

**REQUEST FOR PROPOSALS FOR  
ACTUARY AND POLICY ADVISING  
SERVICES FOR PENSION REFORM ISSUES  
ISSUED BY  
THE OHIO RETIREMENT STUDY COUNCIL**

**DRAFT**

**Ohio Retirement Study Council  
88 East Broad Street, Suite 1175  
Columbus, OH 43215**

**ISSUE DATE:**

## **SECTION I - INTRODUCTION**

### **1.1 SUMMARY STATEMENT**

The Ohio Retirement Study Council (ORSC) requests proposals from qualified consulting firms interested in performing an actuarial review of Ohio's five statewide public retirement systems and providing policy advice regarding pension reform issues. These systems are the Ohio Public Employees Retirement System, the State Teachers Retirement System, the School Employees Retirement System, the Ohio Police and Fire Pension Fund, and the Highway Patrol Retirement Systems (Systems). The services being sought are specified in more detail in the next section of this RFP.

### **1.2 CLOSING DATE FOR RECEIPT OF PROPOSALS**

Four copies of the proposal, including one unbound copy, must be submitted to Aristotle L. Hutras, Director, Ohio Retirement Study Council, 88 East Broad Street, Suite 1175, Columbus, Ohio 43215 no later than 5:00 p.m., EST, on **DATE**. Proposals received after the deadline will not be considered by the ORSC and will be returned to the proposer.

### **1.3 FOR MORE INFORMATION ON RFP**

If your firm is interested in responding to this RFP and needs additional information to complete it, please write Aristotle L. Hutras, Director, Ohio Retirement Study Council, 88 East Broad Street, Suite 1175, Columbus, Ohio 43215; facsimile (614) 228-0118; e-mail ahutras@ameritech.net. All questions and written answers will be shared with all other known interested parties.

### **1.4 BACKGROUND**

The ORSC was created by the Ohio General Assembly in 1968, and is one of the oldest permanent pension oversight commissions in the nation. Its purpose is to advise and inform the state legislature on all matters relating to the benefits, funding, investment and operation of the Systems. The statutes governing the ORSC are found in Chapter 171 of the Ohio Revised Code.

The ORSC is charged with the following statutory duties:

- (1) Makes an impartial review from time to time of all laws governing the administration and financing of the retirement systems and makes recommendations to the legislature on any changes it finds desirable with respect to benefits, sound financing of benefit costs, and prudent investment of funds [R.C. §171.04(A)];

- (2) Reports annually to the governor and legislature on its evaluation and recommendations with respect to the operations of the retirement systems and their funds [R.C. §171.04(B)];
- (3) Studies all proposed changes to the retirement laws and reports to the legislature on their probable costs, actuarial implications and desirability as a matter of public policy [R.C. §171.04(C)];
- (4) Reviews semiannually the investment programs of the retirement systems [R.C. §171.04(D)];
- (5) Has prepared, at least once every ten years, an independent actuarial audit of the annual actuarial valuations and quinquennial actuarial experience studies of each retirement system [R.C. §171.04(E)];
- (6) Has conducted a fiduciary performance audit of each system at least once every ten years [R.C. §171.04(F)];
- (7) Provides each Council member with copies of all proposed rules submitted by the retirement systems and submit any recommendations to the Joint Committee on Agency Rule Review [R.C. §171.04(G)];
- (8) Reviews the adequacy of the police and fire contribution rates and makes recommendations to the legislature that it finds necessary for the proper financing of OP&F benefits [R.C. §742.311]; and
- (9) Prepares an independent actuarial study every three years on the required employer supplemental contributions to be made on behalf of eligible employees of public institutions of higher education electing an alternative retirement plan in lieu of the retirement systems [R.C. §171.07].

Ohio's five statewide retirement systems have assets totaling over \$163 billion (as of 1/1/11) and provide retirement, disability and survivor coverage to over 1.5 million members, retirees and their beneficiaries. Additionally, all five retirement systems have discretionary authority to offer comprehensive hospital, medical and prescription drug coverage to retirees and their dependents. Participants in the retirement systems are **not** covered under Social Security with respect to such public employment.

