

**Delaware Public Employees' Retirement System  
Actuarial and Consulting RFP  
April 12, 2013**

Q1. Why are these services out to bid? Are they due to the expiration of the current contract or for other reasons?

A. The current contract for these services will expire as of June 30, 2013.

Q2. Who is the Board's current consultant? How long has the current consultant served the Board?

A. The current actuary is Cherion, Inc. and has been in place since 2006.

Q3. Is the current consultant allowed to bid on this RFP?

A. Yes

Q4. Has the Board been totally satisfied with the current consultant? Are there any improvements that the Board is seeking in its relationship with the consultant?

A. This question does not clarify the RFP and as such no response will be given.

Q5. The website shows an RFP document and a revised RFP document. Which one should we follow?

A. The revised RFP document, as the only change was to the closing date on the cover sheet.

Q6. The RFP lists Post-Retirement Health Care Benefits as a separate Special Service. Does the State perform annual or biennial valuations on their OPEB liabilities under GASB 43 and 45?

A. The State has an annual valuation of the OPEB liabilities.

Q7. Please provide a fee breakdown for the last 3 fiscal years.

A. Below is the fee breakdown for the last three years. We will provide a break down between regular fees and special fees from the last two years.

	<u>Regular</u>	<u>Special</u>
FY 2010	108,000	42,712
FY 2011	108,000	65,039
FY 2012	108,000	23,632

Q8. Please provide a copy of the current contract for actuarial services.

A. All relevant contract provisions are in the RFP.

Q9. Has a decision been made regarding the services needed from the actuary in complying with GASB Statements No. 67 and 68? If yes, what are they and where should the fees be included?

A.

DPERS will be looking to the actuary for implementation of the GASB Statements and would consider this as special services for the initial year. Once the first year disclosures have been created we would be expecting a fixed fee add-on to the retainer for future production of the GASB work and would consider this as a regular fee.

Q10. Please clarify the insurance requirements shown on page 27 of the RFP. We are not aware that liability insurance can be quoted on a per person basis.

A. Pursuant to recent changes in insurance industry standards, the professional liability insurance requirements are as follows:

(i)	Comprehensive General Liability	\$1,000,000 per occurrence/\$3,000,000 general aggregate
(ii)	Professional Liability/Misc. Error & Omissions/Product Liability	\$4,000,000 per occurrence/\$4,000,000 general aggregate
(iii)	Miscellaneous Errors & Omissions and Product Liability	\$1,000,000 per occurrence/\$4,000,000 general aggregate
(iv)	Worker's Compensation and Employer's Liability Insurance	In accordance with applicable law

Q11. Please provide us a list of all regular and special services performed during the last two contract years.

A. Regular services would include the annual valuations. Special service mostly contain of legislative inquires for cost estimates for legislation. Some examples over the past year were estimates to provide a post-retirement increase for pensioners and estimates to increase the number of survivor options.

Q12. Please provide copies of the two most recent annual actuarial reports.

A. The most recent valuations can be reviewed on the DPERS website at [www.delawarepensions.com](http://www.delawarepensions.com) under the annual reports tab.

Q13. In order to assist us in gaining a clear understanding of the scope of work, can you provide the amount of the total level of effort (hours of work) and fees paid to the current consultant for the last two contract years?

A. The fees paid have been provided in a previous response. The scope of work as described in the RFP requires the hours of work that is necessary to complete the task.

Q14. Please provide the rate per hour for each actuarial category of personnel for the last two contract years.

A. This question does not clarify the RFP and as such, no response will be given.

Q15. Why is Ashford Consulting Group listed as one of parties not to be contacted during the RFP process? What are its roles in terms of this RFP?

A. Ashford Consulting Group is the current Investment Advisor for DPERS, but the firm will not have a role in this RFP process.

Q16. Is Minority Business Enterprises encouraged to respond to this solicitation or participate as a subcontractor?

A. Yes, Minority Businesses are encouraged to respond in any capacity they are able to support which can include a prime, sub or second tier partnership with responsive bidders.

Q17. Is there a minority company (e.g. MBE, WBE, DBE, etc.) currently working as a subcontractor on the existing contract? If yes, please provide the name of that company and the types of services provided.

A. See answer in Question 2.

Q18. In our experience working with other states, e.g., NY, MD, PA, etc., minority business subcontracting goals are explicitly stated as a requirement for contracts with total awards over a certain dollar amount. This RFP, however, is silent on this matter. Can you help provide some insight on State of Delaware's minority business subcontracting requirement and/or policy?

A. The State of Delaware does not have goals or requirements for Office of Supplier Diversity (OSD) vendors, rather encourages inclusion in all aspects of the bidding and procurement processes and provides resources for OSD qualified vendors to be competitive at all levels of procurement. A list of resources and Supplier Diversity commitments and available resources may be obtained at <http://gss.omb.delaware.gov/osd/index.shtml>.

Q19. Please provide the most recent actuarial report outlining the calculation of actuarial liabilities and normal costs for Post-retirement Health Care Benefits.

A. The most recent valuations can be reviewed on the DPERS website at [www.delawarepensions.com](http://www.delawarepensions.com) under the annual reports tab.

Q20. When was the last Experience Study performed? Please provide the most recent Experience Study report.

A. The last Experience Study was in 2011. The actual Experience Study does not clarify the RFP requirements, and will not be provided.

Q21. Was the scope of that work the same as required in this RFP?

A. Yes

Q22. Based on RFP paragraph 1.03.1 regular services include preparation of the actuarial reports for nine (9) plans. Page 4 of RFP has twelve (12) different plans included in DPERS. Please confirm that regular services include actuarial valuation reports for all DPERS plans except Post-Retirement Increase Fund, Delaware Local Government Retirement Investment Pool and Other Post-Employment Benefit Fund.

A. Regular services will include the annual valuations for the nine (9) plans. There are not any annual valuations on the three (3) funds and any work on those funds would be considered special services.

Q23. Please confirm that special service include preparation of actuarial report for Post-Retirement Increase Fund, and Other Post-Employment Benefit Fund. Does RFP ask for any services for Delaware Local Government Retirement Investment Pool?

A. There are not any annual actuarial reports prepared for the funds.

Q24. If possible, can you provide a list of the companies that expressed interest in submitting a proposal?

A. This question does not clarify the RFP and as such no response will be given.

Q25. Will limitation of liability be acceptable in the final contract for professional services?

A. No.

Q26. Please provide a fee breakdown for the OPEB fund for last 3 fiscal years.

A. Below is the fee breakdown for the OPEB actuarial work for last three years.

	<u>Regular</u>	<u>Special</u>
FY 2010	0	20,298
FY 2011	60,000	1,608
FY 2012	0	35,992

