

## SUBMITTED QUESTIONS BY PROPOSERS

SamCERA received the following questions below asking for clarification on its Request for Proposal for Actuarial Services. Below are the submitted questions, in order as they were received, along with SamCERA’s response.

Question 1 – Please provide the breakdown of the previous three years of fixed fees under the current contract for ongoing actuarial consulting.

### SamCERA’s Response to Question 1

Item	2021	2022	2023
Annual Actuarial Valuations	\$69,500	\$71,000	\$73,000
Triennial Experience	N/A	N/A	\$38,000
Annual GASB 67 & 68 Disclosure Reports	\$13,000	\$13,500	\$14,000
Maximum Reimbursement for travel and other expenses	Inclusive in fixed fee items	Inclusive in fixed fee items	Inclusive in fixed fee items
Total Annual Charges (for fixed fee items only – excludes hourly rate and travel expenses charged for special projects)	\$105,500	\$108,000	\$149,500

Question 2 – Please provide the hourly fees breakdown for the current year for ongoing actuarial consulting.

### SamCERA’s Response to Question 2

Position	2024 Hourly Rate
Senior Consulting Actuary	\$420
Consulting Actuary	\$360
Valuation Actuary	\$250
Actuarial Analyst	\$200
Administrative Support	\$80

Question 3 – Please provide the total amount paid to your current ongoing actuarial consultant for each of the last three years.

**SamCERA’s Response to Question 3**

<b>Year</b>	<b>Total Amount Paid</b>
<b>2021</b>	<b>\$109,100.00</b>
<b>2022</b>	<b>\$111,600.00</b>
<b>2023</b>	<b>\$154,700.00</b>

Question 4 – Questions #39 and #40 in the RFP are the same, but #39 references D-3 which is the annual valuation. Should #39 be referring to the annual valuation?

**SamCERA’s Response to Question 4 – Apologies for the error. Yes, Question #39 should be referencing a recent “annual valuation” as opposed to a recent “triennial experience study.” Question #39 should be as follows:**

**Attach a recent annual valuation for a public pension client prepared by the proposed Primary Actuary. If possible, select a report prepared by the same team of primary and supporting actuary (senior supporting). (Appendix D (3)).**

Question 5 – Question #46 in the RFP states “For data tracking purposes, SamCERA would prefer that the information presented in its future actuarial report shall be in substantially the same format as provided by the current actuary. If you have a modification to this approach, please discuss the modification in detail.” Actuarial firms have standard valuation report templates that are built, approved, and updated through a multiyear vetting process. While our reports will not be formatted the same as the current actuary’s, we can work to make sure the key pieces of information presented in future actuarial reports would be substantially the same as the past for continuity. Does this seem reasonable to SamCERA?

**SamCERA’s Response to Question 5 – Yes, this reasonable to SamCERA.**

Question 6 – Finalist presentations are marked to take place the week of March 11, 2024. However, there is a national actuarial conference taking place at the same time in Washington D.C. that includes many public pension actuaries across actuarial firms. Might SamCERA consider moving the finalist presentation week?

**SamCERA’s Response to Question 6 – Yes, SamCERA can be flexible with the presentation week.**

Question 7 – The requirement of an “Enrolled Actuary” (EA) is only required for pension plans under ERISA, and public plans are generally exempt from ERISA. Since the EA designation is irrelevant for public plan work, its requirement for practicing pension actuaries in California was recently removed from the County Employees Retirement Law. Would SamCERA consider updating its minimum qualifications to reflect this.

**SamCERA’s Response to Question 7 – Thank you, SamCERA was not aware of this change. Yes, we will update SamCERA’s Request for Proposal’s minimum qualifications on page 2 under Minimum Qualifications section C as follows:**

**The Primary Actuary (Lead) and any supporting actuary performing the work must be a member of the American Academy of Actuaries Qualification Standards, and an Associate of the Society of Actuaries.**

Question 8 – Appendix A, Question A.25 ask for terminated contracts relative to actuarial audits. Should audits that were successfully completed followed by the contract expiring be omitted from this response?