Although the day-to-day management of the retirement systems is vested by statute in the individual boards, a majority of whose members are elected by the plan participants, the Ohio General Assembly has ultimate responsibility for the five state retirement systems, all of which are created and governed by statute. It has a fiduciary responsibility not only to the plan participants but also to the taxpayers who support these systems to review periodically its policies to ensure that the level of benefits is equitable, the level of funding is adequate, and the investment of funds is prudent. Given this tremendous responsibility, the Ohio General Assembly has relied upon the Ohio Retirement Study

Council for over 40 years to provide the necessary advice and information to enable it to make informed decisions based on sound public policy regarding these important matters. Therefore, it is imperative that the ORSC has the necessary tools and information to perform these functions.

For additional information about the ORSC, please refer to our web site ([www.orsc.org](http://www.orsc.org)).

## **SECTION II – SCOPE OF REVIEW**

### **2.1 REVIEW OF H.B. 69 (-2 VERSION)**

- A. Review the 30-year funding plans approved by the systems that are currently included in the -2 version of H.B. 69 and the actuarial cost analyses. Express an opinion regarding the reasonableness and accuracy of the actuarial cost analyses.
- B. Make recommendations for improvements to the plans and/or analyze alternative plan design changes and actuarial cost for these changes.
- C. Make recommendations regarding the grandfathering of retirement eligibility provisions, with the goal of having minimal impact on those nearest retirement while still achieving a 30-year funding period for each plan.

### **2.2 REVIEW OF ECONOMIC ASSUMPTIONS**

Review the economic assumptions used by each system in the most recent actuarial valuation, including investment rates of return and inflation assumptions, and express an opinion as to the reasonableness of those assumptions and whether they are in accordance with accepted actuarial standards.

### **2.3 REVIEW OF HEALTH CARE**

- A. Review the discretionary health care plans provided to retirees of the systems, including their funding methodologies, and the impact health care has on the funding of pension benefits. Express an opinion regarding the reasonableness and accuracy of the latest annual actuarial valuation for retiree health care benefits and the sustainability of providing health care funding into the future.
- B. Make recommendations regarding plan design for retiree health care benefits including, but not limited to, eligibility, benefit levels, subsidy levels, and identification of a dedicated funding source (e.g., an employer health care surcharge similar to the surcharge provided for SERS in Ohio Revised Code section 3309.491).

### **2.4 INDIVIDUAL ACCOUNTS**

Identify options for members to utilize individual accounts to augment retiree pension benefits and discretionary retiree health care benefits.

## **2.5 POOLING PURCHASES AND SHARING SERVICES**

Identify areas where purchases can be pooled and services shared among the systems and the potential cost savings.

## **2.6 UNFUNDED LIABILITY**

Identify a plan for each system to eliminate its unfunded accrued liability and become fully funded.

## **2.7 COORDINATION OF BENEFITS**

Make recommendations regarding the coordination of benefits available to retirees and potential benefit offsets based on other sources of income.

## **SECTION III – ANTICIPATED WORK PRODUCT**

### **3.1 WRITTEN REPORT**

The Contractor shall submit 30 copies of the final written report to the Ohio Retirement Study Council (ORSC). The Contractor shall also submit the final written report as a PDF document. ORSC reserves the right to use and reproduce all reports and data produced and delivered pursuant to this contract and reserve the right to authorize others to use or reproduce such materials. The final written report shall include:

- Detailed recommendations for improvement. The recommendations should be easily identified within the report by use of bold or underlined text, italics, bullets, or other similar techniques.

Powerpoint **is not** an acceptable format for this report. The report must be in language clearly understood by lay readers. Terms essential to an understanding of retirement system funding and actuarial valuation, such as unfunded accrued liability, funding method, actuarial cost method, normal cost, etc., should be explained in lay terms.

More detailed and technical information that the consulting actuary would need to understand and respond to the Contractor's findings and analysis should be incorporated into a separate appendix document. Upon request by the consulting actuary, the Contractor shall make available data or other information in such form as specified by the consulting actuary.

### **3.2 BRIEFINGS**

The Contractor should be prepared to make the following briefings:

- Progress reports to the executive director of the ORSC as requested by the executive director (this is expected to be primarily conference calls on a biweekly basis.)
- Presentation of the content of the preliminary draft of the report to the executive director prior to its release.
- An explanation of the report at the conclusion of the engagement at a meeting of the ORSC.

