



**REQUEST FOR PROPOSAL (RFP)**  
**FOR**  
**ACTUARIAL CONSULTING SERVICES**  
**RFP NO. 4246**  
**\*REVISED\***

<b>Release Date:</b>	<b>Monday, January 31, 2022</b>	
<b>Proposal Due Date:</b>	<b>Wednesday, March 9, 2022</b> <b>4:00 P.M. PST</b>  <b>Electronic</b> ( <a href="#">link here</a> ) or <b>Mail</b> LACERS 202 W. First St., Suite 500 Los Angeles, CA 90012-4401	<b>RFP Administrator:</b>  <b>John Koontz</b> Los Angeles City Employees' Retirement System E-mail: <a href="mailto:john.koontz@lacers.org">john.koontz@lacers.org</a> Phone: (213) 285-8975 Fax: (213) 473-7297
<b>All questions must be submitted in writing no later than:</b>	<b>Wednesday, February 23, 2022, 4:00 P.M. PST</b>  Submit questions to the RFP Administrator. Any questions and all answers will be posted on the LACERS website: <a href="https://www.lacers.org/rfps-contracting-opportunities">https://www.lacers.org/rfps-contracting-opportunities</a>	
<b>Official RFP Notices/Addendums:</b>	To ensure that no firm is provided an advantage over another, all requirements are specified in this RFP. Any changes to the requirements will be posted as an addendum to the RFP on the LACERS website: <a href="https://www.lacers.org/rfps-contracting-opportunities">https://www.lacers.org/rfps-contracting-opportunities</a> . Proposers are solely responsible for monitoring this website and adhering to RFP addendums.	
<b>Prohibited Communications:</b>	From the RFP release date until a contract for these services is fully executed, firms are prohibited from communicating with Board members or staff, other than the RFP Administrator, concerning this RFP or the resulting contract. Any communications could be considered attempts to lobby or market services and is therefore prohibited by LACERS' Ethical Contract Compliance Policy. Firms will be disqualified from contract consideration if the prohibition is not honored.	

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## I. INTRODUCTION

The Los Angeles City Employees' Retirement System (LACERS) is seeking proposals from qualified actuarial consulting firms with experience providing services to public employee pension funds. This Request for Proposal (RFP) details the requirements needed by LACERS and instructs interested proposers on the application and selection process. All firms meeting the minimum qualifications outlined in Section II of this RFP are invited to propose.

LACERS intends to award a three-year full-service contract to the firm which best meets LACERS' needs, to act as the "Consulting Actuary." LACERS seeks a firm dedicated to the exclusive interests of the System and its members in the provision of actuarial services; therefore, the resulting contract restricts the Consulting Actuary from contracting with the Plan Sponsor, the City of Los Angeles, during the contracting term. The Consulting Actuary may only provide services to the Plan Sponsor at the request of LACERS. Should the Plan Sponsor secure the services of an actuary or auditor, the Consulting Actuary must work cooperatively to provide the Plan Sponsor's actuary or auditor with requested actuarial data.

LACERS is an independent charter department, established by the Los Angeles City Charter in 1937 as a single employer plan to provide retirement benefits to the civilian employees of the City of Los Angeles, with the exception of Department of Water and Power employees, sworn members of the Department of Fire and Police Pensions, and members of the Part-Time Pension Savings Program. Currently, LACERS provides services to approximately 25,200 active employees, and provides benefits to approximately 22,000 retirees and their beneficiaries. Each year, LACERS pays approximately \$1.06 billion in pension benefits and \$152 million in retiree health care premiums.

LACERS is under the management and control of a Board of Administration. The Board has seven members, four appointed by the Mayor and three elected by the membership, each serving five-year terms. The Board governs the retirement system in accordance with the Los Angeles City Charter §1106, consistent with Article XVI, Section 17 of the California Constitution. Retirement and Other Post-Employment Benefits are established by the Los Angeles City Council and Mayor, as reflected in the Los Angeles Administrative Code (mainly Division 4, Chapter 10 and 11, available at [http://www.amlegal.com/codes/client/los-angeles\\_ca/](http://www.amlegal.com/codes/client/los-angeles_ca/)). The Board administers the benefits for the Plan Sponsor, the City of Los Angeles, which currently has two Membership tiers (Tier 1 including Tier 1 Enhanced, and Tier 3).

