate index was set at 5% for the calculation of these tabular monthly annuity payments.

2. The actuarial formulas used in calculating the tabular monthly annuity payments are presented below. (The notations not defined in the formulas are those conventionally recognized by the Society of Actuaries.) All of these formulas are for single premium immediate annuities with the first payment due exactly 1 month after purchase of the annuity. These formulas will be used to calculate the tabular monthly annuity payments for all of the ages that are not listed in Section J, Attachment 2, Tables J.2.1.a and J.2.1.b. Once a symbol or annuity value is defined below, it is so used throughout.

General Formulas:

x = age last birthday of TSP annuitant at purchase date

y = age last birthday of joint annuitant at purchase date

$$N^{(12)}_{x+1} = N_{x+1} + \frac{11}{24} D_x$$

$$a^{(12)}_{\overline{10|}} = a_{\overline{10|}} + \frac{11}{24} (1 - v^{10})$$

$$C = \frac{1}{1 + \frac{11}{24} (.03)} = \frac{1}{1.01375}$$

$$i^* = \frac{1+i}{1.03} - 1$$

Option A1 - Single life, life only

$$a^{(12)}_{x} = \frac{N^{(12)}_{x+1}}{D_x}$$

Option A2 - Single life, 10 years certain and life

$$a^{(12)}_{\overline{x:10|}} = \frac{N^{(12)}_{x+1} - N^{(12)}_{x+10+1}}{D_x}$$

$$a^{(12)}_{\overline{\overline{x:10|}}} = a^{(12)}_{x} + a^{(12)}_{\overline{10|}} - a^{(12)}_{x:\overline{10|}}$$

Option A3 - Single life, cash refund

$$a^{(12)}_{x\,(Refund)} = K_x * a^{(12)}_x$$

Where K_x is stated in Table J.2.3.

Option B1 - Single life, life only, 3% increasing

$$a^{(12)}_{x\,(3\%\ Incr)} = C * a^{(12)}_{x(i*)}$$

Option B2 - Single life, 10 years certain and life, 3% increasing

$$a^{(12)}_{\overline{x:\overline{10}|}\,(3\%\ Incr)} = C * a^{(12)}_{\overline{x:\overline{10}|}\,(i*)}$$

Option B3 - Single life, cash refund, 3% increasing

$$a^{(12)}_{x\,(3\%\ Incr)(Refund)} = K_x * a^{(12)}_{x(3\%\ Incr)}$$

Where K_x is stated in Table J.2.3.

Option C1 - Joint Life, 100% joint and survivor

$$a^{(12)}_{xy} = \frac{N^{(12)}_{x+1:y+1}}{D_{xy}}$$

$$a^{(12)}_{\overline{xy}} = a^{(12)}_x + a^{(12)}_y - a^{(12)}_{xy}$$

Option C2 - Joint life, 50% joint and survivor (50% reduction applies to either survivor)

$$\underline{a}^{(12)}_{xy\ (50\%)} = .5\ a^{(12)}_{x} + .5\ a^{(12)}_{y}$$

Option C3 - Joint life, 100% joint and survivor, cash refund

$$\underline{a}^{(12)}_{xy\ (Refund)} = K_x * \underline{a}^{(12)}_{xy}$$

Where K_x is stated in Table J.2.3.

Option C4 - Joint life, 50% joint and survivor, cash refund

$$\underline{a}^{(12)}_{xy\ (50\%)(Refund)} = K_x * \underline{a}^{(12)}_{xy(50\%)}$$

Where K_x is stated in Table J.2.3.

Option D1 - Joint life, 100% joint and survivor, 3% increasing

$$\underline{a}^{(12)}_{xy\ (3\%\ Incr)} = C * \underline{a}^{(12)}_{xy(i*)}$$

Option D2 - Joint life, 50% joint and survivor, 3% increasing

$$\underline{a}^{(12)}_{xy\ (50\%)(3\%\ Incr)} = C * \underline{a}^{(12)}_{xy(50\%)(i*)}$$

Option D3 - Joint life, 100% joint and survivor, cash refund, 3% increasing

$$a^{(12)}_{xy(3\%\ Incr)(Refund)} = K_x * a^{(12)}_{xy(3\%\ Incr)}$$

Where K_x is stated in Table J.2.3.

Option D4 - Joint life, 50% joint and survivor, cash refund, 3% increasing

$$a^{(12)}_{xy(50\%)(3\%\ Incr)(Refund)} = K_x * a^{(12)}_{xy(50\%)(3\%\ Incr)}$$

Where K_x is stated in Table J.2.3.

Tabular Monthly Annuity Payment per $1,000 Single Premium

$$P_{(x,\ y,\ option)} = 1000/(12 * a^{(12)})$$

c. Interest Adjustment Factors - IAF (x, y, option)

The interest adjustment factors for the given age range and annuity option combinations in Section J, Attachment 2, Tables J.2.2.a and J.2.2.b, are calculated as follows:

1. For the central age and/or specified joint life ages in the joint life situations (see J.2.2), the exact tabular monthly annuity payment was calculated two ways: (i) using the initial interest rate (i.e., 5%); and (ii) using the initial interest rate plus 1% (i.e., 6%). The interest adjustment factor is:

   (6% monthly payment / 5% monthly payment) - 1

2. The method of calculation of the interest adjustment factors is the same for all annuity options. The approach yields a simple linear interest rate adjustment formula.

3. The interest adjustment factors listed in Section J, Attachment 2, Tables J.2.2.a and J.2.2.b are complete and are the only adjustment factors that are to be used under the contract.

d. Worksheet for Annuity Calculation

Attachment 3 of Section J is the worksheet which will be used to calculate actual annuity payments for annuitants and to estimate future annuity payments for potential annuitants. The calculation is the same as specified in subsection B.3.

[END OF SECTION]

SECTION C
STATEMENT OF WORK

C.1. INTRODUCTION

The Federal Employees' Retirement System Act of 1986 (FERSA), Pub. L. No. 99-335, 101 Stat. 514 (1986), as amended, specifies in 5 U.S.C. § 8434 (1996) that five annuity methods be available to eligible Thrift Savings Plan (TSP) participants. Approximately 3.5 million active and separated Federal employees are participants in the TSP. Under the current annuity contract as of June 2005, 4,451 participants have made annuity purchases totaling approximately $321 million.

C.2. SCOPE OF WORK

The object of this contract is to provide the Federal Retirement Thrift Investment Board with a means of establishing life annuities for retired and separated TSP participants. TSP participants may elect to use all or a portion of the proceeds of their TSP account to purchase an annuity.

C.3. STATEMENT OF WORK

a. In order to fulfill the requirements of this contract, the contractor shall provide tax-qualified, single premium, immediate annuities for all eligible participants who elect to purchase an annuity through the TSP. The Agency will purchase annuities as frequently as daily to fulfill participants' withdrawal requests.

b. The annuity program must conform to the following requirements:

   1. Annuity Payment Determination

      The amount of the monthly payment per $1,000.00 of single premium shall be an interest-adjusted tabular monthly annuity payment for the specified annuity option times the Contractor Annuity Payment Rate. (See B.2). The Contractor agrees to use the interest adjustment and tabular monthly annuity payments applicable to the specified annuity option for all annuities purchased under this program as described in Section B. The worksheet at Section J, Attachment 3, shall be used to calculate the actual annuity payments.

(a.) Tabular Annuity Payment Approach

i. In order to provide a mechanism for readily adjusting annuity payments for new purchases to reflect changes in market interest rates over the course of the contract, a tabular annuity approach has been developed. Tabular monthly annuity payments per $1,000.00 of single premium, as specified at Section J, Attachment 2, Tables J.2.1.a and J.2.1.b, have been developed based on two assumptions: (1) an interest rate index as described below in paragraph c; and (2) a mortality table. Expenses are not explicitly recognized.

ii. Mortality Table: The mortality table selected is the Annuity 2000 Mortality Table on a unisex basis, assuming 55% females and 45% males for the primary annuitant. In joint life situations, the second life is assumed to be 55% male and 45% female. The Annuity 2000 Mortality table was selected because the Agency determined that it best reflects anticipated mortality under these annuities. The unisex mortality rates used are shown in the table at J.2.4. The tabular monthly annuity payments are designed to produce a reasonable set of relationships between the annuity payments for various annuity options and ages. The tabular monthly payments have been calculated based on an interest rate index assumption of 5%. Used in concert with the tables of interest adjustment factors (listed at J.2.2), the tabular monthly payments will provide monthly annuity payments for a range of interest rates that are comparable to those payments which may be determined by calculating monthly payments based on the current value of the interest index (rather than adjusting the annuity calculated on 5%). Comparable payments are not achieved, however, if the interest rate index differs greatly from the interest rate index assumption, and annuitants are disadvantaged. Therefore, at the sole discretion of the Agency, and with proper notice from the Agency, tabular monthly payments may be recalculated based on a revised initial interest rate index value that better reflects the current market interest rates.

(b.) Contractor Annuity Payment Rate

The Contractor Annuity Payment Rate is a scaling factor applied to the tabular monthly annuity payments for every annuity purchased under this contract. The Contractor annuity payment rate must be guaranteed for all annuities purchased during the entire term of this contract, the length of which is identified in Section F.

(c.) Interest Rate Indexing

i. Interest rate indexing has been selected to provide the TSP annuitant with an annuity based on current market rates in the month in which the annuity is purchased and to offer the Contractor a reduced interest rate risk. The index is an eight-week moving average of the 10-Year interest rate swaps, which are published by the Federal Reserve in statistical release H.15. It was selected because it is a readily available financial index and it correlates with the interest rate instruments used by insurers in their reserve portfolio.

ii. The interest rate index will be calculated monthly, and an interest adjustment factor will be applied to the Contractor monthly annuity payment to produce the interest adjusted monthly annuity payments according to the formula in B.3.

iii. Tables of interest adjustment factors are listed at J.2.2. The calculation of the interest adjustment factors is described at B.4.c.

iv. The monthly calculation of the interest rate index and interest adjusted monthly annuity payments will apply to new annuity purchases only; payments under previously issued annuities will not be affected.

2. Annuity Payment Schedule

(a.) The Contractor will accept annuity purchases on a daily basis. The annuity purchase date will be the calendar day following the date on which the Contractor receives the money for a participant from the Agency's recordkeeper; annuity purchases shall become effective at 12:01 am on that date. The date of the first payment will be 30 days after the purchase date (or earlier) and payments will occur monthly thereafter.

(b.) The participant cannot change the annuity option selected on or after the annuity purchase date.

3. Minimum Annuity Purchase

The minimum TSP payment amount required for an annuity purchase is $3,500.00. This amount may be increased by the Agency with appropriate notice to the Contractor. No policy fees will be paid under this program.

4. Annuity Choices

(a.) Eligible participants in the TSP have the choice of the single premium immediate annuities listed below. The Contractor must provide annuities for all of these choices:

1. Single life

    a. Life only
    b. Ten-year certain and life
    c. Life only, cash refund

2. Single life, increasing with 3% annual maximum

a. Life only
b. Ten-year certain and life
c. Life only, cash refund

3. Joint Life

a. 100% joint and spouse
b. 50% joint and spouse
c. 100% joint and spouse, cash refund
d. 50% joint and spouse, cash refund

4. Joint Life, increasing with 3% annual maximum

a. 100% joint and spouse
b. 50% joint and spouse
c. 100% joint and spouse, cash refund
d. 50% joint and spouse, cash refund

5. Joint Life

a. 100% joint and other survivor
b. 50% joint and other survivor
c. 100% joint and other survivor, cash refund
d. 50% joint and other survivor, cash refund

(b.) For the annuity options offered in group five, the other survivor must have an insurable interest in the annuitant.