### **3.3 SYSTEM REVIEW**

In addition to the briefings of the preliminary report, the consulting actuary and staff from the Systems shall have an opportunity to discuss the preliminary report with the Contractor.

### **3.4 WORKING PAPERS**

The Contractor's working papers shall be available for review and duplication by ORSC and its designees during the period of the contract and for a period of not less than four (4) years after the last payment date. The Contractor also shall be available to answer reasonable questions by authorized representatives of ORSC at no additional cost beyond the contract price.

### **3.5 PROJECT EXECUTION AND ADMINISTRATION**

The Contractor will be responsible for arranging needed meetings with the consulting actuaries and Systems staff. Each System will designate a liaison to assist in scheduling these meetings. The Contractor will be responsible for all of Contractor's travel arrangements and expenses and clerical support.

### **3.6 ADDITIONAL SERVICES**

During the review process, the Contractor may make suggestions that consultants should be hired to assist the Systems. In order to increase the credibility of the review, the Contractor should understand that, if they are chosen to perform this review they **will be disqualified** from consideration as a contractor for activities relating to the area of their review for a period of one (1) year.

## **SECTION IV – ORGANIZATION, FORMAT, AND CONTENT OF PROPOSAL**

### **4.1 MANAGEMENT SUMMARY**

Provide a narrative summary of the proposal being submitted. This summary should identify all the services and work products that are being offered in the proposal and should demonstrate your firm's understanding of the project.

## **4.2 VENDOR CAPABILITIES AND EXPERIENCE**

Describe your firm's capabilities and recent experience (at least during the last five (5) years) in performing actuarial valuations or studies of public employee retirement systems. You should include information on the types and sizes of public employee retirement systems for which past work has been performed, including whether the systems were defined benefit or defined contribution plans, the types and number of participating employers, number of participants, whether those plan participants are covered by Social Security, and other relevant indicators of plan type, size, and comparability to the Systems. You should include other information you believe may be relevant in demonstrating your capabilities in performing the review, including other professional experience and data processing capabilities.

No firm that has been employed by any of the Systems as incumbent actuary for the past five (5) years shall be selected.

## **4.3 VENDOR REFERENCES**

You must include a list of organizations that may be used as references for your work on actuarial valuations, audits, or studies. Selected organizations may be contacted to determine the quality of the work performed, personnel assigned to the project, and contract adherence. The following should be included for the references listed:

- Date of the actuarial audit work or valuation;
- Name and address of client;
- Name and telephone number of individual in the client organization who is familiar with the actuarial work; and
- Description of the work performed.

## **4.4 STAFF QUALIFICATIONS**

Describe the qualifications of all management and lead professional personnel who will participate in the review. Include: (1) a resume; (2) a summary of experience each has had in performing actuarial valuations, audits, or studies of public employee retirement systems; and (3) a management plan identifying the responsibilities each will have on the review.

The resume should include information on the current and past positions held with your firm, educational background, actuarial and other relevant credentials, and other relevant information to demonstrate the personnel's qualifications.

The experience summaries should include information on the types and sizes of public employee retirement systems for which the designated staff have completed reviews, including whether the systems were defined benefit or defined contribution plans, the

types and number of participating employers, number of participants, and other relevant indicators of plan type, size, and comparability to the Systems. You may reference, rather than repeat, duplicative information provided in the Vendor “Capabilities and Experience” section. The experience summaries also should describe the work performed and detail the roles and responsibilities that the individual staff had on the projects.

The management plan should specify the roles and responsibilities each of the management and professional staff will have on the review.

Actuaries included on the project team should meet the following criteria:

- Be members of the American Academy of Actuaries;
- Be Enrolled Actuaries with experience in Governmental plans;
- Be, at a minimum, associates with at least five years of experience in public practice, although we prefer that actuaries are Fellows of the Society of Actuaries; and
- Have performed an actuarial valuation, audit, or study of a public employee retirement system within the last two years.
- Have working knowledge of current and proposed Governmental Accounting Standards Board reporting requirements for both pension and health care benefits.

#### **4.5 RESOURCES**

Please list the number of personnel in your firm, categorized according to the following schedule.