The System operates a single-employer defined benefit plan (the Retirement Plan) and a single-employer Postemployment Health Care Plan. LACERS Postemployment Health Care Plan consists of a 401(h) account and a 115 Trust account established in December 2018. In addition, LACERS administers two voluntary programs which are the Larger Annuity Plan and the Family Death Benefit Plan.

LACERS' Actuarial valuations, experience studies, actuarial audits, and related Board documents/audio are available on LACERS' website and proposers are encouraged to view the actuarial reports and listen to audio recordings of recent Board discussions for a more detailed background of past actuarial services. LACERS' Actuarial Valuation for the period ending June 30, 2021, Actuarial Audit, Experience Study, Actuarial Funding Policy, as well prior valuations and financial reports, can be found at the website ([www.lacers.org](http://www.lacers.org)) under the tab "About" and under

the link “Reports and Statistics”. Recent Board discussions and Board reports on actuarial items can be found on the website under the tab “Board” and under the link “Agenda and Minutes”. Recent actuarial items occurred on the following Board meeting dates:

- July 24, 2018 – Actuarial 101, Assumption Changes, Asset Smoothing Policy
- April 28, 2019 – Actuarial Audit
- June 23, 2020 – Experience Study, Assumption Changes
- March 9, 2021 – Cost of Living Adjustment; Risk Assessment
- October 12, 2021 – GASB 68 & GASB 75 Valuations
- September 28, 2021 – Assumptions for Retiree Health Valuation
- November 9, 2021 – Actuarial Valuations
- December 8, 2021 – Financial Statement

At some point during the Consulting Actuary contract, through a separate future RFP process, LACERS may award a separate firm to act as the “Audit Actuary.” The Audit Actuary will provide verification of the reasonableness of assumptions used by the Consulting Actuary as well as validate the actuarial valuations.

## II. MINIMUM QUALIFICATIONS

Firms must clearly demonstrate meeting the minimum qualifications for their Request for Proposal to be considered.

- The firm must have at least five years of experience providing actuarial consulting services to other U.S. public pension fund clients similar to services requested in this RFP.
- The supervising/lead actuary for the engagement must have at least 15 years of experience with major public employee retirement systems, including at least 3 years of experience with California public pension fund clients similar to LACERS in size and services, and meet the American Academy of Actuaries Qualification Standards, and have current designation as a Fellow or an Associate of the Society of Actuaries, or an equivalent credential from an organization such as the Conference of Consulting Actuaries. The supervising/lead actuary must provide direct supervision over all services provided to LACERS and be an employee of the firm regularly engaged in the business of providing actuarial services.
- All actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries.
- The supervising/lead actuary should be able to discuss actuarial theory, the basis for assumptions, and all other actuarial matters in language that is easily understood.

### III. SCOPE OF SERVICES

#### **CONSULTING AND ADVISORY SERVICES**

1. Consult and advise the Board as to those matters or questions of an actuarial nature, which shall arise out of, or from the operations of the System. This includes unlimited actuarial questions from the client, within reason, via phone calls, video conferencing, or emails, and follow-up by the actuary with reference materials, existing work product, and existing research. Services may be provided by telephone, video conference, by written correspondence, or occasionally required in-person as requested by LACERS. Accessibility to services shall be within one working day for response to the LACERS General Manager or designee, or within five (5) working days of a request for a meeting.
2. Provide presentations and/or public testimony to LACERS Board and other public bodies on all actuarial reports or actuarially related issues arising during the course of LACERS' operations. LACERS estimates the Consulting Actuary will need to attend a minimum of four (4) Board of Administration meetings per contract year to give presentations and/or answer questions, including one meeting to review the annual actuarial valuation.
3. Make recommendations of possible improvements in the LACERS' funding and benefit structure.
4. Keep LACERS informed of any significant regulatory, legal, or legislative changes and trends with respect to actuarial issues.
5. Reconcile & Evaluate Data File - LACERS will furnish the consulting actuary with all data and statistical information deemed necessary to perform specified contract services, provided the data is available in the records and files of the System. The Consulting Actuary shall provide feedback on the content of the data files and make suggestions for modifications to ensure that the full range of data is available for performing actuarial valuations, experience studies, or other cost studies due to proposed benefit changes.