(c.) Except for the cash refund annuities, all of the tabular monthly annuity payments are calculated using actuarial formulas. The amount of the cash refund on the death of the annuitant is the amount of the accumulated account balance used to purchase the annuity less the sum of all annuity payments made through the date of death. There is no interest accumulation on the cash refund amount after the annuity is purchased. The cash refund tabular monthly annuity payments are calculated by adjusting the monthly annuity payments to reflect the value of the cash refund feature. The cash refund factors are specified at Section J, Attachment 2, Table J.2.3, and reflect published refund annuity rates of several large insurance companies.

(d.) The monthly payments of the annuities with increasing annual payments will be adjusted once each year on the anniversary of the first payment date, based on the Federal Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This is calculated according to the following method:

i. The percentage change in the monthly unadjusted CPI-W index for July, August, and September over the monthly unadjusted CPI-W index for July, August, and September of the prior year is calculated each year.

ii. Increasing payment annuities are then adjusted in the following calendar year by the lesser of 3% or the percentage increase in the CPI-W defined above, if any (i.e., in no case will the amount of an annuity payment be decreased based on the CPI-W).

(e.) The 50% joint and survivor option reduces to 50% upon the death of either joint life no matter which life is the survivor.

5. Statutory Requirements

Section 8434(d)(2) of Title 5 of the United States Code requires that each annuity be provided in accordance with the provisions of subchapters III and VII of Chapter 84 of Title 5, United States Code. The regulations at 5 C.F.R. Part 1650 govern the election of annuities by TSP participants.

6. Reporting

The Contractor shall provide the annuitants such reporting as is necessary for them to have evidence of their coverage, to communicate with the Contractor and to complete their tax returns on a timely basis. The Contractor shall also provide management reports to the Agency. Deliverables are described in Section F of this document.

7. Annuity Application Data

The contractor must be able to receive annuity application data in electronic format. This data will be transmitted as frequently as daily.

8. Annuity Purchases

Annuity purchases may be processed as frequently as daily, and the funds will be transferred as frequently as daily to the annuity vendor by Electronic Funds Transfer (EFT).

[END OF SECTION]

SECTION D
PACKAGING AND MARKING

Not applicable.

[END OF SECTION]

SECTION E
INSPECTION AND ACCEPTANCE

52.252-2 Clauses Incorporated By Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

www.acqnet.gov

(End of clause)

52.246-4 Inspection of Services—Fixed-Price (Aug 1996)

[END OF SECTION]

SECTION F
DELIVERIES OR PERFORMANCE

F.1. PERIOD OF PERFORMANCE

a. The period of performance for annuity purchases under this contract is three years from the effective date of award, which will be February 1, 2006. During this period, the Contractor will accept purchases of the various types of annuities for eligible Plan participants as specified in Section C of this contract.

b. The period of performance for administration and reporting for annuities purchased under this contract is through the date of the last annuity payment required to be made under the terms of this contract. The Contractor shall continue to administer and generate payments in accordance with the provisions of each annuity according to its terms for the life of the annuitant, or joint annuitant, and where appropriate, make a payment to a beneficiary. Services provided after the close of the period for accepting annuity purchases shall conform to those specified in the Master Annuity Contract. In the event of restructuring of reporting provisions by the Agency subsequent to expiration of the contract period for purchases, the Contractor will comply with such procedures, provided that it has been consulted prior to their institution and further provided that they do not involve material additional costs to the Contractor.

F.2. OPTIONAL PERIOD

a. This contract has provision for one two-year option that requires continued Contractor performance with respect to the acceptance of annuity purchases subsequent to expiration of the base contract identified in F.1, above. Said option is unilaterally exercised by the Contracting Officer via formal modification of the contract.

b. In order for the Contracting Officer to exercise the option, he or she must give written notice to the Contractor of the Agency's intention to exercise the option at least thirty days prior to the expiration date of the contract. In the event that the Agency exercises the option, all terms and conditions of this contract shall remain unchanged.

F.3. PERIODIC REPORTS

The Contractor will provide to the Agency such reports as are necessary for the Agency to monitor the performance of the Contractor and to compile financial information and experience statistics on the annuity program. There will be no separate payment to the Contractor for such reports by either the Agency or the annuitants. The only payments to the Contractor will be the single premiums for the annuities themselves. Contractor reporting expenses should be considered a cost of issuing the annuities.

F.4. REPORTING REQUIREMENTS

During the period of performance for administration of annuities as described in F.1 and during the optional period, if exercised, the Contractor is required to furnish various reports to the Agency and to the annuitant or beneficiary thereof. The following reports are a requirement of this contract:

a. The following shall be provided to the annuitant:

1. A certificate (to be issued no later than the first payment date) describing the purchased annuity option. The certificate shall include the Group Annuity Contract number, the Certificate number, the name(s) and date(s) of birth of the annuitant (and joint annuitant where appropriate), the amount of the initial monthly payment, and the first payment date.

2. Instructions on how to communicate with the Contractor concerning administrative items such as changes of address, beneficiary designations, and Federal income tax withholding.

3. An annual tax form for use by the annuitant in completing his or her tax return. This form shall

conform to the reporting requirements of the Internal Revenue Service.

4. Annual information to advise annuitants and survivors on changes of payment amount if an increasing payment or 50% survivor option was elected.

b. The following reports shall be provided to the Agency for the purpose of reconciling annuity purchases with disbursements from the Plan, producing statistics regarding the annuity program, supporting the Agency's confirmation of annuity calculations, and the collection of mortality experience.

1. A monthly summary of the annuity purchases made each month. This report will include a breakdown of the total number of annuity purchases by annuity option and a breakdown of the total amount of single premiums by annuity option.

2. A monthly detailed listing of each annuity purchase including the annuitant's name, SSN, address, sex, attained age at date of purchase, the attained age of the joint annuitant at purchase (where appropriate), the date of purchase, the amount of single premium, the annuity option selected, the amount of the initial monthly benefit and the initial payment date.

3. A monthly detailed listing of changes made to annuities or in the status of annuitants such as: the death of the annuitant or joint annuitant; CPI adjustments; corrections of annuities incorrectly issued or reported; and adjustments after the fact to annuity purchases (as in the case of Agency error in the purchase of the annuity). The report will include the type of change/transaction, the date of the transaction and the effective date of the transaction, as well as identifying information regarding the annuitant and any other information required in order to update the record of the annuity to reflect the change.

4. An annual summary of the annuity purchases made during the year. This report will include a breakdown of the total number of annuity purchases by annuity option and a breakdown of the total amount of single premiums by annuity option.

5. An annual detailed listing of all annuities purchased under this contract or previous contracts, including the annuitant's name, SSN, address, sex, attained age at date of purchase; the attained age of the joint annuitant at purchase (where appropriate); the survivorship status of the annuitant(s) and the effective date(s); the date of purchase; the amount of single premium; the annuity option selected; the current amount of the monthly benefit; and the initial payment date. Annuitants whose benefits have been reported as terminated in the previous annual report may be omitted from the current annual listing. The Agency prefers that this detailed listing be reported by way of electronic media.

52.252-3 Clauses Incorporated By Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

www.acqnet.gov

(End of clause)

52.242-15 Stop-Work Order (Aug 1989) *Alternate I (Apr 1984).*

[END OF SECTION]

SECTION G
CONTRACT ADMINISTRATION DATA

G.1. CONTRACTUAL INFORMATION

Contractual interpretation and assistance may be obtained by contacting:

Federal Retirement Thrift Investment Board
1250 H Street, N.W., Suite 200
Washington, DC 20005-3952

Attn: Robert Battersby
Phone: (202) 942-1693
E-Mail: RBATTER@tsp.gov

G.2. CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE

a. The Contracting Officer hereby designates the below named individual as the Contracting Officer's Technical Representative (COTR).

Name:	(To be completed at time of award)
Address:	Federal Retirement Thrift Investment Board 1250 H Street, N.W., Suite 200 Washington, DC 20005-3952
Phone:	(To be completed at time of award)

b. The COTR is responsible for administering the performance of work under this contract. In no event, however, will any understanding, agreement, modification, change order, or other matter deviating from the terms of this contract be effective or binding upon the Agency unless formalized by proper contractual documents executed by the Contracting Officer. The COTR is responsible for:

1. Monitoring the Contractor's progress, including the surveillance and assessment of performance, and recommending to the Contracting Officer changes in requirements;

2. Interpreting the scope of work;

3. Performing inspections and acceptances required by this contract; and,

4. Assisting the Contractor in the resolution of technical problems encountered during the performance of the contract.

c. The Contracting Officer is responsible for directing any changes in the terms, conditions, or amounts cited in the contract.

d. In order for the Contractor to rely upon guidance from the COTR, the guidance must:

1. Be consistent with the description of work set forth in the contract;

2. Not constitute new assignments of work or a change to the expressed terms, conditions, or specifications incorporated into the contract;

3. Not constitute a basis for an extension to the period of performance or contract delivery schedule; and,

4. Not constitute a basis for any increase in the contract cost.

e. The COTR may be changed by the Agency at any time without prior notice to the Contractor. Written notice to the Contractor will be given by the Contracting Officer to effect any change in COTR.

f. If in the opinion of the Contractor, any instruction or direction issued by the COTR is not provided for in any of the provisions of the Contract, the Contractor shall not proceed but shall notify the Contracting Officer in writing within five (5) working days after the receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract accordingly. Upon receiving such notification from the Contractor, the Contracting Officer shall issue an appropriate contract modification or advise the Contractor in writing that, in his/her opinion, the technical direction is within the scope of this clause and does not constitute a change under the Changes Clause of the contract. The Contractor shall thereupon proceed immediately with the direction given.

g. A failure of the parties to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect thereto shall be subject to the provisions of the contract clause titled "Disputes."

G.3. SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Each year of the contract the Offeror will submit audited financial statements to the FRTIB's Office of Accounting.

G.4. INCORPORATION OF CONTRACTOR'S PROPOSAL

It is understood and agreed that the Contractor shall, in meeting the requirements of this contract, perform the work in accordance with its proposal to the Board provided however, that to the extent that any provisions of the Clauses set forth herein are in conflict or inconsistent with any provisions of said proposal, the provisions of this contract shall be controlling and shall supersede the provisions of said proposal.

G.5. ORDER OF PRECEDENCE

The order of precedence for interpretation of the terms, conditions and requirements of this contract shall be as follows:

a. Section A of the contract;
b. Sections B, C, E, F, G, and H of the contract;
c. Section I of the contract; and,
d. Contractor's proposal, as clarified and amended.

[END OF SECTION]

SECTION H
SPECIAL CONTRACT REQUIREMENTS

H.1. RECORD KEEPING ERRORS & MISSTATEMENTS

a. Neither clerical error (whether by the Board, or by the Contractor) in keeping any records pertaining to the Master Annuity Contract, nor delays in making entries thereon, shall invalidate eligibility otherwise validly in force, but upon discovery of such error or delay an equitable adjustment of benefits shall be made. If any relevant facts pertaining to any individual to whom coverage under the Master Annuity Contract relates shall be found to have been misstated, and if such misstatement affects the existence of, the amount, or extent of benefits payable, the true facts shall be used in determining whether annuity eligibility is in force under the terms of this Master Annuity Contract and in what amounts or to what extent. If any payments made by the Contractor are based on misstatement of relevant facts, an equitable adjustment or redetermination shall be made in the benefits payable by the Contractor to the annuitant.

b. The Contractor shall notify the Board whenever a matter arising under H.1.a. is presented to the Contractor. The Board reserves the right to review and comment upon all such matters.

H.2. STATISTICS AND SPECIAL STUDIES

a. The Contractor shall maintain or cause to be maintained statistical records of its operations and annuities under the contract and will furnish the Board, in the form prescribed by the Board, the statistical reports reasonably necessary for the Board to carry out its functions under Subchapters III and VII of Chapter 84 of Title 5, United States Code.

b. The Contractor shall furnish such other reasonable statistical data and reports of special studies as the Board may from time to time request for the purpose of carrying out its functions under Chapter 84 of Title 5, United States Code.