##### **Employment Headcount at End of Most Recent Year**

##### **PROFESSIONAL STAFF**

##### **COUNT**

Lead Consultants

Consultants

Analysts

Marketing / Sales Professionals

Statisticians

Client Service Professionals

Technology Specialists

Other Professional

**Total Professional Staff**

## **Total Support Staff**

## **Total Employment**

### **4.6 PROPOSED METHODOLOGY, WORK PRODUCT, AND TIMELINE**

Describe the proposed methodology for each element of the components listed in the “Scope of Review” section of the Proposal Specifications. The description should include specific techniques that will be used, including anticipated sampling techniques and sizes, and proposed sources of data and information. You may propose alternative ways of addressing the elements of the project’s scope.

In describing your proposed methodology, also identify the type and level of assistance that you anticipate will be needed from the staff of the systems and their actuaries, including assistance to understand the operations and records of the systems; to understand the actuarial assumptions, method, and procedures; and to access, obtain, and analyze information needed for the audit. Identify meetings, interviews, programming support, space needs, etc., that you anticipate needing from the Systems.

Describe the final work product, including written reports, briefings, and availability of working papers.

Provide an estimated date that the final report will be submitted and the projected timeline or the anticipated work requirements and milestone dates to reach that date.

### **4.7 CONFLICTS OF INTEREST**

Please disclose any and all professional contact that the firm or its primary owners and operators have had with any state of Ohio elected official or their business.

Please disclose any contributions made by the firm itself, or by any primary owners and operators of the firm, to a political campaign, ballot issue campaign, political action committee, or other organization formed to impact the results of a ballot issue or election.

Identify any and all potential conflicts of interest and all business relationships with parties of interest, including the Systems and the ORSC members and staff. In the event a current relationship exists between the firm and one or more interested parties, define how independence will be maintained.

### **4.8 ADDITIONAL INFORMATION**

Include additional information that will be helpful to gain an understanding of the proposal. This may include diagrams, excerpts from reports, or other explanatory

documentation that would clarify and/or substantiate the proposal. Any material included here should be specifically referenced elsewhere in the proposal.

#### **4.9 GLOSSARY**

Provide a glossary of all abbreviations, acronyms, and technical terms used to describe the services or products proposed. This glossary should be provided even if the terms are described or defined when first used in the proposal response.

#### **4.10 COST INFORMATION**

The pricing summary should include hourly rates for professional and clerical staff assigned to the review and an estimate of the number of hours to be spent on each area detailed in Section II of this RFP.

### **SECTION V – CONTRACT TERMS AND CONDITIONS**

The ORSC reserves the right to incorporate standard state contract provisions into any contract negotiated with any proposal submitted responding to this RFP. These Standard Terms and Conditions are included in the following provisions:

#### **5.1 ACCEPTANCE OF PROPOSAL CONTENT**

The contents of the proposal will become contractual obligations if procurement action ensues.

#### **5.2 AMENDMENTS**

Unless specifically prohibited by this RFP, the Contract may be amended, in writing, by mutual consent of ORSC and the Contractor with the same degree of formality evidenced in the Contract.

#### **5.3 ASSIGNMENT**

No right or duty in whole or in part of the Contractor under this Contract may be assigned or delegated without the prior written consent of the ORSC.

#### **5.4 AUTHORIZED REPRESENTATIVES**

For all matters relating to this contract, the authorized representative of ORSC is Aristotle Hutras, Director, with the right to appoint additional authorized representatives on behalf of their respective agencies.

#### **5.5 BILLING AND REIMBURSEMENT FOR EXPENSES**

If provided for by the terms of the Contract, the Contractor shall be reimbursed for approved expenses incurred pursuant to performance of the contract. Approved expenses shall mean those expenses specifically authorized by the Contract, or those expenses for which the Contractor has sought and obtained, prior to the expense being incurred, written authorization and approval on a specific item basis from the ORSC. No portion of the fees to be paid to the Contractor may be paid to any third party as a finder's fee.

The Contractor will be paid in two installments. The first installment will be made upon submission and acceptance of the final reports by the ORSC and will be based upon the lesser of the approved expenses incurred upon the acceptance of the final reports or 90 percent of the estimated contract amount. The second installment for the remaining approved expenses incurred by the Contractor will be paid upon completion of the report briefings.

