



Public Employees' Retirement Association of Colorado
1300 Logan Street, Denver, CO 80203-2386
PO Box 5800, Denver, CO 80217-5800
303-832-9550 • 1-800-759-PERA (7372) • www.copera.org

September 18, 2006

Dear Prospective Bidder:

The Colorado Public Employees' Retirement Association (PERA) is seeking an actuarial firm to serve as PERA's retained actuary to perform annual pension fund and health care fund valuations, and related pension consulting services beginning January 1, 2007. These services are to include the 2006 annual actuarial valuation.

PERA is a governmental pension plan that covers state, school district, judicial, municipal and other local government entities' employees. The covered population consists of approximately 182,000 active members, 116,000 inactive members, and 72,000 benefit recipients with combined pension assets of approximately \$36 billion. PERA administers:

- A cost sharing, multiple employer, defined benefit pension, survivor and disability plan;
- a cost sharing, multiple employer, retiree-only health care pensions subsidy fund (Part 12 of the statute);
- a cost sharing, multiple employer defined contribution plan (Part 15 of the statute);
- an Annual Increase Reserve Fund for the defined benefit pension plan;
- a life insurance program (Part 13 of the statute); and
- a 401(k) plan (Part 14 of the statute).

This request for proposals (RFP) for actuarial consulting services includes annual valuations for the pension plan and the health care subsidy fund, but does not include consulting or advisory services for the health care service, life insurance, defined contribution or the 401(k) plans. However, expertise in these areas would be considered a plus. Enclosed on paper, available on our website, and/or on compact disc is the following information to help form your proposal:

- The list and scope of services to be rendered;
- a description of the eligibility requirements and the RFP process;
- a list of questions to be responded to as part of the proposal;
- the PERA Actuarial Services Agreement form;
- the 2005 Comprehensive Annual Financial Report (CAFR);
- a copy of the Colorado statutes governing PERA;
- the 2005 PERA Administrative Rules;
- copies of 2006 legislation passed by the General Assembly concerning PERA;
- draft Rules based upon 2006 legislation;
- the 2005 Actuarial Report; and
- the 2005 Actuarial Experience Report.

The firm selected will be retained for a five-year period assuming satisfactory performance as measured by an annual evaluation of services rendered. At the end of the five-year contract, and each successive five-year period, new proposals for actuarial services will be requested. The firm selected during the current proposal process will not be prohibited from submitting future proposals.

Once every five years or as otherwise determined by PERA, another actuarial firm will review the valuation procedures employed by the retained actuarial firm. This independent review is conducted to assure that the condition of the funds is being measured as accurately as possible. The most recent review was conducted in 2005 for plan years 2000 through 2004.

Proposals will be evaluated based on responsiveness, clarity, and by the criteria listed below, in no particular order of relevance:

- Experience with public sector pension and retiree health care plans;
- number and experience of accredited actuaries available for services;
- client references;
- experience testifying before state legislatures and/or Congress;
- anticipated costs and fee structures;
- geographic location; and
- prior relationships with PERA.

We would like to consider your firm for performance of the specified services. Your proposal must reach this office no later than 4:00 p.m., October 30, 2006. Provide at least 5 copies of your proposal.

We reserve the right to reject any and all proposals.

If you have any questions, please contact me at (303) 837-6203.

Sincerely,

Karl Paulson
Manager of Strategic Innovation

Enclosures