#### **STUDIES AND VALUATIONS**

6. ANNUAL ACTUARIAL VALUATION OF RETIREMENT BENEFITS
  - a. Perform an actuarial valuation of the retirement benefits and submit a report each year showing the cost of maintaining the LACERS retirement benefits upon a reserve basis (pursuant to Los Angeles City Charter §1158). Include as directed, distinct contribution rates for each Tier (both before and after reflecting the cost of the Tier 1 Enhanced benefit for Airport Peace Officers), and for the City, the Airport Department, the Harbor Department, and the Los Angeles Fire and Police Pensions.
  - b. The valuation report is to be computed as of June 30th of each year and must be delivered in final report form no later than October 31st of each year, unless otherwise approved.
  - c. Perform an actuarial gain/loss analysis and submit a report each year providing an analysis of the change in actuarial liabilities due to economic and non-economic risk areas. These risks would include pay increases, investment returns, service and disability retirements, deaths, and terminations.
  - d. Valuation shall include the Basic Disclosure elements recommended by the California Actuarial Advisory Panel for actuarial valuation reports on public retirement systems in California.

## 7. ANNUAL ACTUARIAL VALUATION OF HEALTH SUBSIDY BENEFITS

- a. Provide annual recommendations of assumptions related specifically to the health subsidy benefits.
- b. Perform an actuarial valuation of the health subsidy benefits and submit a report each year showing the cost of maintaining the Los Angeles City Employees' Retirement System's retirement benefits upon a reserve basis. Include distinct contribution rates for each Tier, the City, the Airport Department, the Harbor Department, and the Los Angeles Fire and Police Pensions.
- c. Perform an actuarial gain/loss analysis and submit a report each year providing an analysis of the change in actuarial liabilities due to economic and non-economic risk areas. These risks would include investment return, service and disability retirements, death and terminations.
- d. The valuation report is to be computed as of June 30th of each year and must be delivered in final report form no later than October 31st of each year, unless otherwise approved.
- e. Valuation shall be in accordance with Actuarial Standards of Practice (ASOP) and include the Basic Disclosure elements recommended by the California Actuarial Advisory Panel for actuarial valuation reports on public retirement systems in California.

## 8. ANNUAL RISK ASSESSMENT

- a. Provide an annual risk assessment for both Retirement and Health plans as required by ASOP 51.
- b. Provide deterministic and stochastic modeling methods.
- c. Deterministic projections including employer contributions, funded ratio, and UAAL should cover at least an assumed year-1 rate of return of the expected return, 0% return, and double the expected return for at least six years into the future.

## 9. ASSETS AND LIABILITIES STUDY OF LARGER ANNUITY PROGRAM

- a. To be conducted on even-numbered years.
- b. Perform a study of the assets and liabilities of the Larger Annuity Program and submit a report of findings to the Board with any recommendations.

## 10. TRIENNIAL EXPERIENCE STUDY

Perform one actuarial experience study expected to be for the period of July 1, 2019 through June 30, 2022 and prepare an actuarial investigation including but not limited to the mortality, service and salary experience of the members and beneficiaries of the Los Angeles City Employees' Retirement System. The report shall be in accordance with the requirements set forth in the provisions of Section 1158 of the Charter of the City of Los Angeles, separately computing retired and health and pension benefits. The report shall include recommendations for changing economic and non-economic actuarial assumptions as appropriate. Study to be conducted and concluded spring/early summer following final in-scope valuation.

## 11. ASSETS AND LIABILITIES STUDY OF THE FAMILY DEATH BENEFIT INSURANCE PLAN

Perform a study of the assets and liabilities of the Family Death Benefit Insurance Plan in each odd year-ending, and submit a report to the Board, which includes recommended contribution rates.