The Contractor must submit a billing for each installment that provides sufficient detail to show the following:

- The hourly rate and number of hours worked on the review by specific personnel;
- The amount of travel costs incurred; and
- The amount of other expenses incurred.

The Contractor shall comply with the travel policy contained in the Rules of the Ohio Retirement Study Council, as amended through March 11, 2009.

The Contractor shall provide any additional information or supporting data for the purposes of verifying charges upon request by the ORSC.

All invoices and requests for reimbursement shall be submitted and records maintained in compliance with all applicable state and federal laws, rules, regulations, guidelines, and policies of the ORSC.

## **5.6 CONFIDENTIALITY**

The Contractor acknowledges that some of the data it may become privy to in the performance of this Contract is of a confidential nature and the Contractor shall make all reasonable efforts to ensure that no such confidential information is disseminated by it or its employees.

The Contractor agrees to observe complete confidentiality with respect to all aspects of any confidential information, proprietary data and/or trade secrets and any parts thereof, whether such contents are the Systems', the ORSC's, the consulting actuary's, or other vendors' whereby the Contractor or any Contractor's personnel may gain access while engaged by the ORSC or while on the Systems or ORSC premises. The restrictions herein shall survive the termination of this Contract for any reason and shall continue in full force and effect and shall be binding upon the Contractor or its agents, employees, successors, assignees, subcontractors, or any party claiming an interest in this Contract on

behalf of or under the rights of the Contractor following any termination. The Contractor shall advise all Contractor's agents, employees, successors, assignees, and subcontractors that are engaged of the restrictions, present and continuing, set forth herein. The Contractor shall defend and incur all costs, if any, for actions that arise as a result of noncompliance by the Contractor, the Contractor's agents, employees, successors, assignees, and subcontractors regarding the restrictions herein.

#### **5.7 CONFLICTS OF INTEREST**

Private and non-profit corporations are bound by any governing laws regarding conflicts of interest by public officials in the conduct of state contracts.

#### **5.8 CONSENT TO BREACH NOT WAIVER**

No waiver of any provision of this Contract shall be authorized without the written approval of the ORSC. The waiver by the ORSC of any breach of any provision contained in this Contract shall not be deemed to be a waiver of such provision on any subsequent breach of the same or any other provision contained in this Contract. Likewise, such waiver shall not establish a course of performance between the parties contradictory to the terms of this Contract.

#### **5.9 DUAL EMPLOYMENT**

The Contractor will not engage the services of any person or persons now employed by the State, including any department, commission, or board thereof or employed by the Systems or by the Systems' current consulting actuarial firms to provide services relating to this agreement without the written consent of the employer of such person or persons and of the ORSC.

#### **5.10 EXAMINATION OF RECORDS**

The Contractor agrees that the ORSC will have access to and the right to examine, audit, excerpt, and transcribe any directly pertinent books, documents, papers, and records of the Contractor involving work and transactions relating to this Contract. Such material will be retained for four years by the Contractor following completion of the contract.

#### **5.11 EXECUTED CONTRACT TO CONSTITUTE ENTIRE AGREEMENT**

In the event of contract award, the contents of this RFP (including all attachments), RFP addenda and revisions, the proposal of the successful vendor, and any additional terms agreed to in writing by the ORSC and the Contractor shall become part of the Contract. Failure of the successful vendor to accept these as a contractual agreement may result in a cancellation of award.

#### **5.12 FORCE MAJEURE**

Neither party shall be in default by reason of any failure in performance of this Contract in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of God or a public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.

### **5.13 HOLD HARMLESS AND INDEMNIFICATION**

The Contractor will indemnify and hold harmless the ORSC, the Systems, the State of Ohio, and all of its officers, agents, and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the Contractor, or of any of its subcontractors, in performing work under this Contract.

### **5.14 INDEPENDENT CAPACITY OF CONTRACTOR**

The parties hereto agree that the Contractor, its officers, agents, and employees in the performance of this Contract shall act in the capacity of an independent contractor and not as an officer, employee or agent of the ORSC. The Contractor agrees to take such steps as may be necessary to ensure that it will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, or joint venturer, or partner of the ORSC.

