



Public Employees' Retirement Association of Colorado
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Actuarial Services: RFP Questions

Section A: Background of the Consulting Firm (2 page maximum)

1. Briefly describe your firm's background, history and ownership structure including any parent, affiliated or subsidiary company or partnerships;
2. Briefly describe the services your firm provides and the percentage of revenue derived from actuarial services;
3. Please give the addresses of your corporate office and indicate which office(s) will be providing services to PERA;
4. Within the past three years, have there been any significant developments in your firm such as changes in ownership, restructuring, or personnel reorganization/departures? Do you anticipate any significant future changes within your firm?; and
5. Identify any services you are unable to perform under this RFP.

Section B: Subcontracting (1 page maximum)

1. If your firm uses the services of a subcontractor, please identify the subcontractor and describe the skills and qualifications of the subcontractor and its individual employees;
2. Describe what portions of the project will be assigned to the subcontractor; and
3. Describe the contractual arrangement contemplated with each subcontractor and generally describe the control, delegation, and communication responsibilities anticipated under that arrangement.

Section C: Fees

1. Please provide the proposed fee structure for the Retained Services, assuming a five-year contract;
2. Please provide the proposed fee structure for the Non-Routine Services;
3. Describe how your firm controls the costs of services rendered for a client;

4. Please provide a sample of the billing notification that PERA would likely receive; and
5. Does your firm have a policy concerning the reduction in fees for performance of untimely services?

Section D: Clients

1. Please list clients who have terminated their actuarial consulting relationship with your firm during the past five years and their reasons for doing so. Please include contact information for such former clients; and
2. Please list the top ten (by assets managed) clients in both the public and/or corporate pension plan arena, and the health care retirement plan field.

Section E: Consultants (2 pages maximum)

1. How many actuarial consultants does your firm have? Please provide the contact information for each actuarial consultant that would be assigned to PERA including name, address (if different), titles, phone numbers, fax numbers, and e-mail addresses;
2. Please describe the role of each of the actuarial consultants for this assignment;
3. Please include biographies for all consultants listed above. The biographies should include the following (no page limit applies):
 - Description of their position;
 - current responsibilities;
 - date of hire;
 - areas of expertise;
 - relevant experience;
 - education;
 - professional designations and memberships; and
 - relevant publications, studies or presentations.
4. Describe your firm's procedures for replacing key personnel on a permanent and temporary basis; and
5. Describe the resources your firm has that specifically address the needs of public sector pension and retiree health care clients.

Section F: Actuarial Valuations and Services (6 pages maximum)

1. Describe your approach to measuring funding status and funding progress in order to facilitate the assessment of trends over several actuarial valuations with respect to the overall solvency of PERA's pension funds, Health Care Trust Fund, and the Annual Increase Reserve Fund;

2. Discuss the theory and methodology for the determination of actuarial, asset classes and economic assumptions your firm employs;
3. Describe your approach to the development, maintenance and presentation of valuation software. Include a description of hardware and software capabilities;
4. Describe the tools, resources, and training you can make available to PERA staff so that they can model various scenarios;
5. Discuss the theory and methodology for valuing the interaction between a plan sponsor's optional defined benefit and defined contribution plans upon the value of the defined benefit plan;
6. Describe how your actuarial consulting work is distinguished from that of your competitors;
7. Describe any services of your organization that may not be offered by other consultants;
8. What period of time is required to prepare reports after year end?;
9. Describe your plan to transition from the current actuary, include recognition of the following in your response:
 - Reconciling differences in calculations and methodologies;
 - method for conducting contact with the current actuary; and
 - testing the initial year's calculations for accuracy and precision.
10. Describe any perceived limitations for your firm in providing the requested services; and
11. Provide an example of an innovative solution your firm provided to help solve a client's issue or problem.

Section G: Standards of Conduct (3 pages maximum)

1. How are your consultants' recommendations and work product for clients reviewed and monitored by your firm? Does your firm adhere to a specific level of review and consistency in your consultants' recommendations?;
2. Have you ever had to inform a client they were not in compliance with a law? If so, give an example of the role the firm took to notify the client and help bring the client into compliance;
3. Within the last five years, has your firm, an officer, or a principal been involved in litigation or other legal proceedings related to your actuarial services? Has your firm ever been censured by any regulatory body? If so, please explain and indicate the current status or disposition;
4. List and describe any professional relationships you may have with any PERA employer or sponsor (listed in the CAFR) during the past five years;

5. Are there any potential conflict of interest issues your firm would have or foresees in providing services to PERA? If so, please explain; and
6. How does your firm identify and manage conflicts of interest?

Section H: Insurance and Liability (2 pages maximum)

1. Describe the levels of coverage for errors and omissions, fiduciary and professional liability, and fidelity insurance. Is the coverage on a per client or on a total firm basis? Please list the insurance carriers; and
2. Describe your firm's disaster recovery plan as it relates to equipment, software, data and personnel in relation to providing services to PERA.

Section I: Other Information (2 pages maximum)

1. Describe areas or processes not included in the scope of this engagement that your firm may examine in order to provide more complete and efficient services to PERA; and
2. Provide any additional information that you believe to be relevant to the RFP and your firm's abilities to provide the requested services.