H.3. QUALITY ASSURANCE

a. The Contractor shall develop and apply efficient procedures for maintaining contract quality assurance which include but are not limited to, the following:

1. Accuracy of payments;

2. Timeliness of payments to annuitants;

3. Quality of services and responsiveness to annuitants;

4. Quality of service and responsiveness to the Board; and

5. Detection of fraudulent claims.

b. The Contractor shall keep complete records of its quality assurance procedures and the results of their implementation and make them available to the Board or its agent upon request.

c. The Contractor shall provide the Department of Labor, or its contractors, access to the firm's records to perform fiduciary compliance audits.

d. The Board may order the correction of a deficiency in the Contractor's quality assurance program. The Contractor shall promptly take the necessary action to implement appropriate changes to its quality assurance program.

H.4. NOTICE OF SIGNIFICANT EVENTS

a. The Contractor agrees to notify the Board of any "Significant Event" within ten (10) working days after the Contractor becomes aware of it. As used in this section, a "Significant Event" is any occurrence or anticipated occurrence that may reasonably be expected to have a material effect upon the Contractor's ability to meet its obligations under this contract, including, but not limited to, any of the following:

1. Disposal of major assets;

2. Loss of 15% or more of the Contractor's overall customer base;

3. Termination or modification of subcontracts if such termination or modification may have a material effect on the Contractor's ability to perform its obligations under this contract;

4. Any changes in management personnel, underwriters, or reinsurers that may have a material effect on the Contractor's obligations under this contract;

5. The imposition or notice of the intent to impose a receivership, conservatorship, or special regulatory monitoring that may affect the status of financial qualifications or regulatory permits applicable to this contract;

6. The withdrawal of, or notice of intent to withdraw, State licensing, or any other change in status under Federal or State law;

7. Default on a loan or other financial obligation;

8. Any actual or potential labor dispute that delays or threatens to delay timely performance or that may impair the functioning of the Contractor's facilities or facilities used in the performance of this contract;

9. Any change in the Contractor's charter, constitution, or by-laws which affects any provision of this contract;

10. Any significant changes in policies and procedures or interpretations of this contract or any brochure which would affect the Contractor's performance or benefits payable available under this contract.

11. Any change during the term of the contract, including the optional period, which would have rendered the Contractor incapable of meeting any of the minimum technical qualifications found at M.4 of the Request for Proposals document from which this contract was formed.

b. Upon learning of a Significant Event, the Board may institute action as it deems necessary to protect the interest of the Thrift Savings Plan, it's participants or beneficiaries, including, but not limited to:

1. Suspending new annuity purchases under this contract;

2. Terminating this contract; or

3. Directing the Contractor to take corrective action.

H.5. CORRECTION OF DEFICIENCIES

The Contractor shall maintain sufficient financial resources, facilities, staff and other necessary resources to meet its obligations under this contract. If the Board determines that the Contractor does not demonstrate the ability to meet its obligations under this contract, the Board may notify the Contractor of the asserted deficiencies. The Contractor agrees that, within ten (10) working days following notification, it shall present detailed plans for correcting the deficiencies. These plans shall be presented in a form prescribed by the Board. The Board may institute action as it deems necessary to protect the interests of participants and beneficiaries.

H.6. STATUTORY RESERVES

The reserves held by the Contractor under this contract will not be less than the minimum required by the law of the state in which the annuity is issued or to which it may be subject.

H.7. ADVERTISING

a. The Contractor shall not distribute or display public information or marketing materials or other supplemental literature in a Federal facility or arrange for the distribution of such documents by Federal agencies unless the documents have been reviewed and approved for such use by the Board.

b. The Contractor shall not publicize or otherwise announce or advertise TSP participation in the Contractor's annuity program without prior written approval of the Board.

H.8. CERTIFICATES

The Contractor shall issue a certificate to the annuitant for whom an annuity is purchased. The certificate shall contain, in substance, a statement of the benefits to which the annuitant is entitled under the Contract. Such certificate shall in no way void or modify any of the provisions of this Contract. The above references to certificates include any certificate riders issued in accordance with this Contract.

H.9. ASSIGNMENT OF CONTRACT OR BENEFITS

Except as otherwise prescribed by law, benefits under annuities purchased in accordance with this Contract may not be assigned or alienated and are not subject to execution, levy, attachment, garnishment or other legal process.

H.10. EVIDENCE OF SURVIVAL

The Contractor shall have the right to require evidence satisfactory to itself that any annuitant or joint annuitant is living on each date a payment is due the payee, and to withhold any payments otherwise due until such evidence is received. If such evidence is not received within five (5) years of the date a request for such evidence is made, it shall be presumed for the purposes of this contract that the payee died immediately prior to the date the first such withheld payment was due.

H.11. CONTRACT HOLDER AND EMPLOYER NOT AGENTS OF THE CONTRACTOR

Neither the Board, its employees, its record keeper, nor the employing agency shall be considered to be agents of the Contractor for any purpose under this Contract.

H.12. BENEFICIARY

An annuitant must designate a beneficiary or beneficiaries to whom any death benefit shall be payable and may, from time to time, so long as there is any death benefit payable in the event of his death, change such beneficiary or beneficiaries by filing written notice with the Contractor. A change in beneficiary designation shall take effect upon receipt by the Contractor, as of the date specified in the notice, whether or not the annuitant is living at the time of receipt. If the annuitant predeceases the joint annuitant, the survivor may designate a beneficiary or beneficiaries to whom any death benefit shall be payable and may change such beneficiary or beneficiaries by filing written notice with the Contractor.

[END OF SECTION]

SECTION I
CONTRACT CLAUSES

52.252-4 Clauses Incorporated By Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

www.acqnet.gov

(End of clause)

52.202-1 Definitions (July 2004)
52.203-3 Gratuities (Apr 1984)
52.203-5 Covenant Against Contingent Fees (Apr 1984)
52.203-6 Restrictions on Subcontractor Sales to the Government (Jul 1995)
52.203-7 Anti-Kickback Procedures (Jul 1995)
52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Jan 1997)
52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)
52.203-12 Limitation on Payments to Influence Certain Federal Transactions (June 2003)
52.204-4 Printed or Copied Double-Sided on Recycled Paper (Aug 2000)
52.204-7 Central Contractor Registration (Oct 2003)
52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jan 2005)
52.215-2 Audit and Records—Negotiation (June 1999)
52-215-8 Order of Precedence—uniform Contract Format (Oct 1997)
52.215-10 Price Reduction for Defective Cost or Pricing Data (Oct 1997)
52.215-11 Price Reduction for Defective Cost or Pricing Data—Modifications (Oct 1997)
52.215-12 Subcontractor Cost or Pricing Data (Oct 1997)

52.215-13 Subcontractor Cost or Pricing Data—Modifications (Oct 1997)
52.215-15 Pension Adjustments and Asset Reversions (Oct 2004)
52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (July 2005)
52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications (Oct 1997) *Alternate IV (Oct 1997)*
52.216-5 Price Redetermination—Prospective (Oct 1997)
52.217-9 Option to Extend the Term of the Contract (Mar 2000)
52.222-3 Convict Labor (June 2003)
52.222-21 Prohibition of Segregated Facilities (Feb 1999)
52.222-26 Equal Opportunity (Apr 2002)
52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001)
52.222-36 Affirmative Action for Workers with Disabilities (June 1998)
52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001)
52.223-6 Drug-Free Workplace (May 2001)
52.224-1 Privacy Act Notification (Apr 1984)
52.224-2 Privacy Act (Apr 1984)
52.225-13 Restrictions on Certain Foreign Purchases (Mar 2005)
52.227-1 Authorization and Consent (July 1995)
52.227-3 Patent Indemnity (Apr 1984)
52.227-14 Rights in Data—General (June 1987)
52.227-17 Rights in Data—Special Works (June 1987)
52.227-18 Rights in Data—Existing Works (June 1987)
52.227-23 Rights to Proposal Data (Technical) (June 1987)
52.230-2 Cost Accounting Standards (Apr 1998)
52.230-3 Disclosure and Consistency of Cost Accounting Practices (Apr 1998)
52.230-6 Administration of Cost Accounting Standards (Apr 2005)
52.232-23 Assignment of Claims (Jan 1986)
52.233-3 Protest after Award (Aug 1996)
52.233-4 Applicable Law for Breach of Contract Claim (Oct 2004)
52.237-3 Continuity of Services (Jan 1991)
52.239-1 Privacy or Security Safeguards (Aug 1996)
52.242-13 Bankruptcy (July 1995)
52.243-1 Changes—Fixed Price (Aug 1987) *Alternate I (Apr 1984)*

52.244-6 Subcontracts for Commercial Items (Dec 2004)
52.246-20 Warranty of Services (May 2001)
52.246-25 Limitation of Liability—Services (Feb 1997)
52.249-2 Termination for Convenience of the Government (Fixed-Price) (May 2004)
52.249-8 Default (Fixed-Price Supply and Service) (Apr 1984)
52.251-1 Government Supply Sources (Apr 1984)
52.253-1 Computer Generated Forms (Jan 1991)

52.215-18 Notification of Ownership Changes (Oct 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall—

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

(End of clause)

52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)

(a) *Definition.* As used in this clause—
"United States" means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.

If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board
Division of Information
1099 14th Street, N.W.
Washington, DC 20570
1-866-667-6572
1-866-316-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at http://www.nlrb.gov.

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR Part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR Part 470, Subpart B—Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR Part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to—

(1) Contractors and subcontractors that employ fewer than 15 persons;

(2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;

(3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;

(4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that—

(i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and

(ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or

(5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall—

(1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Download a copy of the poster from the Office of Labor-Management Standards website at http://www.olms.dol.gov; or

(3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold. Pursuant to 29 CFR Part 470, Subpart B—Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of clause)

[END OF SECTION]

SECTION J

DOCUMENTS, EXHIBITS AND OTHER DOCUMENTS

CONTENTS

SECTION J - ATTACHMENT 1
GENERAL INFORMATION

1. This attachment briefly describes the Thrift Savings Plan (TSP) and experience of the TSP annuity program under the current annuity vendor contract. This illustrative information may be useful in developing expectations regarding the future experience of the TSP annuity program. However, the Offeror must accept purchases of annuities based on the Offeror's annuity payment rate stated in its proposal for all annuitants during the term of the contract, even if the anticipated number of annuitants, the anticipated size of the average annuity, and the anticipated distribution of annuitants by age, sex, and annuity option are not met.

2. The TSP is a retirement savings plan for Federal and Postal employees and members of the Uniformed Services, similar to private sector 401k plans, with a fund balance of approximately $160 billion. Contributions to the TSP began in April 1987, and at that time fewer than 900,000 Federal employees participated in the plan. As of June 2005, the TSP has approximately 3,458,000 participants, of which approximately 2,777,000 participants are active employees and 681,000 are inactive (i.e., accounts of separated or retired participants or accounts of CSRS participants who have terminated their contributions). As of June 2005, annuity purchases under the current contract have accounted for less than one percent of all post-separation withdrawals from the plan. However, annuities have accounted for nearly three percent of the nearly $11 billion that was withdrawn during the same period.

3. In June 2003, the TSP implemented a new record keeping system and transitioned from monthly valuation to daily valuation. In addition to the daily processing of withdrawal transactions, the TSP also implemented a change to the withdrawal options. As of June 2003, participants may use a combination of withdrawal options ("a mixed withdrawal") in order to make a post-employment full withdrawal. Prior to this change, participants who chose a TSP annuity were required to use their entire account balance for the purchase of the annuity. The Agency believes that this created a disincentive for electing this withdrawal method. The annuity program experience in 2004 showed a significant increase over the experience in previous years, which correlates to the addition of the mixed withdrawal option.