## 12. FINANCIAL REPORT INFORMATION

Provide the information or reports needed for LACERS and the Plan Sponsor to comply with Governmental Accounting Standards Board (GASB) financial reporting requirements including GASB 67, 68, 74, and 75 for the Retirement Benefit and Other Post-Employment Retirement Benefits.

## 13. LACERS ANNUAL COMPREHENSIVE FINANCIAL REPORT

Provide the Actuarial Valuation Summary section for inclusion in the LACERS Annual Comprehensive Financial Report.

## 14. ANNUAL COST OF LIVING DETERMINATION

Determine the Consumer Price Index (CPI) for the Los Angeles area for the purpose of providing a Cost-of-Living Adjustment (COLA) to eligible retirees in accordance with the Los Angeles Administrative Code, by March of each year for the Tier 1 benefit. The excess between the CPI and the maximum allowable COLA of 3% is accumulated in a bank. Create the schedule for the COLA bank.

## 15. ACTUARIAL ASSUMPTION CONFIRMATION LETTERS

Annual or as-needed assumption confirmation letters for LACERS programs and benefits including for optional forms and annuity benefits, survivor benefit purchase program for Airport Police Officers, and Government Service Buybacks.

## **AS-NEEDED SERVICES**

### 16. EDUCATIONAL SERVICES AND PRESENTATIONS

Conduct educational discussions with the Board of Administration and/or LACERS' employees. Must have the ability to discuss actuarial theory and other matters in lay terms.

### 17. LACERS PENSION SYMPOSIUM

Participation anticipated once every three years to make a topical educational presentation to Board, Members, and interested parties on actuarial related matters.

### 18. PROVIDE ACTUARIAL CALCULATIONS NECESSARY FOR CALCULATING MEMBER BENEFITS

Review, develop and provide various actuarial calculations necessary for the calculation of member benefits provided by the Plan. These include, but are not limited to: reviewing, revising, developing current and/or new workbooks; providing mortality tables, option tables for annuitants, present value factors, and survivor benefit option factors; preparing as-needed service purchase calculations; developing, preparing, and/or updating Internal Revenue Code compliance related workbooks such as for 415(b) excess benefit calculations and tests; preparing ex-spouse community property share calculations, required reserve figures and present value calculations.

19. COLLABORATIVE WORK WITH OTHER LACERS' PARTNERS

Requests for information from various parties may result in the need to communicate directly with those entities. This may include: response to LACERS' external auditor on the annual financial audit or Information Technology audit of LACERS; response to the City's auditors for their management audit of LACERS; actuarial information requested for LACERS' Investment General Consultant for an asset liability study; work with the LACERS' Pension Administration System vendor to implement generational mortality tables and other new actuarial assumptions; cooperation with the City's auditor or actuary on any studies they perform requiring LACERS' actuarial information; coordination with other related professional organizations on LACERS' actuarial matters.

20. COST ANALYSIS FOR BENEFIT CHANGES

Prepare actuarial cost analysis of proposed benefit changes. Provide timely financial impact estimates of planned statutory amendments. The actuary must provide cost and time estimate for completion of the cost studies within three (3) working days, unless otherwise agreed upon.

21. FUNDING POLICY REVIEW AND RECOMMENDATION

Review Board actuarial funding policies (actuarial cost method, actuarial smoothing method, and amortization policy) and make recommendations to align to best practices.

22. INDIVIDUAL BENEFIT CALCULATIONS

Occasional actuary reviews of complex individual benefit applications (i.e., marriage dissolutions) and related computations.

23. BENEFIT CALCULATIONS

Occasional provision of other functions and specialized calculations needed to administer the plan (e.g., calculations related to benefit limits under Internal Revenue Code 415(b), benefit conversion calculations).

24. OTHER ACTUARIAL STUDIES

This may include providing asset/liability studies, asset allocation modeling, plan design studies, risk analysis, UAAL buydown analysis, and actuarial/cash-flow projections to measure plan risk and long-term fiscal sustainability.