**SamCERA’s Response to Question 8 – Audits that were successfully completed followed by the contract expiring should still be listed in response to this question. However, you may note that fact in your response.**

Question 9 – In submitting the proposed fee schedule, should the triennial experience study be included in the 4/1/26-3/31/27 and 4/1/29-3/31/30 fiscal years?

**SamCERA’s Response to Question 9 – The proposed fee schedule should include the two triennial experience studies for the periods of 07/01/23 – 04/30/26 and 07/01/26 – 04/30/29.**

Question 10 – To help us be sure that we appropriately assess the scope and complexity of the work, please provide the actuarial fees for each of the last three years, broken down by the valuation, the triennial experience study, GASB reports, and other services.

**SamCERA’s Response to Question 10**

<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Annual Actuarial Valuations</b>	<b>\$69,500</b>	<b>\$71,000</b>	<b>\$73,000</b>
<b>Triennial Experience</b>	<b>N/A</b>	<b>N/A</b>	<b>\$38,000</b>
<b>Annual GASB 67 &amp; 68 Disclosure Reports</b>	<b>\$13,000</b>	<b>\$13,500</b>	<b>\$14,000</b>
<b>Maximum Reimbursement for travel and other expenses</b>	<b>Inclusive in fixed fee items</b>	<b>Inclusive in fixed fee items</b>	<b>Inclusive in fixed fee items</b>
<b>Total Annual Charges (for fixed fee items only – excludes hourly rate and travel expenses charged for special projects)</b>	<b>\$105,500</b>	<b>\$108,000</b>	<b>\$149,500</b>

Question 11 – Can you provide the fees that have been charged for each of the services listed in Section V(B)-(D) over the past three years (i.e., the Annual Actuarial Valuation, the Triennial Experience Study, and the GASB 67/68 report)?

**SamCERA’s Response to Question 11**

<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Annual Actuarial Valuations</b>	<b>\$69,500</b>	<b>\$71,000</b>	<b>\$73,000</b>
<b>Triennial Experience</b>	<b>N/A</b>	<b>N/A</b>	<b>\$38,000</b>
<b>Annual GASB 67 &amp; 68 Disclosure Reports</b>	<b>\$13,000</b>	<b>\$13,500</b>	<b>\$14,000</b>
<b>Maximum Reimbursement for travel and other expenses</b>	<b>Inclusive in fixed fee items</b>	<b>Inclusive in fixed fee items</b>	<b>Inclusive in fixed fee items</b>
<b>Total Annual Charges (for fixed fee items only – excludes hourly rate and travel expenses charged for special projects)</b>	<b>\$105,500</b>	<b>\$108,000</b>	<b>\$149,500</b>

Question 12 – Have any of the other services, as described in V(E), been billed on a fixed-fee basis, and if so, what were the amounts for each such service over the past three years.

**SamCERA’s Response to Question 11 – The services describe in V(E) were based on the hourly rate below.**

<b>Position</b>	<b>2024 Hourly Rate</b>
<b>Senior Consulting Actuary</b>	<b>\$420</b>
<b>Consulting Actuary</b>	<b>\$360</b>
<b>Valuation Actuary</b>	<b>\$250</b>
<b>Actuarial Analyst</b>	<b>\$200</b>
<b>Administrative Support</b>	<b>\$80</b>

The total fees for these services for the past three years are reflected in the chart below.

Years	Amount
2021	\$23,000.00
2022	\$23,500.00
2023	\$24,000.00

Question 13 – The introduction to the RFP states that “SamCERA also seeks to retain an auditing actuary and may be able to make a determination regarding auditing actuary services along with this RFP process.” However, an actuarial audit was not included in the services in Section V, and the RFP further states that the fee proposal should be based on the services listed in Section V. Should we include a proposed fee for an actuarial audit, applicable if not selected for the actuarial consulting work? If so, should we propose a separate fee for a parallel valuation and a parallel experience study, consistent with our understanding of how the most recent audits have been performed?

**SamCERA’s Response to Question 13 – No proposed fee submission for auditing actuarial services is needed. SamCERA may select an auditing actuarial firm from the Proposers. If selected for auditing actuarial services, SamCERA will negotiate a fee schedule with selected firm(s).**