4. The tables in this attachment describe recent TSP annuity program experience. Table J.1.1. provides a summary of the TSP Annuity Program Experience for each year under the current contract. Table J.1.2 shows a breakdown of TSP annuities by annuity option and sex for annuities purchased between January 2001 and June 2005. Individuals purchasing annuities demonstrated a preference for simple forms of annuities over the increasing payment and cash refund forms.

[END OF PAGE]

Table J.1.1.

TSP ANNUITY PROGRAM EXPERIENCE

Annuites Purchased Under the Current Contract

Number of Annuities

	Single Life	Joint Life 50 Percent	Joint Life 100 Percent	Insurable Interest	Total
2001 Total	343	142	265	9	759
2002 Total	393	171	300	6	870
2003 Total	377	148	253	6	784
2004 Total	505	295	441	4	1,245
January 2005	28	25	43	4	100
February	61	28	55	1	145
March	85	50	71	1	207
April	61	31	45	0	137
May	40	24	31	0	95
June	52	26	31	0	109
July					
August					
September					
October					
November					
December					
2005 Total	327	184	276	6	793

Dollars

	Single Life	Joint Life 50 Percent	Joint Life 100 Percent	Insurable Interest	Total
2001 Total	$18,775,665	$9,965,653	$16,496,665	$570,887	$45,808,869
2002 Total	$23,030,237	$11,651,898	$19,127,859	$299,785	$54,109,780
2003 Total	$22,958,879	$10,299,263	$17,349,861	$246,124	$50,854,128
2004 Total	$36,654,705	$27,002,567	$36,520,229	$314,016	$100,491,518
January 2005	$1,825,588	$1,669,983	$3,982,467	$235,787	$7,713,824
February	$5,048,344	$2,094,051	$5,003,688	$96,012	$12,242,094
March	$6,888,297	$4,962,231	$5,778,903	$262,270	$17,891,700
April	$4,857,110	$3,395,645	$4,286,536	$0	$12,539,291
May	$3,472,775	$2,374,068	$2,620,898	$0	$8,467,740
June	$5,245,090	$2,383,996	$2,855,286	$0	$10,484,371
July					
August					
September					
October					
November					
December					
2005 Total	$27,337,203	$16,879,973	$24,527,778	$594,068	$69,339,022

Table J.1.2.

TSP ANNUITY PURCHASES BY OPTION TYPE AND SEX OF PRIMARY ANNUITANT

January 2001 - June 2005

NUMBER OF ANNUITIES PURCHASED	FEMALE	MALE	TOTAL
1. Single Life, level payments			
a) no additional features	553	451	1,004
b) with cash refund feature	235	156	391
c) with ten year certain feature	240	173	413
2. Single Life, increasing payments			
a) no additional features	39	42	81
b) with cash refund feature	22	13	35
c) with ten year certain feature	13	8	21
3. Joint with Spouse, level payments			
a) 100% survivor annuity	133	673	806
b) 50% survivor annuity	137	643	780
c) 100% survivor annuity with cash refund feature	103	514	617
d) 50% survivor annuity with cash refund feature	29	82	111
4. Joint with Spouse, increasing payments			
a) 100% survivor annuity	12	53	65
b) 50% survivor annuity	6	30	36
c) 100% survivor annuity with cash refund feature	8	39	47
d) 50% survivor annuity with cash refund feature	4	9	13
5. Joint with Other Survivor, level payments			
a) 100% survivor annuity	3	5	8
b) 50% survivor annuity	6	11	17
c) 100% survivor annuity with cash refund feature	3	3	6
d) 50% survivor annuity with cash refund feature	0	0	0
TOTALS	1,546	2,905	4,451

AMOUNT OF ANNUITIES PURCHASED	FEMALE	MALE	TOTAL
1. Single Life, level payments			
a) no additional features	$38,043,576	$31,966,963	$70,010,539
b) with cash refund feature	$15,086,290	$11,147,006	$26,233,297
c) with ten year certain feature	$12,771,806	$11,970,344	$24,742,150
2. Single Life, increasing payments			
a) no additional features	$2,270,479	$2,760,275	$5,030,754
b) with cash refund feature	$1,100,786	$661,136	$1,761,922
c) with ten year certain feature	$479,430	$498,608	$978,038
3. Joint with Spouse, level payments			
a) 100% survivor annuity	$9,464,392	$49,697,972	$59,162,364
b) 50% survivor annuity	$10,987,121	$52,856,299	$63,843,420
c) 100% survivor annuity with cash refund feature	$7,150,387	$39,839,962	$46,990,349
d) 50% survivor annuity with cash refund feature	$1,470,981	$7,164,203	$8,635,185
4. Joint with Spouse, increasing payments			
a) 100% survivor annuity	$581,047	$3,783,843	$4,364,890
b) 50% survivor annuity	$632,952	$1,917,749	$2,550,701
c) 100% survivor annuity with cash refund feature	$537,039	$2,967,750	$3,504,788
d) 50% survivor annuity with cash refund feature	$230,720	$539,368	$770,088
5. Joint with Other Survivor, level payments			
a) 100% survivor annuity	$185,447	$260,192	$445,638
b) 50% survivor annuity	$346,956	$957,539	$1,304,495
c) 100% survivor annuity with cash refund feature	$101,722	$172,976	$274,698
d) 50% survivor annuity with cash refund feature	$0	$0	$0
TOTALS	[illegible]	$219,162,165	[illegible]

SECTION J - ATTACHMENT 2
FACTOR TABLES

J.2.1 TABULAR MONTHLY ANNUITY PAYMENTS - P (x, y, option)

This section presents a sample cross-section of the monthly annuity payments for use in calculating the tabular monthly annuity payments. These monthly annuity payments were calculated in accordance with formulas listed in subsection B.4. All tabular material relting to the CPI adjusted options are identified by "3% Increasing."

[END OF PAGE]

Table J.2.1.a

TABULAR MONTHLY ANNUITY PAYMENTS
Per $1,000 of Single Premium
45% Male / 55% Female   Blended 2000 Annuity at 5% Interest

Single Life Annuities

Annuitant Age	Life Only	10 Years Certain & Life	Life Only 3% Increasing	10 Years Certain & Life 3% Increasing
30	4.47	4.47	2.56	2.55
35	4.59	4.58	2.70	2.70
40	4.73	4.72	2.89	2.88
45	4.93	4.91	3.12	3.11
50	5.18	5.15	3.40	3.39
55	5.52	5.46	3.77	3.74
56	5.60	5.54	3.86	3.82
57	5.68	5.61	3.95	3.91
58	5.77	5.70	4.04	4.00
59	5.87	5.78	4.15	4.09
60	5.98	5.88	4.25	4.19
61	6.09	5.97	4.37	4.30
62	6.20	6.08	4.49	4.41
63	6.33	6.19	4.62	4.53
64	6.47	6.30	4.76	4.65
65	6.61	6.42	4.91	4.78
70	7.52	7.12	5.82	5.53

Table J.2.1.b

TABULAR MONTHLY ANNUITY PAYMENTS
Per $1,000 of Single Premium
45% Male / 55% Female Blended 2000 Annuity at 5% Interest

Joint Life Annuities

	100% Joint & Survivor					50% Joint & Survivor				
	Joint Life Age					Joint Life Age				
Annuitant Age	10 Years Older	Same Age	3 Years Younger	6 Years Younger	20 Years Younger	10 Years Older	Same Age	3 Years Younger	6 Years Younger	20 Years Younger
30	4.37	4.31	4.30	4.28		4.61	4.48	4.45	4.43	
35	4.46	4.39	4.36	4.34	4.23	4.76	4.59	4.56	4.52	4.43
40	4.58	4.48	4.45	4.41	4.28	4.96	4.74	4.69	4.65	4.52
45	4.73	4.60	4.56	4.52	4.34	5.22	4.94	4.88	4.82	4.65
50	4.94	4.77	4.71	4.65	4.42	5.57	5.20	5.11	5.04	4.81
55	5.22	4.99	4.91	4.83	4.52	6.04	5.53	5.42	5.33	5.02
56	5.29	5.04	4.96	4.88	4.54	6.15	5.62	5.50	5.40	5.07
57	5.36	5.10	5.01	4.92	4.57	6.27	5.70	5.58	5.47	5.12
58	5.44	5.16	5.06	4.97	4.60	6.40	5.79	5.66	5.55	5.17
59	5.52	5.22	5.12	5.02	4.62	6.54	5.89	5.75	5.63	5.23
60	5.61	5.29	5.18	5.08	4.66	6.69	6.00	5.84	5.71	5.29
61	5.70	5.36	5.25	5.14	4.69	6.84	6.11	5.95	5.81	5.36
62	5.80	5.44	5.32	5.20	4.72	7.01	6.23	6.05	5.90	5.43
63	5.91	5.53	5.40	5.27	4.76	7.19	6.36	6.17	6.01	5.50
64	6.03	5.62	5.48	5.34	4.80	7.39	6.49	6.29	6.12	5.58
65	6.15	5.71	5.56	5.42	4.84	7.59	6.64	6.43	6.24	5.66
70	6.93	6.31	6.10	5.89	5.08	8.87	7.56	7.25	6.98	6.16

	100% Joint & Survivor - 3% Increasing					50% Joint & Survivor - 3% Increasing				
	Joint Life Age					Joint Life Age				
Annuitant Age	10 Years Older	Same Age	3 Years Younger	6 Years Younger	20 Years Younger	10 Years Older	Same Age	3 Years Younger	6 Years Younger	20 Years Younger
30	2.46	2.37	2.34	2.30		2.72	2.56	2.52	2.49	
35	2.59	2.48	2.45	2.40	2.21	2.90	2.71	2.66	2.62	2.46
40	2.75	2.62	2.57	2.53	2.30	3.14	2.90	2.84	2.78	2.59
45	2.95	2.79	2.73	2.67	2.40	3.43	3.13	3.05	2.98	2.74
50	3.20	3.00	2.93	2.86	2.51	3.80	3.42	3.32	3.24	2.93
55	3.52	3.27	3.18	3.08	2.66	4.28	3.79	3.67	3.56	3.16
56	3.60	3.33	3.24	3.14	2.69	4.40	3.87	3.75	3.63	3.21
57	3.68	3.40	3.30	3.19	2.72	4.52	3.96	3.83	3.71	3.27
58	3.77	3.47	3.36	3.25	2.76	4.65	4.06	3.92	3.79	3.33
59	3.86	3.54	3.43	3.31	2.80	4.79	4.16	4.01	3.88	3.39
60	3.95	3.62	3.50	3.37	2.84	4.94	4.27	4.11	3.97	3.45
61	4.05	3.70	3.57	3.44	2.88	5.10	4.39	4.22	4.07	3.52
62	4.16	3.79	3.65	3.51	2.92	5.26	4.51	4.33	4.17	3.59
63	4.28	3.88	3.74	3.59	2.96	5.44	4.64	4.45	4.28	3.67
64	4.40	3.98	3.82	3.67	3.01	5.63	4.78	4.58	4.39	3.75
65	4.53	4.08	3.92	3.75	3.06	5.84	4.93	4.71	4.52	3.83
70	5.33	4.71	4.49	4.26	3.34	7.10	5.85	5.55	5.27	4.32

J.2.2 INTEREST ADJUSTMENT FACTORS - IAF (x, y, option)

a. This section presents the complete table of interest adjustment factors for use in calculating the interest adjusted tabular monthly annuity payments. Age ranges for the individual cells were defined to provide the most accurate interest adjustment factors at ages where the most significant portions of the annuity purchases are expected.

b. The central ages used for calculating the factors were as follows:

Single life annuitant:	35, 50, 57, 62, 67
Primary annuitant:	35, 50, 57, 62, 67
Joint life annuitant:	10 years younger 3 years younger 20 years younger

[END OF PAGE]

