

**Actuarial Consulting Services
RFP #O-2023-1**

Response to Bidder Inquiries

1. Are there any service concerns and/or limitations with your current Actuary?

No.

2. What were the total fixed fees billed for these services in the last three years?

FY2020 - \$105,000

FY2021 - \$112,000

FY2022 - \$112,000

3. What were the total fees billed for these services in the last three years?

FY2020 - \$120,000

FY2021 - \$175,339

FY2022 - \$216,054

4. What special projects or out of scope services has been billed over the last two years?

Plan design cost studies.

5. Would IPERS be willing to accept references/experiences from non-public sector retirement systems with at least 100,000 participants?

No.

6. What type of performance-based arrangement is currently in place?

Project report deliverable dates are mutually agreed upon. There is an incentive/disincentive fee (with maximum amounts) for each day the final deliverable is received.

7. Please provide details on the modeling tool that is currently provided.

The current modeling tool is proprietary. See RFP Section D. Scope of Services 3e for modeling tool requirements.

8. Our firm prefers to contract for actuarial services with a limit on liability for ordinary mistakes. However, we accept unlimited liability for: (i) willful, fraudulent or criminal misconduct, (ii) breach of the confidentiality provisions; and (iii) bodily injury, including death, or damage to tangible personal or real property incurred while performing the Services and to the extent caused by the negligent or willful acts or omissions of our personnel. Please confirm that IPERS is willing to negotiate a prudent amount of potential payment that is acceptable to both parties, with exceptions noted.

No. IPERS will not entertain a limitation on liability.

9. Please provide the annual fixed fee for actuarial services for the past five years.

FY2018 - \$105,000

FY2019 - \$105,000

FY2020 - \$105,000

FY2021 - \$112,000

FY2022 - \$112,000

10. Please provide total hours and hourly rates for the past five years for services that have fallen outside of the fixed retainer for actuarial services.

IPERS does not readily have available hours rendered in the past five years and will not disclose hourly rates for the services rendered.

11. Per Section D. Scope of Services 2a: "The Consulting Actuaries should be available for educational discussions with the Investment Board, Benefits Advisory Committee and/or IPERS staff. IPERS expects the Principal Actuary to attend a minimum of four (4) on-site meetings per Contract year to give presentations and/or answer questions." What has been the maximum visits IPERS has requested from the retained actuary? Does "should be available for educational discussions" include remote/Teams meetings?

See Question 18. Yes, participation in educational discussions includes remote Zoom meetings.

12. Per Section D. Scope of Services 2g: "Assist IPERS in the validation of the pension administration system known as I-Que. Following significant upgrades, enhancements or modifications to I-Que, IPERS may request the Consulting Actuaries to test and validate key provisions of the calculations." Is I-Que currently up and running and was it reviewed by the retained actuary? How many hours should the consulting actuary assume are typically involved with assisting IPERS in the validation of the pension administration system in the first contract year?

Yes. I-Que is up and running. Minimal, if any, time will be requested from the actuary to validate the pension administration system.

13. How frequently are the actuarial operating tables and factors generally updated? Can you provide links for review of any of these or are they only available within I-Que?

Approximately every eight years. Links are not available they are only in I-Que.

14. Would a cloud-hosted modeling tool meeting the requirements be acceptable?

Yes.

15. Please provide the annual fixed fees for actuarial services for each of the past five years. If available, please provide this information divided between the scope of services included within the annual base fee for services and other non-retainer fees.

See Questions 9 and 3.

16. Can you confirm that the consulting actuary only provides collective information for GASB 68 and the System develops the employer-specific amounts?

Calculations provide by the actuary in its GASB 68 report are completed in compliance with applicable law and meet the requirements of GASB 68. The allocation of the proportionate share of the collective net pension liability, pension expense and deferred inflows and outflows to participating employers under GASB 68 are performed by IPERS.

17. Is the annual certification of the November dividend suspended until such time as the System has no remaining UAL?

No. The November dividend is paid annually, the actuary certifies if an adjustment may be made within the current contribution rates.

18. How many on-site meetings have the Consulting Actuaries attended annually for each of the last five years?

FY2018 – 3

FY2019 – 3

FY2020 – 2

FY2021 – 1

FY2022 – 2

19. Are any aspects of the services currently being solicited different from those included in the current contract for the Consulting Actuary?

No.

20. When was the last asset/liability study for the System completed?

IPERS has not completed an asset/liability study for many years.

21. How many plan mergers have been studied by the Consulting Actuary in each of the last five years?

One in the past five years.

22. Can you provide additional clarification as to what is meant by "specific benchmarks" in item D.2.b. on page 21 of the RFP and how this differs from item D.2.a.?

Item D.2.a asks for the proposed annual base fee. Item D.2.b. asks for a proposed performance fee structure. Specific benchmarks are the number of days the project report deliverable is received early or late based upon the mutually agreed upon due date.

23. Why are proposals for actuarial valuation services being requested at this time?

State law requires contracts to be rebid every six years.

24. When were these services last placed out for bid?

The previous RFP was issued in December 2016 with the contract beginning July 1, 2017.

25. How long has Cavanaugh MacDonald been providing actuarial services?

Since 2011.

26. Can you please provide the annual actuarial fees paid to Cavanaugh MacDonald for each of the last three years for services comparable to those included in the RFP? If possible, please breakout between in-scope and out-of-scope services.

See Questions 2 and 3.

27. Approximately how many additional meetings have occurred over the past two years, outside of the four regular meetings?

None. See Question 18.