**IV. CONTENT OF RESPONSE**

**PLEASE PROVIDE A SEPARATE AND DISTINCT PROPOSAL FOR EACH ENGAGEMENT FOR WHICH YOU WISH TO BE CONSIDERED.**

Response to the information requested below is required to be considered responsive to the RFP. The proposal is requested in the following order, to be tabbed accordingly:

**A. INTRODUCTION**

1. **Title Page** - The title page must clearly state “Proposal for Consulting Actuary Engagement” along with vendor’s name, address, and contact information.
2. **Table of Contents**
3. **Cover Letter** - Proposers are to include a cover letter indicating their interest in the engagement. Please clearly specify that the proposal is for the Consulting Actuary engagement.
4. **Executive Summary** – The Executive Summary should provide a concise summary of the services and deliverables being offered to meet the requirements of this solicitation; the Proposer’s approach to providing services; and justification as to why the Proposer is the best qualified to provide services.

**B. QUALIFICATIONS AND EXPERIENCE**

5. DEMONSTRATION OF MINIMUM QUALIFICATIONS

Please provide information to demonstrate that the firm meets the minimum qualifications of the RFP.

- a. Experience with Similar Contracts – Proposer shall provide a description of previous work experience in servicing similar contracts over the past five years for public pension systems. Please provide the information in the following format:

Client's Name and Address	Services Provided	Beginning and Ending Dates of Contract	Contract Amount for Services	Contact Person to Provide References (name, telephone number, email)
<i>Sample Table</i>				

Note: Submission of a proposal in response to this RFP constitutes permission to LACERS to contact any identified previous clients to request information on the performance of the Proposer.

- b. Submit resume for the lead actuary including: title; key experience relating to this scope of work and years of providing this work; professional licenses and certifications held; current clients, past public pension fund clients in last five years, and past California public pension fund clients in last three years. Please describe their role in this engagement.
- c. Submit resumes for all actuaries who will be performing work under this engagement including: title; key experience relating to this scope of work and years of providing this work; professional licenses and certifications held; current clients, past public pension fund clients in last five years. Please describe their role in this engagement.

6. ABOUT THE FIRM

Provide your responses to the question below by replicating each question in your proposal followed by your response.

- a. Provide a profile of the firm including a brief history, year founded, business entity type, location of headquarters and subsidiaries (if any), services provided, and number of employees, number of credentialed actuaries, other business services, ownership structure (including any business partners), recent or expected ownership structure changes.
- b. Discuss the methods the firm uses to ensure quality service, including the procedures used to check the results of the calculations.
- c. Provide a description of the hardware and software used to carry out the calculations.
- d. Provide a list of clients lost in the last five years either by termination or non-continuation of consulting actuarial services.
- e. Provide an affirmative statement that the firm is independent of the governmental entity or plan, and that it is unaware of any potential conflicts of interest if it were selected to perform the work.
- f. Provide a description of any limits on liability that the firm requests from its clients.
- g. Provide an affirmative statement that the firm maintains errors and omissions insurance that provides a prudent amount of coverage for negligent acts or omission and that the coverage is applicable to the work requested.
- h. Provide a description of any current or pending legal actions against the firm.
- i. Provide a description of how the firm stays current with changes to applicable regulatory requirements, including accounting rules, Internal Revenue Code rules and regulations, and Actuarial Standards of Practice.
- j. Provide a description of pro bono work the firm has done for the public sector over the last three years.
- k. Please describe your company's efforts and protocols with regard to protection of client data. Have you had any data breaches?
- l. Provide a sample contract that the firm would require if it were successful in winning the work.
- m. Confirm that:
  - i. all employees of your firm and/or persons working on your behalf, including, but not limited to, subcontractors (collectively, "Proposer Personnel") shall be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with City employees, contractors, or volunteers; (2) working on City property while performing the services requested in this RFP; and/or (3) coming into contact with the public while performing the services requested in this RFP (collectively, "In-Person Services"). "Fully vaccinated" means that 14 or more days have passed since Proposer Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention;
  - ii. prior to assigning Proposer Personnel to perform In-Person Services, your firm shall obtain proof that such Proposer Personnel have been Fully Vaccinated;

- iii. your firm shall retain such proof of vaccination for the document retention period set forth in any agreement for provision of the services requested in this RFP; and
- iv. your firm shall grant medical and religious exemptions to Proposer Personnel as required by law.