Table J.2.2.a

INTEREST ADJUSTMENT FACTORS
Based on the Ratio Between 6% and 5%
Tabular Monthly Annuity Payments

Single Life Annuities

Annuitant Age	Life Only	10 Years Certain & Life	Life Only 3% Increasing	10 Years Certain & Life 3% Increasing
Less than 45	0.150	0.151	0.215	0.215
45-54	0.125	0.124	0.165	0.162
55-59	0.113	0.111	0.139	0.138
60-64	0.100	0.099	0.122	0.120
65 and over	0.088	0.087	0.105	0.105

Table J.2.2.b

INTEREST ADJUSTMENT FACTORS
Based on Ratio Between 5% and 6%
Tabular Monthly Annuity Payments

Joint Life Annuities

100% Joint and Suvivor

Annuitant Age	Joint Life Age: More than 5 Years Older	5 Years Older to 10 Years Younger	More than 10 Years Younger
<45	0.155	0.163	0.175
45-54	0.130	0.140	0.158
55-59	0.116	0.126	0.149
60-64	0.103	0.115	0.142
65+	0.092	0.102	0.132

50% Joint and Suvivor

Annuitant Age	Joint Life Age: More than 5 Years Older	5 Years Older to 10 Years Younger	More than 10 Years Younger
<45	0.143	0.151	0.160
45-54	0.115	0.129	0.141
55-59	0.100	0.113	0.131
60-64	0.090	0.104	0.122
65+	0.078	0.092	0.113

100% Joint and Suvivor - 3% Increasing

Annuitant Age	Joint Life Age: More than 5 Years Older	5 Years Older to 10 Years Younger	More than 10 Years Younger
<45	0.220	0.237	0.281
45-54	0.169	0.188	0.231
55-59	0.144	0.161	0.210
60-64	0.125	0.142	0.188
65+	0.108	0.123	0.174

50% Joint and Suvivor - 3% Increasing

Annuitant Age	Joint Life Age: More than 5 Years Older	5 Years Older to 10 Years Younger	More than 10 Years Younger
<45	0.200	0.218	0.244
45-54	0.147	0.169	0.198
55-59	0.124	0.144	0.177
60-64	0.108	0.127	0.162
65+	0.092	0.112	0.145

J.2.3 CASH REFUND ANNUITY FACTORS - K (x, option)

This section presents the complete table of cash refund annuity factors for use in calculating the tabular cash refund annuity payments from the otherwise comparable non-cash refund annuity payments. These factors were developed by reviewing published refund annuity rates of certain companies, with consideration for theoretical value based on the Annuity 2000 Table and 5% interest. They are approximate in nature but should produce reasonable results.

Table J.2.3 Cash Refund Annuity Factors

Primary Annuitant Age	Single Life Annuities: Life Only	Single Life Annuities: 3% Increasing Life Only
Less than 50	.99	.97
50-54	.98	.96
55-59	.96	.94
60-64	.94	.92
65-69	.91	.89
70-74	.87	.85
75 and over	.83	.80

Primary Annuitant Age	Joint Life Annuities: 100% J&S	50% J&S	3% Increasing 100% J&S	3% Increasing 50% J&S
Less than 50	.99	.99	.99	.99
50-54	.99	.99	.99	.98
55-59	.99	.98	.99	.97
60-64	.99	.97	.99	.96
65-69	.99	.96	.98	.94
70-74	.99	.94	.98	.92
75 and over	.98	.92	.97	.89

[END OF ATTACHMENT]

Table J.2.4

2000 Annuity Mortality Table
Blended Mortality Rates

Age	Blended Employee and Spouse (1) qx &qy	Age	Blended Employee and Spouse (1) qx &qy
15	0.000289	65	0.007911
16	0.000301	66	0.008740
17	0.000314	67	0.009668
18	0.000329	68	0.010704
19	0.000345	69	0.011861
20	0.000362	70	0.013159
21	0.000379	71	0.014615
22	0.000398	72	0.016247
23	0.000419	73	0.018073
24	0.000439	74	0.020115
25	0.000459	75	0.022397
26	0.000478	76	0.024942
27	0.000496	77	0.027772
28	0.000511	78	0.030914
29	0.000523	79	0.034403
30	0.000533	80	0.038280
31	0.000542	81	0.042581
32	0.000549	82	0.047347
33	0.000555	83	0.052616
34	0.000563	84	0.058427
35	0.000571	85	0.064826
36	0.000588	86	0.071850
37	0.000614	87	0.079541
38	0.000651	88	0.087921
39	0.000701	89	0.096922
40	0.000764	90	0.106461
41	0.000841	91	0.116448
42	0.000934	92	0.126800
43	0.001042	93	0.137431
44	0.001166	94	0.148269
45	0.001305	95	0.159246
46	0.001458	96	0.170288
47	0.001623	97	0.181327
48	0.001801	98	0.192908
49	0.001991	99	0.205574
50	0.002193	100	0.219870
51	0.002408	101	0.236340
52	0.002634	102	0.255528
53	0.002874	103	0.277980
54	0.003126	104	0.304238
55	0.003392	105	0.334846
56	0.003673	106	0.370351
57	0.003971	107	0.411296
58	0.004287	108	0.458225
59	0.004632	109	0.511682
60	0.005017	110	0.572211
61	0.005453	111	0.640358
62	0.005951	112	0.716666
63	0.006522	113	0.801679
64	0.007173	114	0.895943
		115	1.000000

(1) assumes 55% female, 45% male mortality rates.

SECTION J - ATTACHMENT 3
ANNUITY CALCULATION WORKSHEET

A. PARTICIPANT INFORMATION

(1)	Annuity option:	*J&S – 50%I, level, no cash refund*
(2)	Your age:	*62*
(3)	Your joint annuitant's age (if a joint life annuity):	*59*
(4)	Age difference (if a joint life annuity): line (2) – line (3). Joint annuitant is	*3* years younger/older
(5)	TSP account balance	*$57,000.00*

B. CALCULATION OF MONTHLY ANNUITY PAYMENT (BEFORE INTEREST ADJUSTMENT)

(6)	Amount available for annuity in thousands of dollars: line (5)/$1,000	*57.00000*	
(7)	Monthly annuity factor per $1,000 account balance: For single life annuity, use Table J.2.1.a For joint life annuity, use Table J.2.1.b	*6.05*	(See B.3.c, Step 1)
(8)	Preliminary estimate of monthly annuity payment:	*$344.85*	(See B.3.c, Step 2)

C. INTEREST ADJUSTED MONTHLY ANNUITY PAYMENT

(9)	Current interest rate index	*4.875*	
(10)	Interest rate index used in monthly annuity factor tables:	*5.000*	
(11)	Index increase (decrease): line (9) – line (10)	*(0.125)*	
(12)	Interest adjustment factor: For single life annuity, use Table J.2.2.A For joint life annuity, use Table J.2.2.b	*0.104*	
(13)	Adjustment multiplier: line (11) x line (12)	*(0.013)*	
(14)	Increase (decrease) to estimate: line (8) x line (13)	*($4.48)*	
(15)	Interest adjusted monthly annuity payment line (8) + line (14)	*$340.37*	(See B.3.c, Step 3)

Deloitte.

INDEPENDENT AUDITORS' REPORT

To the Board Members and the Executive Director
Federal Retirement Thrift Investment Board

We have audited the accompanying statements of net assets available for benefits of the Thrift Savings Fund (the "Fund") as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Federal Retirement Thrift Investment Board. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

McLean, Virginia
March 4, 2005

THRIFT SAVINGS FUND

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2004 AND 2003
(In thousands)

	2004	2003
ASSETS:		
Investments, at fair value:		
U.S. Government Securities Investment Fund	$ 56,670,880	$ 51,121,034
Barclays U.S. Debt Index Fund	9,732,943	10,071,287
Barclays Equity Index Fund	63,218,611	54,303,506
Barclays Extended Market Index Fund	9,644,143	5,622,444
Barclays EAFE Index Fund	7,021,069	2,211,875
Participant loans	5,105,715	5,130,170
Total investments	151,393,361	128,460,316
Receivables:		
Employer contributions	166,045	151,497
Participant contributions	507,034	446,574
Total receivables	673,079	598,071
Fixed assets:		
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization of $7,342 in 2004 and $6,093 in 2003	4,533	358
Data processing software, net of accumulated amortization of $17,577 in 2004 and $12,528 in 2003	37,306	39,357
Total fixed assets	41,839	39,715
Other assets	5,460	11,236
Total assets	152,113,739	129,109,338
LIABILITIES:		
Accounts payable	22,148	29,372
Accrued payroll and benefits	921	1,194
Benefits and participant loans payable	40,941	54,181
Deferred rent and lease credits	217	121
Due for securities purchased	35,757	94,348
Total liabilities	99,984	179,216
FUNDS RESTRICTED FOR THE PURCHASE OF FIDUCIARY INSURANCE	(4,829)	(4,978)
NET ASSETS AVAILABLE FOR BENEFITS	$ 152,008,926	$ 128,925,144

See notes to financial statements.

THRIFT SAVINGS FUND

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2004 AND 2003
(In thousands)

	2004	2003
ADDITIONS:		
Investment income (loss):		
U.S. Government Securities Investment Fund	$ 2,346,104	$ 2,074,004
Net appreciation (depreciation) in fair value of Barclays funds:		
Barclays U.S. Debt Index Fund	408,397	455,956
Barclays Equity Index Fund	6,115,843	11,316,657
Barclays Extended Market Index Fund	1,249,934	914,990
Barclays EAFE Index Fund	870,403	358,102
Interest income on participant loans	237,684	222,422
Asset Manager rebates	1,778	1,616
Less investment expenses	(4,503)	(3,708)
Net investment income (loss)	11,225,640	15,340,039
Contributions:		
Participant	11,980,077	10,366,123
Employer	4,238,199	3,887,260
Total contributions	16,218,276	14,253,383
Total additions	27,443,916	29,593,422
DEDUCTIONS:		
Benefits paid to participants	4,110,891	2,774,685
Administrative expenses	91,896	75,038
Participant loans declared taxable distributions	157,496	130,559
Total deductions	4,360,283	2,980,282
CHANGE IN FUNDS RESTRICTED FOR THE PURCHASE OF FIDUCIARY INSURANCE	149	375
Net increase	23,083,782	26,613,515
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	128,925,144	102,311,629
End of year	$ 152,008,926	$ 128,925,144

See notes to financial statements.

1. PLAN DESCRIPTION

The following description is provided for general information purposes. Participants should refer to the *Summary of the Thrift Savings Plan for Federal Employees* or the *Summary of the Thrift Savings Plan for the Uniformed Services* and applicable legislation for more complete information.

General—The Thrift Savings Plan (the "Plan") is a retirement savings and investment plan for Federal employees and members of the uniformed services. It was authorized by the United States Congress in the Federal Employees' Retirement System Act of 1986 ("FERSA"). The Plan provides Federal employees and members of the uniformed services with a savings and tax benefit similar to what many private corporations offer their employees. The Plan was primarily designed to be a key part of the retirement package (along with a basic annuity benefit and Social Security) for employees who are covered by the Federal Employees' Retirement System ("FERS").

The Plan is administered by an independent Government agency, the Federal Retirement Thrift Investment Board (the "Agency"), which is charged with operating the Plan prudently and solely in the interest of the participants and their beneficiaries. Assets of the Plan are maintained in the Thrift Savings Fund (the "Fund").

Federal employees who are participants of FERS, the Civil Service Retirement System ("CSRS"), or equivalent retirement plans, as provided by statute, and members of the uniformed services, are eligible to join the Plan immediately upon being hired. Generally, FERS employees are those employees hired on or after January 1, 1984, while CSRS employees are employees hired before January 1, 1984, who have not elected to convert to FERS. Each group has different rules that govern contribution rates. As of December 31, 2004, there were approximately 3.4 million participants in the Plan, with approximately 2.5 million contributing their own money.

