

**City of Phoenix Employees' Retirement System
Consulting Actuary Services RFP
Questions and Answers**

Question No.	RFP / Section / Reference	Respondent / Offeror Question (copied exactly as received)	COPERS Response
1.	Minimum Qualifications 2.5	Please confirm that our firm substantially meets Minimum Qualification 2.5 and that our proposal will be considered on the merits of the entire proposal. Our firm has over 200 pension or OPEB plans for which we are the actuary with 10,000 or more participants. Of these, over 60 are public sector. We have four public pension clients over 9,000 participants.	According to the solicitation, your firm does not meet the minimum qualification.
2.	N/A	What were the fees for each of the last five years for actuarial consulting services, broken out by actuarial valuations, GASB 67/68 reports, experience studies, and special studies?	Annual Actuarial Valuation – \$30,000 Experience Study – \$25,000 Annual Retainer - \$10,000 Non-Routine Consulting Services: Hourly Fixed Rate: Client Relationship Manager- \$440 Primary Actuary and Senior Consultant – \$440 Actuary and Consultant – \$290 Senior Analyst – \$275 Analyst – \$275 Administration Staff – No separate charge
3.	N/A	What are the hourly billing rates that the current actuary charges for other actuarial services or special projects beyond routine actuarial services?	See response to Question 2 above.
4.	Section III – Submittals Item 12.1.	Will electronic submissions be permitted in lieu of hard copies?	One hard copy and one electronic copy will need to be provided only for the Submittal section and all other required documentation. Please refer to Section III – Submittals Item 12.1. and 12.2. for more details.
5.	Section IV – Evaluation Criteria Part A: Tab 1	If electronic submissions are not permitted, may “Part A: Tab 1- Qualifications and Experience, Narrative Response” be submitted as a pdf with attachments? Our sample reports and other attachments are in pdf format.	One hard copy and one electronic copy will need to be provided. (See Part A: Tab 1- Qualifications and Experience, Narrative Response Respond to questions below using Word.)
6.	Section IV – Evaluation Criteria	If electronic submissions are not permitted, we understand that Parts B and C are to be submitted as separate Excel documents. May the hard copies of all required documents be added to one binder with separating section tabs or does the system wish to have the	The hard copies of all required documents may be added to one binder using separating section tabs.

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		hardcopy submission as loose separate stapled documents?	
7.	Section IV – Evaluation Criteria	If electronic submissions are not permitted, does the System want Parts A, B, C, and Solicitation Disclosure form be saved as separate files for the electronic version saved to the drive?	Yes, and also in hard copy format.
8.	N/A	Why is the proposal for consulting actuary services being requested at this time?	COPERS typically re-bids professional service contracts every three to five years. The current contract with COPERS' consulting actuary has reached its contractual limit.
9.	N/A	When were these services last placed out for bid?	2016
10.	N/A	How long has the current actuary been providing actuarial services to the City?	Four years.
11.	N/A	Are there any service concerns with the current actuary?	No.
12.	N/A	Can you please provide the annual actuarial fees paid to the providing actuary for each of the last three years for services comparable to those included in the RFP?	Fiscal Year 2020 – 62,150 Fiscal Year 2019 – 43,603 Fiscal Year 2018 – 60,818
13.	Section 1, Item 2.8	Is this transition plan to be included in the proposal, or upon being selected as the Contractor?	Upon being selected as the Contractor.
14.	Section II, Exhibit A, Item 1.1.3	How many meetings per year does the actuary usually attend?	1-2 meetings per year.
15.	Section II, Exhibit A, Item 1.1.8	How many times in a typical year do you request assistance from the actuary on DROs?	It varies from year to year. Typically, 2-3 times a year.
16.	Section II, Exhibit A, Item 1.1.9	Does the actuary usually perform the service purchase calculation, or just consulted on unusual cases? How often is the actuary involved in a typical year?	Actuary does not usually perform service purchase calculation. Calculator is provided by actuary to calculate service purchases.
17.	Section II, Exhibit A, Item 1.1.10	In a typical year, how many times is the actuary requested to assist with IRC 415(b) issues? How many retirees (approximately) are currently receiving benefits under the EBA?	The actuary is typically requested to assist with IRC 415(b) issues about three times a year. There are currently 16 retirees currently receiving EBA benefits.
18.	Section II, Exhibit A, Item 2.3	When was the last experience study completed. Does COPERS expect to request an experience study during the next five-year period?	The last experience study was completed during 2020. COPERS does expect to request an experience study during the next five-year period.