## **C. PROJECT PROPOSAL**

Proposals shall demonstrate firm's understanding of the services to be provided and their proposed approach. Please provide your responses to the questions below by replicating each question in your proposal followed by your response.

### **7. FIRM'S APPROACH**

- a. Provide a description of the overall approach to be used for the work, including the firm's approach to making the transition from LACERS' prior actuary, if applicable.
- b. Provide a description of how the actuary will work with the plan to determine the specific methods and assumptions used, including turnover rates, retirement age, disability age, mortality, projected salary increases, wage increases, price increases, investment return, and cost-of-living increases. This includes how the actuary will review the data for reasonableness and work with the plan to correct the data, if necessary.
- c. Provide a description of how the actuary would work with the plan to resolve situations where there is ambiguity related to the plan terms or other items.
- d. Provide a timeline of the milestone tasks and the due dates needed to meet the due dates for the valuations specified in the Scope of Services section.
- e. Provide a list of all data requirements (and data formats) needed to upload and process the data.
- f. Describe how the firm has addressed the issue of keeping Social Security numbers and other private information secure.
- g. Describe any support the actuary will require from the plan's staff.
- h. Describe the process for making the transition to another actuary when your firm's contracts are not renewed.
- i. Attach samples of a recent retirement valuation, health valuation, experience study, risk assessment, and cost study for a benefit change for a client similar to LACERS.
- j. Please indicate the value-add that your firm and/or team can bring to this engagement with LACERS.
- k. Provide potential topics for a 30 to 60 minute presentation for LACERS Pension Symposium to educate and inform members of the Board, Staff, and public on the latest approaches and trends in actuarial sciences.
- l. If there is anything further you would like to add, please do so at this point.

## **D. PROPOSED CONSULTING ACTUARY FEE SCHEDULE**

- 8. Proposer's fee schedule shall include a total, detailed comprehensive fee proposal listed by year of the three-year contract. This fee proposal structure is required with your proposal.

**3/2/2022 Edit** – Please see document “Amendment 1: Updated Fee Schedule” for an updated version of this template.

<b>CONSULTING ACTUARY FEE PROPOSAL</b>	<b>FEE PROPOSED</b>		
To be completed by firms proposing for the Consulting Actuary engagement	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
<b>CONSULTING AND ADVISORY SERVICES</b> Retainer fee for provision of all consulting and advisory services described in III. A. 1-5. This includes unlimited actuarial questions from the client, within reason, via phone calls, video conferencing, or emails, and follow-up by the actuary with reference materials, existing work product, and existing research.			
<b>REQUIRED STUDIES AND VALUATIONS</b> Project-based fees shall be fully-burdened and inclusive of costs associated with providing a draft work product for client review, the final work product, the consultant(s)' time sufficient to satisfactorily answer follow-up questions of the client, the presentation to the Board, if indicated below. If in-person appearance at the Board is required, travel cost will be determined based on the identified Travel Rate below.			
Annual Actuarial Valuation of Retirement Benefits and financial reporting under GASB 67 and GASB 74 for the plan, presentation to the Board (All valuations are to be presented in same Board meeting in October/November)			
Risk Assessment and presentation to the Board (unless fee is included in Valuation fee above then please indicate)			
Assets and Liabilities Study for the Larger Annuity Program (even numbered years)		X	
Assets and Liabilities Study of the Family Death Benefit Insurance Plan (odd numbered years)	X		X
Triennial Experience Study (7/1/2019 to 6/30/2022, to be conducted in 2023), and fee to be inclusive of presentation to the Board		X	X
Financial reporting under GASB 68 for the employer			
Financial reporting under GASB 75 for the employer			
Actuarial Valuation Summary for CAFR			
Annual Retiree COLA Analysis			
<b>PROJECT FEE FOR SERVICE – AS NEEDED</b> Fee shall be fully burdened, not-to-exceed fees. If in-person appearance at LACERS is required, travel cost will be determined based on the identified Travel Rate below.	<b>NOT-TO-EXCEED PROJECT PRICE</b>		
Actuarial 101 Presentation for Board Members			
LACERS Pension Symposium			
Review of Actuarial Funding Policies and Recommendations			
<b>HOURLY RATE FOR AS-NEEDED SERVICES</b> Ad-hoc or occasional projects will be billed on an hourly rate. Request for such services must be estimated as to cost and scope of work and approved in advance by LACERS before commencing said work.	<b>LOADED FULLY BURDENED HOURLY RATE</b>		
<b>Class of Personnel</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>