Contributions—The Plan is a defined contribution plan and, as such, specifies how much an employee may contribute and how much the employing agency must contribute to each FERS employee's account. In 2004 and 2003, FERS employees could contribute up to 14 percent and 13 percent, respectively, of their basic pay each pay period, on a tax-deferred basis, and were entitled to receive agency matching contributions on the first 5 percent, according to a formula prescribed by FERSA (5 U.S.C. § 8432(c)). In 2004 and 2003, CSRS employees and members of the uniformed services could contribute up to 9 percent and 8 percent, respectively, of their basic pay each pay period, on a tax-deferred basis. Uniformed services members may also contribute up to 100% of designated special pay, incentive pay, and bonuses. The Federal Government or Uniformed Services does not match any of this amount. For FERS employees, their employing agencies also contribute an agency automatic contribution equal to 1 percent of each employee's basic pay each pay period, as defined in FERSA (5 U.S.C. § 8401(4)).

In accordance with the Internal Revenue Code, no participant could contribute more than $13,000 and $12,000 in 2004 and 2003, respectively. This limit will increase to $14,000 in 2005. Participants age 50 and older, who are already contributing the maximum amount of contributions for which they are eligible, may make supplemental tax-deferred catch-up contributions (up to $2,000 in 2003, $3,000 in

2004 and $4,000 in 2005) from their basic pay. Participants may also transfer funds from traditional individual retirement accounts ("IRAs") or other eligible employer plans into the Plan.

Investments—Pursuant to FERSA (5 U.S.C. § 8438), Plan participants are offered five investment funds: the Government Securities Investment Fund ("G Fund"), the Fixed Income Investment Fund ("F Fund"), the Common Stock Index Investment Fund ("C Fund"), the Small Capitalization Stock Index Investment Fund ("S Fund"), and the International Stock Index Investment Fund ("I Fund"). Participants may allocate any portion of their contributions among the five investment funds. Also, participants may reallocate their entire account balance among the five investment funds through the interfund transfer process. Participants can make an interfund transfer daily, without an annual limit.

The Agency has contracted with Barclays Global Investors ("Barclays") to manage the index funds in which the F, C, S, and I Fund assets are invested.

Vesting—Plan participants are immediately vested in all of their own contributions and attributable earnings. Participants are also immediately vested in any agency matching contributions made to their accounts and attributable earnings. In order to be vested in the agency automatic (1%) contributions, a FERS employee must have either 2 or 3 years of service as described in section 8432(g) of FERSA. FERS employees who are not vested and who separate from the Federal Government forfeit all agency automatic contributions and attributable earnings. Forfeited funds, consisting primarily of monies forfeited pursuant to 8432(g), totaled $10,822,000 in 2004 and $7,824,000 in 2003, and, by law, are used by the Fund to pay accrued administrative expenses. If the forfeited funds are not sufficient to meet all administrative expenses, earnings on investments are then charged.

Participant Accounts—Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, agency automatic and matching contributions, and charged with withdrawals. The value of the participant's account reflects the number of shares and the daily share prices of the funds in which the participant is invested. Administrative expenses are a component of the share price calculation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Beginning July 1, 2004, the Agency began providing toll-free telephone service to participants and beneficiaries. The toll-free service provides account or transaction information via the ThriftLine's automated telephone service 24 hours a day, 7 days a week. Participant service representatives can be reached through this service at one of the two Plan call centers between the expanded hours of 7:00 am and 9:00 pm Eastern time, Monday through Friday.

Participant Loans—Participants may apply for loans from their accounts. There are two types of Plan loans: general purpose and residential. General purpose loans can be obtained for any purpose, with a repayment period from 1 to 5 years. Residential loans can be obtained for the purpose of purchasing a primary residence, with a repayment period from 1 to 15 years. Participant loans may only be taken from participant contributions and attributable earnings. The minimum loan amount is $1,000.

The interest rate for loans is the G Fund rate at the time the loan agreement is issued by the Agency's record keeper. The rate is fixed at this level for the life of each loan. Participant loans are valued at their unpaid balances, which approximate fair value. Interest earned on loans is allocated to the participant account upon repayment.

By regulation, the Agency must identify each calendar quarter any participant loan that is in default. The participant then has until the end of the following calendar quarter to pay the overdue amount. If not paid, a taxable distribution of the unpaid loan balance, plus accrued interest, will be declared. Participants should refer to the booklet titled *TSP Loans* for more information.

Payment of Benefits—After leaving service, participants may elect benefit withdrawals in the form of a partial withdrawal or a full withdrawal as a single payment, a series of payments, or a life annuity. Participants may choose to combine any two, or all three, of the available full withdrawal options. Participants should refer to the booklet titled *Withdrawing Your TSP Account After Leaving Federal Service* for more complete information.

Participants should refer to the booklet, *TSP In-Service Withdrawals,* for information on withdrawal options while employed in Federal service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned and expenses are recognized when incurred. Benefits and participant loans payable are recorded when disbursed from participants' accounts.

Investments—All investments are stated at fair value, based upon the quoted market values of the underlying securities at year-end. The Agency invests in (or redeems from) the Fund's investment funds on a daily basis. Purchases and sales of securities are recorded on a trade-date basis.

During the years ended December 31, 2004 and 2003, the Fund's investment funds consisted of the following (objectives of the investment funds are described in the booklet *Guide to TSP Investments*):

The G Fund was invested in short-term nonmarketable U.S. Treasury securities specially issued to the Fund. All investments in the G Fund earned interest at a rate that is equal, by law, to the average of market rates of return on outstanding U.S. Treasury marketable securities with 4 or more years to maturity.

The F Fund was invested primarily in the Barclays U.S. Debt Index Fund "E", which in turn holds shares of the Barclays U.S. Debt Index Master Fund. Both the U.S. Debt Index Fund "E" and the Master Fund are passively managed commingled funds that track the Lehman Brothers U.S. Aggregate Bond Index.

As of December 31, 2004, the Barclays U.S. Debt Index Master Fund contained approximately 38 percent mortgage-backed securities, 22 percent investment-grade corporate securities (U.S. and non-U.S.), 25 percent U.S. Treasury securities, 11 percent Federal agency securities, and 4 percent foreign government securities (dollar-denominated securities traded in the U.S. that are issued by foreign or international entities (sovereigns, multilateral lending institutions, foreign agencies, and foreign local governments)). The mortgage-backed sector contains securities guaranteed by the Government National Mortgage Association, Fannie Mae, and Freddie Mac, as well as commercial mortgaged-backed securities.

As of December 31, 2004, the Barclays U.S. Debt Index Master Fund held 3,889 securities totaling $26.3 billion, with a weighted average life of 6.29 years. The U.S. Debt Index Fund "E" held shares of the Master Fund totaling $11.0 billion, and the F Fund holdings constituted $9.7 billion of the December 31, 2004, value of the "E" Fund.

The C Fund was invested primarily in the Barclays Equity Index Fund "E", which in turn holds shares of the Barclays Equity Index Master Fund, plus a liquidity reserve that is invested in futures contracts. Both the Equity Index Fund "E" and the Master Fund are passively managed commingled funds that track the S&P 500 Index.

The Equity Index Master Fund holds stocks of all the companies represented in the S&P 500 index in virtually the same weights as they are represented in the S&P 500 index. As of December 31, 2004, the Barclays Equity Index Master Fund held $124.0 billion of securities. The Barclays Equity Index Fund "E" held shares of the Master Fund totaling $82.6 billion, and the C Fund holdings constituted $63.2 billion of the December 31, 2004, value of the "E" Fund.

The S Fund was invested primarily in the Barclays Extended Market Index Fund "E", which in turn holds shares of the Barclays Extended Market Master Fund, plus a liquidity reserve that is invested in futures contracts. Both the Barclays Extended Market Index Fund "E" and the Master Fund are passively managed commingled funds that track the Wilshire 4500 index by holding most of the stocks with larger capitalizations in virtually the same weights as they are represented in the index, and by holding a representative sample of the remaining stocks in the index.

As of December 31, 2004, the Barclays Extended Market Index Master Fund held $14.8 billion of securities. The Barclays Extended Market Index Fund "E" held shares of the Master Fund totaling $11.0 billion, and the S Fund holdings constituted $9.6 billion of the December 31, 2004, value of the "E" Fund.

The I Fund was invested primarily in the Barclays EAFE (Europe, Australasia, Far East) Index Fund "E", which in turn holds shares of the Barclays EAFE Index Master Fund, plus a liquidity reserve that is invested in futures contracts. Both the Barclays EAFE Index Fund "E" and the Master Fund are passively managed commingled funds that track the Morgan Stanley Capital International EAFE Index. The Barclays EAFE Index Master Fund holds stocks of all the companies represented in the EAFE index in virtually the same weights as they are represented in the index.

As of December 31, 2004, the Barclays EAFE Index Master Fund held $42.5 billion of securities. The Barclays EAFE Index Fund "E" held shares of the Master Fund totaling $6.9 billion, and the I Fund holdings constituted $7.0 billion of the December 31, 2004, value of the "E" Fund.

The F Fund, C Fund, S Fund, and I Fund include temporary investments in the same securities held by the G Fund pending purchase of shares in their respective index funds and to cover liquidity needs, such as loans and withdrawals from the Fund.

Fixed Assets—All fixed assets were recorded at historical cost. Assets with a useful life in excess of 1 year and a cost greater than $100,000 are capitalized and expensed over their useful life using the straight-line method. The estimated useful lives are as follows:

Furniture and equipment	3 to 10 years
Leasehold improvements	10 years
Data processing software	3 to 10 years

Earnings Allocation—Beginning in June 2003, net earnings are used to calculate the daily share price of each investment fund as defined in regulations issued by the Agency (5 CFR Part 1645). Prior to June 2003, net earnings were allocated to participant accounts monthly.

Contributions Receivable—Contributions receivable are estimated as the amount of contributions recorded through the first 2 weeks of the month following the date of the financial statements and represent both participant and employer portions of contributions.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

3. INCOME TAX STATUS

FERSA (5 U.S.C. § 8440(a)(1)) states that the Plan shall be treated as a trust as described in section 401(a) of the Internal Revenue Code ("Code"), which is exempt from taxation under section 501(a) of the Code. This status was reaffirmed in the Tax Reform Act of 1986, Section 1147 (codified at I.R.C. § 7701(j)). It is not necessary for the Plan to apply for a tax status determination letter since it is qualified by statute.

4. COMMITMENTS AND CONTINGENCIES

The Agency has entered into Interagency Agreements with the Department of Agriculture's National Finance Center ("NFC"). Under the agreements, the NFC performs detailed record keeping of participant account balances (operations) and maintains a service office which responds to telephone and written inquiries from participants. These agreements may be canceled by the Agency with 3 months' notice or by the Department of Agriculture with 1 year's notice. The NFC's fees for fiscal year 2005 are estimated to be $30,378,000.

The Agency has entered into a contract with SI International to continue to perform TSP software maintenance and development, systems operations, and record-keeping support. The annual cost of this service is approximately $18 million.

On March 8, 2004, the Agency contracted with Spherix, Incorporated of Beltsville, Maryland, to provide parallel call center support services to participants. The new call center supplements services provided by NFC. The two call centers complement each other during normal operations and back up each other during weather-related or other local events which could otherwise interrupt service. The term of the contract is one year, with four one-year options renewable at the Agency's discretion. The contract value for fiscal year 2005 is approximately $2.5 million.

The Agency leases the office space it occupies in Washington, D.C., under an operating lease. The operating lease ends in 2012, with an option to extend for two 5-year periods. Monthly base rental payments under the lease range from approximately $106,000 to $127,000. Rent expense is recorded on a straight-line basis over the lease term.