### **5.15 INSURANCE RESPONSIBILITY**

The Contractor performing services for the ORSC shall:

Maintain worker's compensation insurance as required by the Ohio Revised Code for all employees engaged in the work.

Maintain public liability and property damage insurance against any claim(s) that might occur in carrying out this Contract. Minimum coverage is five hundred thousand dollars (\$500,000) liability for bodily injury and property damage including products liability and completed operations. When vehicles are used to fulfill this contract, minimum coverage is two hundred fifty thousand dollars (\$250,000) bodily injury each person, five hundred thousand dollars (\$500,000) per occurrence, and two hundred fifty thousand dollars (\$250,000) property damage each occurrence or five hundred thousand dollars (\$500,000) combined single limit.

Provide an insurance certificate indicating coverage, countersigned by an insurer licensed to do business in Ohio, covering the period of the Contract. The insurance certificate is required to be presented before commencement of the Contract.

### **5.16 LEGAL RELATIONS**

The Contractor will at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations that are in effect during the period of this contract and that in any manner affect the work and its conduct.

In carrying out any provisions of this Contract or in exercising any power or authority granted to the Contractor thereby, there will be no personal liability upon the ORSC, it being that in such matters the ORSC acts as agent and representative of the State.

#### **5.17 NONDISCRIMINATION/AFFIRMATIVE ACTION**

In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment as provided by federal and/or state laws.

#### **5.18 NOTICES**

All notices provided for herein shall be deemed duly given upon delivery if delivered by hand, or upon three (3) days after posting if sent by certified mail, return receipt requested. Notice shall be given to the person(s) or officials who are the signatories of this Contract.

#### **5.19 PERSONNEL**

The personnel as named in the Contractor's proposal shall be available to complete the tasks within the specified time frame. It is understood that in the event of personnel turnover, the Contractor may need to substitute personnel of equivalent experience and performance capabilities. Any personnel changes must be approved by the ORSC in writing.

#### **5.20 PRIME CONTRACTOR AND SUBCONTRACTORS**

No part of the services provided under this contract may be subcontracted without the written consent of the ORSC. Subcontractors must abide by all terms and conditions of the contracts. When subcontractors are used, this should be clearly explained in the proposal. However, the prime Contractor shall be responsible for contract performance whether or not subcontractors are used.

#### **5.21 PROMOTIONAL ADVERTISING/NEWS RELEASES**

Reference to the use of the ORSC or the Systems, the State of Ohio, or any of its departments, agencies, or other subunits, or any state official or employee for commercial promotion is prohibited. News releases pertaining to this procurement or any part of the proposal shall not be made without the prior approval of the ORSC.

#### **5.22 RECORDKEEPING AND RECORD RETENTION**

The Contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records should be in accordance with generally accepted accounting principles. All procedures must be in accordance with federal, state, and local ordinances.

The ORSC and its designees shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to the Contract. The Contractor shall retain all documents applicable to this Contract during the contract period and for a period of not less than four (4) years after final payment is made.

### **5.23 RIGHT TO PUBLISH**

The Contractor shall not publish or circulate any and all reports and written materials provided for hereunder without the prior written consent of ORSC, which may be withheld or delayed in their sole and absolute discretion.

The Contractor agrees that the ORSC may publish, copy, and circulate any and all materials that the Contractor may produce hereunder such that the Contractor's work hereunder is considered "work for hire."

### **5.24 SITE RULES AND REGULATIONS**

The Contractor shall use its best efforts to assure that its employees and agents, while on the ORSC's or the Systems' premises, or in the presence of ORSC or System employees, shall comply with the state's work rules and regulations applicable to the work site.

### **5.25 TERMINATION OF AGREEMENT**

The ORSC reserves the right to terminate the Contract in whole or in part without penalty for failure of the Contractor to comply with terms, conditions, and specifications of this Contract. Upon termination, the ORSC's liability will be limited to the pro rata cost of the services performed and deemed acceptable as of the date of the termination plus expenses incurred with the prior written approval of the ORSC. In the event that the Contractor terminates this Contract, for any reason whatsoever, it will refund to the ORSC within forty-eight (48) hours of said termination, all payments made hereunder by the ORSC to the Contractor for services not delivered. Such termination will require written notice to that effect to be delivered by the Contractor to the ORSC not less than sixty (60) days prior to said termination.