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19.	Section II, Exhibit A, Item 2.8	Are these projections requested most years, or only every few years?	These projections are requested most years.
20.	Section II, Exhibit A, Item 3	What services (type and frequency) are typically requested by COPERS as part of the retainer fees?	The types of services that could be requested as part of the retainer fees are infrequent-funding projections, discount rate impact scenarios, mid-year paydown assessments.
21.	Section II, Exhibit A, Item 4.2	What are the Contractor's Technology Tools desired by COPERS?	Examples of technology tools would be defined as anything that would assist COPERS with calculations or actuarial line of business.
22.	Section IV, Part A, Item 1	Is there any expectation on the part of COPERS that the Contractor establish an office in the Phoenix area?	No.
23.	Section IV, Part B, Item 7	This question asks for public pension clients and dates of service but is also restricted to 250 words. Should we limit our list to meet the 250-word requirement and just indicate the number of unlisted clients?	Yes.
24.	Section IV, Part B, Item 13	The sub-items listed are a, b, and d. Is there an item c that is missing?	No.
25.	Section IV, Part B, Item 18	Is this question concerned with the consultants on the proposal, or the entire firm?	The entire firm.
26.	Section II, Exhibit A, Item 1.1.6.	What various actuarial tables and factors needed by the Retirement Board have been provided by the current actuary in the last three years?	Mortality tables, present value factors and survivor benefit factors.
27.	N/A	What is the approximate number of annual actuarial consultations for: 1. domestic relations orders (DROs) for calculation of retirement benefits? 2. calculation of Service Purchases? 3. retirement benefit amount to be paid from the Retirement Plan and from EBA for Retirement Plan members and/or retirees?	1. Typically 2-3 times a year. 2. Not typical. 3. See response to Question 17.
28.	N/A	Please provide a copy of the most recent determination of estimated annual funding requirements for EBA trust.	Currently, the actuary performs a reconciliation between current members and 415 limits published by the IRS. Please refer to COPERS Policy 174 for further information.

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29.	N/A	Please provide a copy of the most recent certification of post-retirement increases.	COPERS has two post-retirement pension increase programs: 13 th Check and a COLA referred to as PEP. The formula for each is set forth in the Charter. See Sections 41 and 42. https://phoenix.municipal.codes/Charter/XXIV
30.	Section II, Exhibit A, Item 4.2	Please list the current actuary's Technology Tools that COPERS has access to and received training for.	See response to Question 17.
31.	Section II, Exhibit C – Indemnification & Insurance Requirements	Our firm willingly accepts 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. Our standard contract for actuarial services has a limit on liability for ordinary mistakes. Please confirm that COPERS is willing to negotiate a prudent amount of potential payment that is acceptable to both parties, with exceptions noted.	COPERS must comply with the contract terms adopted by the City Attorney. No change of the insurance and indemnification terms is permitted.
32.	N/A	What are the current fees or budget for each major item under the Scope of Work: 1. Consulting Services 2. Valuation Services 3. Other Services 4. Access and Training for Actuarial Technology	See response to Question 2 above.
33.	N/A	Under a typical non-pandemic year, approximately how many meetings and hearings does the Actuary attend in person per year?	See response to Question 14.
34.	N/A	Typically, how frequent are updates made to the various tables and factors needed by the Retirement Board?	Annually.
35.	N/A	Approximately how many domestic relations orders and Service Purchase calculations are there per year?	See response to Questions 15 - 16.

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36.	N/A	How many retirees are currently in the Excess Benefit Arrangement (EBA)? Approximately how many new retirees become eligible for the EBA each year?	See response to Question 17. The number of retirees becoming eligible for the EBA varies from year to year.
37.	N/A	How frequently are there proposed revisions to the Plan and governing Charter of the City of Phoenix?	Not frequently.
38.	N/A	Based on recent Comprehensive Annual Financial reports, over the three plan years ending June 30, 2018 through June 30, 2020, COPERS has paid \$60,818, \$43,603 and \$62,150, respectively, to the expense category labeled "Actuarial Consulting". Do those amounts represent the total amounts paid to the actuarial consultant from all sources in each of those years? If not, what amount of fees from other sources have been paid to the actuarial consultant per year over that three-year period?	Yes. It represents total amounts paid to the actuarial consultant.
39.	N/A	a) If applicable, please provide line-item detail on the service fees for recent material recurring fixed-fee projects? Likely examples of such recurring projects include the annual valuation report and the experience study.	See response to Question 2 above.
40.	N/A	b) If applicable, please provide narrative detail on the current fee structure for material non-recurring special projects? A likely example of such a project would be a study to assess possible changes in plan benefit design. If some such special projects are fixed-fee, please describe the process by which fixed fees are established and give relevant line-item examples of recent projects and their fee pricing. If some such projects are on a time-incurred hourly rate fee basis, please provide line-item detail on the current hourly fee schedule.	See response to Question 2 above under "Non-Routine Consulting Services: Hourly Fixed Rate".
41.	N/A	c) If applicable, please describe how service fees are currently calculated for comparatively less material, irregular services such as responses	See response to Question 40 above.

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		to COPERS staff and board inquiries?	