Future minimum lease commitments under the operating lease are as follows:

CY 2005	$ 1,321,679
CY 2006	1,348,236
CY 2007	1,375,267
CY 2008	1,402,772
CY 2009	1,430,752
Thereafter	4,466,298
	$ 11,345,004

5. FIDUCIARY INSURANCE

FERSA (5 U.S.C. § 8479(b)(1)) provides that the Executive Director may assess Federal agencies for the purpose of buying fiduciary insurance. The Agency's Executive Director exercised this authority in 1987 and required agencies to submit an amount equal to 1 percent of their agency automatic contributions. Such sums were collected during 1987 and 1988 and are invested to the extent not currently required to purchase fiduciary insurance. In February 1988, the Executive Director instructed agencies to discontinue the 1 percent fiduciary insurance contributions. The balance of funds available for the purchase of fiduciary insurance as of December 31, 2004 and 2003, were $4,829,000 and $4,978,000, respectively, which have been invested in the same securities held by the G Fund and included in total investments on the accompanying statements of net assets available for benefits, with a corresponding reduction in the net assets available for benefits. Such amounts cannot be, by statute, allocated to participants' accounts. The Agency has determined that the current insurance reserve is adequate to fund coverage needs for the foreseeable future.

* * * * * *

SECTION K
REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

52.204-8 Annual Representations and Certifications (Jan 2005)

(a)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (b) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (b) instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

[ ] (i) Paragraph (b) applies.

[ ] (ii) Paragraph (b) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(b) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [*offeror to insert changes, identifying change by clause number, title, date*]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR CLAUSE #	TITLE	DATE	CHANGE
____________	__________	_____	_______

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of provision)

52.230-1 Cost Accounting Standards Notices and Certification (June 2000)

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. DISCLOSURE STATEMENT—COST ACCOUNTING PRACTICES AND CERTIFICATION

(a) Any contract in excess of $500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

[ ] (1) *Certificate of Concurrent Submission of Disclosure Statement*. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: ____________________

Name and Address of Cognizant ACO or Federal Official Where Filed: ______________________________

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

[ ] (2) *Certificate of Previously Submitted Disclosure Statement.* The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: ______________________

Name and Address of Cognizant ACO or Federal Official Where Filed: ______________________________

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

[ ] (3) *Certificate of Monetary Exemption.* The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling $50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

[ ] (4) *Certificate of Interim Exemption.* The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under paragraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of $50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

II. COST ACCOUNTING STANDARDS—ELIGIBILITY FOR MODIFIED CONTRACT COVERAGE

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

o The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than $50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of $50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of $50 million or more.

III. ADDITIONAL COST ACCOUNTING STANDARDS APPLICABLE TO EXISTING CONTRACTS

The offeror shall indicate below whether award of the contemplated contract would, in accordance with paragraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

o Yes o No

(End of provision)

52.230-7 Proposal Disclosure—Cost Accounting Practice Changes (Apr 2005)

The offeror shall check "yes" below if the contract award will result in a required or unilateral change in cost accounting practice, including unilateral changes requested to be desirable changes.

o Yes o No

If the offeror checked "Yes" above, the offeror shall—

(1) Prepare the price proposal in response to the solicitation using the changed practice for the period of performance for which the practice will be used; and

(2) Submit a description of the changed cost accounting practice to the Contracting Officer and the Cognizant Federal Agency Official as pricing support for the proposal.

(End of provision)

[END OF SECTION]

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.1. PROPOSAL PREPARATION

a. In order to be considered for award of a contract, the Offeror must submit a proposal in conformance with the requirements of this solicitation. The offer shall consist of two parts, as follows:

1. The Business Proposal as discussed at Section L.5; and,

2. The Technical Proposal as discussed at Section L.6.

b. The two parts of the proposal identified above must be submitted in separate enclosures, as follows: (1) an enclosure consisting of the original Business Proposal, two copies of the Business Proposal and the original Technical Proposal; and (2) another enclosure consisting of five copies of the Technical Proposal.

c. The Business Proposal must contain all references to management fees or other costs or prices to be incurred (or credits to be received) by the Agency, or by an annuitant. This means that the Business Proposal must include any aspect of the offer that has a cost applicable to it. No cost or price information may be included in the Technical Proposal.

d. Offerors are advised that it is neither necessary nor appropriate to reproduce and submit the entire solicitation package as part of the proposal.

L.2. TYPE OF AGREEMENT

The Government contemplates that this solicitation will result in a master agreement under which the Agency will purchase annuities with proceeds from participant accounts.

L.3. INSTRUCTIONS FOR BUSINESS PROPOSAL

a. The Offeror must submit as part of its proposal a "Business Proposal." The Business Proposal shall include all proposal data required by Sections B and K of this solicitation. The Business Proposal shall be in accordance with the requirements of L.1, L.2, this provision, and shall conform to the format in b. below.

b. Administrative Data -- the Offeror shall:

1. Indicate the names and addresses of any Federal, State or other governmental audit or inspection agencies having oversight with respect to the Offeror. (Example: Securities Exchange Commission, Comptroller of the Currency, or State Agency);

2. State the place of business, including the street address, and the name and address of the owner and operator of facilities other than the Offeror's, when it is reasonably expected that such facilities will be used in the performance of the contract; and,

3. Indicate if the Offeror has the necessary financial capacity, working capital and other resources necessary to perform the contract without assistance from any outside source (if not, indicate the amount required and the anticipated source).

L.4. INSTRUCTIONS FOR TECHNICAL PROPOSAL

a. The Offeror must submit as part of its proposal a "Technical Proposal." The contents of the Technical Proposal shall be keyed to the Technical Proposal requirements as outlined below. As far as possible, the Technical Proposal shall be in the same topical sequence as this solicitation document.

b. In accordance with the clause at M.4 of this document, in order to be considered for award of a contract, all Offerors must meet certain minimum technical qualifications. The Technical Proposal therefore should be preceded by the Offeror's certification that it meets each of the minimum qualification standards listed in the clause at M.4.

c. By submitting this proposal, the Offeror grants representatives of the Agency authorization to check references of the Offeror. In addition, the Offeror grants representatives of the Agency authorization to conduct reference checks of the performance of the personnel and quality of project management offered in support of the contract.

d. Technical Proposal Preparation

1. The Offeror must provide a brief synopsis of the proposal. State how the proposal meets the requirements and the intent of the specification. List all exceptions taken to the technical portion of the solicitation requirements and include an appropriate rationale for each. Where alternate proposals are made, discuss the controlling principles behind each.

2. The Offeror must address each minimum technical qualification set forth in M.4 separately, and include specific substantiation to support its ability to meet each requirement.

3. The Technical Proposal shall conform to the other instructions provided elsewhere in this solicitation. The specific areas the Agency will be evaluating and the relative importance assigned to each area are included in Section M.

4. The required information listed below must be submitted with and/or addressed in the Technical Proposal. The requested information will be reviewed as it relates to the evaluation factors set forth in Section M. If The Offeror is not able to provide any of the requested information, then the Offeror must submit an explanation for its omission.

   (a.) General Information

i. The Offeror must list its complete name, address, e-mail address, telephone and fax numbers.

ii. The Offeror must provide a brief history of the firm, its parent organization (if any), and any affiliated companies.

iii. The Offeror must describe the ownership structure of the firm, including specific details with regard to its parent and any affiliated companies.

iv. The Offeror must describe the lines of business of the firm, its parent organization and any affiliated companies. In further detail, the Offeror must describe its experience in administering large master annuity contracts

(b.) Financial Information

The Offeror is advised that these documents are required for evaluation of its proposal. Failure to provide these documents will preclude further evaluation of the proposal.

i. The Offeror must provide two copies of the Annual Statement for the years ending December 31, 2004, December 31, 2003, and December 31, 2002 (i.e., the NAIC Convention Blank as of December 31, 2004, December 31, 2003, and December 31, 2002). The Offeror must ensure that the following information is included in the Annual Statements:

- Total invested assets and admitted assets as of December 31, 2004 (Statement of Assets);
- Total liabilities as of December 31, 2004 (Statement of Liabilities, Surplus and Other Funds);
- Total capital and surplus as of December 31, 2004 (Statement of Liabilities, Surplus and Other Funds);
- Total voluntary investment reserve as of December 31, 2004 (Statement of Liabilities, Surplus and Other Funds);

- Total authorized control level risk-based capital as of December 31, 2004 (Five-Year Historical Data);
- Asset distribution as of December 31, 2004 (Statement of Assets);
- Total problem assets, defined as Non-Investment grade bonds (NAIC class 3-6), mortgages 90 days past due, and real estate acquired in satisfaction of debt for each class;
- Asset Valuation Reserve as of December 31, 2004 (line 24.1, Statement of Liabilities, Surplus and Other Funds);
- Interest Maintenance Reserve as of December 31, 2004 (Form for Calculating the Interest Maintenance Reserve);
- The breakdown of "premiums and annuity considerations" and "deposit-type funds" into product lines as of December 31, 2004, December 31, 2003, and December 31, 2002 (Analysis of Operations by Line of Business)
- The total number of ordinary annuity contracts and group annuity contract certificates with "income now payable" as of December 31, 2004, December 31, 2003, and December 31, 2002 (Exhibit of Annuities)

ii. The Offeror must provide copies of the Annual Statement "Summary of Operations" for each year from 1995 through 2004. The Offeror must ensure that the net gain from operations after dividends to policyholders and before Federal income taxes of December 31 for each year is reported.

iii. The Offeror must provide a copy of the 2004 Weiss Safety Ratings and component indices for its firm.

(c.) References

The Offeror must provide a list of its last three similar contracts, providing contact references at the client organizations. (If the Offeror has completed fewer than three similar contracts, it must provide a list of all similar contracts performed and indicate that the list is exhaustive.) The contact reference should be able to provide relevant information such as, but not limited to, the following:

- Would the reference wish to do business with the Offeror again?
- Is the reference satisfied with the results attributable to the Offeror's work?
- Did the Offeror meet scheduled deadlines?
- What was the overall quality of the work performed?
- Was the Offeror cooperative?
- Did the Offeror show business-like concern for the customer's interests?
- Was the work performed in accordance with the basic contract?
- If there were problems with the Offeror's performance, how responsive was the Offeror's management team in addressing and correcting them?

(d) Other

i. The Offeror must identify and provide resumes for the key personnel who would be assigned to work on this account.

ii. The Offeror must provide a business plan that specifically addresses the concerns outlined in Section M.5.c.

iii. The Offeror must identify where administrative functions will be performed, whether administration of the annuities will be carried out at a centralized site or will be distributed to local or regional sites.

iv. The Offeror must provide an implementation timetable.

v. The Offeror must provide any additional information that demonstrates the financial strength of the company, its continuing profitability, and the diversification of the company by product lines as well as any other information about the company, its business plan, or administrative capability that has not been specified above, and that may assist the Agency in its technical evaluation of a proposal is invited. Examples include generic plan administration and marketing literature.

L.5. SOLICITATION INFORMATION

Solicitation interpretation and assistance may be obtained by contacting:

Federal Retirement Thrift Investment Board
1250 H Street, NW
Washington, D.C. 20005-3952
ATTN: Mr. Robert Battersby
Phone: (202) 942-1693

L.6. RECEIPT OF PROPOSALS

a. The place designated for the receipt of proposals is the following:

Federal Retirement Thrift Investment Board
1250 H Street, NW
Washington, DC 20005-3952

b. **Proposals must be received by the Agency no later than 3:30 p.m., eastern daylight time (EDT), on October 28, 2005.** Late proposals will not be considered, except under exceptional circumstances, as provided for by law or regulation.

c. To ensure that the proposal arrives at the proper place on time and to prevent opening by unauthorized individuals, your proposal must be identified on the wrapper as follows:

Proposal Submitted in Response to Solicitation
No. RFP TIB-2005-R-004
Package No. _____ of _____
Date:_____________________
ATTN: Robert Battersby
Contents: ______________________________________
(In accordance with the other instructions, this blank should list either "Business Proposal and Original Technical Proposal" or "Copies of Technical Proposal and Financial Data.")

d. If a receipt is required when delivering a proposal, the Offeror is instructed to prepare a receipt document in advance and present it to the person at the delivery location. The receipt document must state the following:

Proposal submitted in response to
Solicitation No. RFP TIB-2005-R-004

Due Date: October 28, 2005; 3:30 p.m., EDT
Date and Time Received:___________________________
Signature: ______________________________________
(Provide adequate space on the form to allow a time and date stamp.)

