

**San Joaquin County Employees' Retirement Association  
(SJCERA)**

**Request for Proposal No. 2019-01  
Actuary Consulting Services**

**Response to Questions from Potential Proposers  
August 29, 2019**

- 1) Why has SJCERA chosen this timing to go out to bid for actuarial consulting services?**

The RFP is being issued to obtain a current survey of the actuarial service providers available and assess which best meet SJCERA's needs.

- 2) For how long has the incumbent actuary been retained? Has the incumbent actuary been invited to rebid?**

SJCERA retained EFI in 2006, and continued with the same team of actuaries after EFI's merger with Cheiron. Cheiron has been invited to rebid.

- 3) Is the scope of services outlined in the RFP consistent with the firm's current contract? If not, what items are different?**

The scope of services outlined in the RFP is consistent with the services provided by the incumbent actuary; however, the RFP requests an all-inclusive fee proposal.

- 4) What have the actuarial fees been for each of the last three years, broken down by funding valuation, GASB 67/68 valuation, triennial investigation, and other consulting services.**

Please see response to Question #10.

- 5) What are the current issues that concern SJCERA most with regard to the pension plan?**

Funding status and current financial markets.

- 6) Would SJCERA give fair consideration to a proposal that contained an explicit limitation of liability?**

Yes, but that consideration will be guided by SJCERA's need for protection.

- 7) **Would SJCERA give fair consideration to a proposal that contained at least one of the two clauses below related to potential future claims for errors and/or omissions?**
- a) **Mandated pre-agreement by both parties to have judicial resolution via bench trial (i.e., trial outcome decided by the presiding judge rather than by a jury).**
- b) **Mandated binding arbitration/alternative dispute resolution process.**

SJCERA will give fair consideration to all proposals. SJCERA will require the application of California law in a San Joaquin County venue. Additionally, any proposals that restrict SJCERA's right to a jury trial may be graded less favorably than those that do not.

- 8) **The new Actuarial Standard of Practice requires that actuaries perform regular risk assessments for plans with actuarial funding valuations. These assessments may be a part of the regular actuarial valuation report, or issued as a separate document. If a firm elects to issue the assessment as a separate document, should the cost of the assessment be included in the annual fixed fee retainer?**

**(Reference: RFP page 6, Section III.A. – Actuarial Valuation, and page 15, Exhibit A. Sample Fixed Fee Proposal)**

The cost of the risk assessment should be included in the annual fixed fee retainer.

- 9) **It is our understanding that under the RFP, the Association is seeking an annual fixed fee to provide all the actuarial projects summarized in Section III.A on pages 6 and 7 of the RFP. If the fees under the existing actuarial services contract have always been established on the annual total fee basis to include all projects to be delivered during that year, please provide the annual total fee for each of the last five years.**

Fees under the existing actuarial services contract have not been established on the annual total fee basis.

- 10) **Again referencing the projects described in Section III.A on pages 6 and 7 of the RFP, if under the existing actuarial services contract, fees for any of these projects (e.g. the Annual Valuation, The Triennial Experience and Assumptions Study, or Actuarial Consulting) have been established separately, please provide the fees broken out for each such project for each of the last five years?**

<b>FEES</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Valuation	50,833	52,793	50,725	49,000	43,000
GASB 67/68	13,250	13,000	12,750	12,872	16,288
Triennial Experience Study	0	0	50,125	0	0
All Other Consulting	64,039	83,419	93,175	90,021	123,896

- 11) In Section V.C, Proposal Content, Section 7.iii on page 12, please provide the total actual hourly time charges fees (if any) for additional services outside the scope of this RFP (or for any other time charges based services) for each of the last five years?**

2019 HOURLY RATES

Senior Actuarial Staff	\$295 - \$525
Asst. Actuarial/Sr. Analytical Staff	\$180 - \$295
Analytical/Clerical Staff	\$ 95 - \$205

- 12) Again referencing Section V.C, Proposal Content, Section 7.iii on page 12, what are the current hourly billing rates that the current actuary charges for special projects outside the retainer fees?**

See response to Question 11.

- 13) Referencing the RFP Section III.A, Scope of Work on page 6, please provide the approximate number of cases that are included in the “Section 415(b) Monthly Limit Testing and Annual List of Affected Retirees” project each year.**

The 415(b) monthly limit testing case average for 2018 was 32.5, with the lowest month of 14 and the highest month of 107.

The Annual List of Affected Retirees was 17 retirees for 2018.

- 14) Referencing the RFP in general, why is the Association issuing an RFP at this time? Are there any issues or concerns with the current consulting relationship?**

See response to question #1.

- 15) We were able to find online an experience study report for the period January 1, 2013 to December 31, 2015, with the report date of November 7, 2016. If available, please provide a later experience study report for the most recent study period, which we believe would be January 1, 2016 to December 31, 2018.**

Click on the link to the [January 1, 2016 to December 31, 2018 Experience Study](#).

- 16) We were able to find online a funding valuation report as of January 1, 2018. If available, please provide a January 1, 2019 valuation report.**

Click on the link to the [January 1, 2019 Actuarial Valuation Report](#).

**17) For Exhibits A and B, do we have to provide answers to these Exhibits in PDF format as provided on pages 15-16 of the RFP or may we instead incorporate the content of these Exhibits into our proposal in Microsoft Word?**

You may create any documents in Microsoft Word, but please convert to a PDF prior to submission.

**18) Please let us know if the Retirement Board considers our provision of health consulting services to the County to be a conflict of interest.**

Work performed for the County does not necessarily exclude proposers from consideration. Any such potential conflict of interest should be disclosed in Section 4, Potential Conflicts, of your response.