L.7. MARKING OF INFORMATION TO RESTRICT DISCLOSURE AND USE OF DATA

a. A proposal may include data, such as a technical design or concept or financial and management plan, which the Offeror does not want disclosed to the public for any purpose or used by the Agency for any purpose other than evaluation of the proposal. If an Offeror wishes to restrict its proposal in this way, it shall mark the title page with the following legend:

> These data, furnished in connection with Request for Proposals No. RFP TIB-2005-R-0004, shall not be disclosed outside the Agency and shall not be

duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate the proposal; provided that, if a contract is awarded to this Offeror as a result of or in connection with the submission of these data, the Agency shall have the right to duplicate, use, or disclose the data to the extent provided in the contract. This restriction does not limit the Agency's right to use the information contained in the data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets ____________________________.

b. The Offeror shall mark each sheet of data which it wishes to restrict with the following:

> Use or disclosure of proposal data is subject to the restriction of the Title Page of the Proposal.

c. Notwithstanding the above, records or data bearing such a legend as in the above paragraph may be otherwise subject to release under the terms of the Freedom of Information Act, 5 U.S.C. 552, as amended. It is noted, however, that absent a request for such records or data pursuant to the statutory provisions (the Freedom of Information Act, 5 U.S.C. 552, as amended), and the subsequent determination of releasability, the legend shall be honored in accordance with the above.

L.8. TELEGRAPHIC PROPOSAL

Telegraphic or facsimile proposals will not be considered although proposals may be modified by telegraphic notice provided such notice is actually received prior to the closing date and time.

L.9. INSURANCE AND BONDING REQUIREMENTS

Submission of a proposal shall constitute a certification by the Offeror that it is in compliance with all state and Federal laws with respect to insurance and bonding requirements.

L.10. MINIMUM ACCEPTANCE PERIOD

Offerors allowing less than 120 calendar days in "the offer" portion of SF 33, Section A, for acceptance by the Agency will be rejected as unacceptable.

L.11. INCURRED COSTS

The Agency is not liable for any costs incurred by the Offerors in preparing and submitting proposals in response to this solicitation.

L. 12. PRE-AWARD SURVEY

The agency reserves the right to visit all qualified offerors to inspect their facilities and operations prior to any determination of contract award under this solicitation. In lieu thereof, the agency may choose to inspect the apparent successful offeror's facility prior to award of contract. Subsequent to award, a post-award conference mya be conducted at the agency or at the contractor's facility.

52.252-1 Solicitation Provisions Incorporated by Reference (Feb 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

www.acqnet.gov

(End of provision)

52.215-1 Instructions to Offerors—Competitive Acquisition (Jan 2004)
52.215-16 Facilities Capital Cost of Money (June 2003)
52.222-46 Evaluation of Compensation for Professional Employees (Feb 1993)
52.237-10 Identification of Uncompensated Overtime (Oct 1997)

52.215-18 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (Oct 1997)

(a) (a) Submission of cost or pricing data is not required.

(b) Provide information described below: Detailed cost breakdowns including labor, material, fringe rates, all overheads, general and adminstrative expenses, and profit.

(End of provision)

52.216-1 Type of Contract (Apr 1984)

The Government contemplates award of a master agreement under which the Agency will purchase annuities with proceeds from participant accounts.

(End of provision)

52.233-2 Service of Protest (Aug 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from the Contracting Officer located at 1250 H Street, N.W., Suite 200, Washington, DC 20005.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of provision)

[END OF SECTION]

SECTION M
EVALUATION FACTORS FOR AWARD

M.1. INTRODUCTION

This section sets forth the criteria to be used to determine whether Offerors meet the minimum technical qualifications of the RFP, as well as the factors to be applied in the evaluation of all offers that meet the minimum qualifications.

M.2. EVALUATION OF OFFERS

The Agency will select an Offeror for award in accordance with the guidance in FAR Part 15, the Agency's Source Evaluation and Selection Procedures, and the terms of this solicitation. Specific events, which will occur, are as follows:

Step 1. The Agency will review all proposals for compliance with the requirements of this solicitation document. Those proposals that do not conform, other than for minor irregularities, will not be given further consideration for award of a contract.

Step 2. The Agency's Technical Evaluation Panel will evaluate all technical proposals for compliance with the requirements of Clause M.4, "Minimum Technical Qualifications." Those proposals that do not conform to the requirements of Clause M.4 will not be given further consideration for award of a contract.

Step 3. The Agency's Technical Evaluation Panel will conduct a technical evaluation of all proposals that meet the requirements of Clause M.4 and are not otherwise disqualified from consideration for award of a contract.

Step 4. The Agency will evaluate cost/pricing proposals in accordance with Sections B, L, and M.

Step 5. The Agency will consider the technical and cost/price evaluations of all rated proposals in order to determine the Offeror that proposes the best value in terms of lowest cost, superior service, or both.

Step 6. The Agency will evaluate the responsibility of the apparent successful Offeror in light of the factors set forth in FAR Part 9.

M.3. EVALUATION FACTORS FOR AWARD

a. The Agency will make the award to that responsible Offeror whose offer conforms to the solicitation and represents the best value to the Agency, cost or price and other factors considered.

b. For this solicitation, technical quality is more important than cost. An evaluation of each offer will be made in the technical area, and if technically acceptable, in the cost area. The technical evaluation carries a sixty percent weight towards contract award, and the cost/price evaluation carries a forty percent weight. A final score will be developed by combining the final technical and cost/price scores. Offerors are advised that as proposals become more equal in their technical merit, the evaluation of cost will become more important.

M.4. MINIMUM TECHNICAL QUALIFICATIONS

The Technical Proposal must demonstrate compliance with the minimum technical factors listed below in order to be considered for award. Proposals which do not conform to the following requirements will be rejected by the Technical Evaluation Panel prior to technical evaluation:

a. Each Offeror must demonstrate that it has received an A.M. Best rating of "A++" or "A+" for each of the past ten (10) years as published in "Best's Insurance Reports" from 1995 through 2004.

b. Each Offeror must demonstrate that it has received a current rating no lower than AA- by Standard & Poor's and

Fitch, and a current rating no lower than Aa3 from Moody's. In addition, an average of Standard & Poor's, Moody's and Fitch ratings will be computed using the following numerical scale, and this average rating must be equal to or greater than 7.5:

Numeric Scale	10	9	8	7
Standard & Poor's	AAA	AA+	AA	AA-
Moody's	Aaa	Aa1	Aa2	Aa3
Duff & Phelps	AAA	AA+	AA	AA-

c. If the Offeror proposes to use more than one affiliated life insurance company, then at least one such company shall meet the requirements of a and b, above, and that company must guarantee all annuity payments under the contract.

d. Each Offeror must demonstrate that it is licensed as a direct writer of insurance and has the ability to do business in all fifty states and the District of Columbia. The requirement to be licensed in all fifty states and the District of Columbia can be met by a group of companies as long as they all have demonstrated agreements with the Offeror to enter into a contract with the Offeror to provide TSP annuities to residents of the relevant jurisdictions. The text of all such contracts shall be subject to the approval of the Contracting Officer prior to execution.

M.5. TECHNICAL EVALUATION

All proposals meeting the Minimum Technical Qualifications set forth in M.4. will be evaluated by the Agency's Technical Evaluation Panel using the following factors and information. Offerors' proposals will be assigned points based on these technical evaluation factors on a 60 point scale. The factors (i.e., financial responsibility and solvency, administrative capability, and business plan) are listed in order of importance from most important to least important and described below, as follows:

a. Financial Responsibility and Solvency (30 points)

Three key components of an Offeror's financial responsibility and solvency will be evaluated:

1. *Assets, liabilities, capital, surplus, and reserves (12 points)*

The Agency will evaluate the Offerors' assets, liabilities, capital, surplus, and reserves. Offerors with larger amounts of capital and surplus in dollar and percentage terms will be rated more highly. This review will also consider the Offeror's risk-based capital ratio and Weiss Safety Ratings and the component indices of that rating. Offerors with lower values in these areas will receive fewer points than Offerors with higher values.

2. *Demonstrated continuing profitability (10 points)*

Offerors that demonstrate superior continuing profitability (i.e., that have shown consistent net gains from operations after dividends to policyholders and before Federal income taxes) will be rated more highly.

3. *Diversification (8 points)*

Offerors will be rated more highly if they are well diversified across product lines. The Agency will evaluate the diversity of an Offeror's product lines as evidenced by the breakdown of "premiums and annuity considerations" and "deposit-type funds" into product lines on the NAIC Convention Blank. The Agency will also consider any additional information provided by the Offeror that serves to illustrate the diversification of the company by product lines.

b. Administrative Capability (18 points)

Two key components of an Offeror's administrative capability will be evaluated.

1. *Experience (10 points)*

Offerors with demonstrated experience administering large master annuity contracts will be rated more highly. The Offeror must provide statements of specific capabilities regarding: methods of payment; computer systems; reporting; timeliness; check distribution method; set-up time; method of determining cessation of payments; scheduled audits and/or reviews of internal controls and administrative systems related to annuity processing; and quality assurance procedures.

2. *Past Performance (8 points)*

The Agency will evaluate the quality of the Offeror's work under prior contracts of the same or similar scope.

o Business Plan (12 points)

The Agency will evaluate the Offeror's proposal for the administration of the annuity program. This evaluation will place value on efficiency in the relationship between the Agency and the Offeror, as will as the level of customer service offered to TSP annuitants. The business plan should discuss the level of access the Agency will have to individuals of the Offeror's company, the access which TSP annuitants will have to administrative personnel, administrative operations and controls, and internal and external audit coverage that is specific to annuity processing and administration or that would be specific to the proposed program. The plan should also discuss the ability of the Offeror to accommodate the automated transfer of funds and data from the TSP.

M.6. COST/PRICE EVALUATION

a. The Agency will analyze all technically acceptable proposals to determine the Offeror that has proposed the most favorable annuity payment rate. The Agency anticipates assigning 40 points to the cost/price proposal with the most favorable annuity payment rate and assigning lower point scores to those technically acceptable proposals with less favorable proposed annuity payment rates in accordance with the following formula:

$$\frac{\text{Offeror's Annuity Payment Rate}}{\text{Most Favorable Annuity Payment Rate}} \quad X\ 40$$

b. Offerors are advised to review the terms of Sections B and C of this document regarding the proposed annuity payment rate. Because the annuity payment rate is a yield factor to be expressed as a percentage of the interest adjusted tabular monthly annuity factors described in Sections B and C of this document, the "most favorable annuity payment rate" discussed at M.6.a will be the numerically highest offered rate among the technically acceptable proposals.

M.7. AWARD

a. While the total score will be an important factor in contract award selection, the Agency will award the contract resulting from this solicitation to that Offeror presenting the most advantageous offer to the Agency, all factors considered.

b. The Agency may reject any or all offers, accept other than the offer proposing the most favorable annuity payment rate, and waive informalities and minor irregularities in offers received.

c. The Agency may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the Offeror's best terms from a price and technical standpoint.

52.252-2 Solicitation Provisions Incorporated by Reference (Feb 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

www.acqnet.gov

(End of provision)

52.217-5 Evaluation of Options (July 1990)