<b>TRAVEL RATE</b> (Inclusive of airfare, lodging, all expenses)	YEAR 1	YEAR 2	YEAR 3
First day of presentation – per day, per consultant			
Each additional consecutive day of presentation – per day, per consultant			

9. Provide any suggested alternative pricing structures that have the potential to provide cost savings to LACERS.

## V. PROPOSAL SUBMISSION & EVALUATION

### A. PROPOSAL SUBMISSION INSTRUCTIONS

**PLEASE PROVIDE A PROPOSAL PACKAGE BY FOLLOWING THE GUIDELINES BELOW.**

- 1) Deadline for submission and the location for submission are located on the cover sheet of this RFP. There are two methods for submitting your proposal: either by mail or electronic. **Electronic submissions are preferred.**
- 2) **Electronic Submissions** – The complete proposal package shall be clearly labeled with the name of the firm, and “Proposal for Consulting Actuary Engagement”.
  - a. If you elect to submit your proposal package electronically, please provide one copy of your entire proposal in PDF format, inclusive of any work samples, exhibits, and other required forms, with file naming format: “LACERS 2022 Consulting Actuary RFP.” Submit your proposal through this upload portal: [\[Form Submission\]](#)
- 3) **Mail Submissions** – The complete proposal package shall be placed in a sealed package clearly labeled with the name of the firm, and “Proposal for Consulting Actuary Engagement RFP” and the copy number (i.e., “Original,” “Copy 1 of 3,” “Copy 2 of 3,” or “Copy 3 of 3”).
  - a. Please provide one (1) spiral-bound original and three (3) hard copies.
- 4) LACERS reserves the right to retain all responses submitted and the responses shall become the property of LACERS. All responses received by LACERS will be considered public records subject to disclosure under the Public Records Act unless the Proposer follows the procedures for trade secrets or proprietary, confidential information as set forth in Section V.A.5 of this RFP. (California Government Code Section 6250 et seq.)
- 5) **If your proposal contains any trade secrets or other proprietary, confidential information that the proposer claims is exempt from disclosure under the California Public Records Act, then you must submit separately one (1) redacted copy of the proposal in addition to the original version.**

Note: Proposers selected to make presentations to the Board/Committee may be required to submit 10 additional hard copies of their responses.

The Proposer is required to state in the response that it will defend and indemnify LACERS in any action brought against the LACERS for its refusal to disclose such material to any party making a request thereof. Failure to include such a statement shall constitute a waiver of Proposer's right to exemption from disclosure.

- 6) Candidates who mail their proposals should allow adequate mail delivery time to ensure timely receipt of the proposals. Late proposals will not be considered for review. LACERS reserves the right to determine the timelines of all proposals submitted. At the day and time appointed, all timely submitted proposals will be opened and the name of the Proposers announced. No other information about the proposals will be made public until such time as a recommendation concerning proposals is made to the Board.
- 7) Please direct comments and questions to the RFP Administrator indicated on the cover page of this RFP. All contact regarding this RFP or any matter relating thereto must be in writing and may be e-mailed, mailed, or faxed to the administrator listed on the cover page.
- 8) If no more than one submission is received in response to this solicitation, LACERS reserves the right to classify this procurement a failed competition and either re-compete the procurement or enter into a sole source agreement with the sole respondent.
- 9) LACERS reserves the right to select more than one party to provide these services.
- 10) LACERS reserves the right to verify the information in the response.
- 11) If a firm knowingly and willfully submits false information or other data, LACERS reserves the right to reject that response. If a contract was awarded as a result of false statements or other data submitted in response to this RFP, LACERS reserves the right to terminate that contract.
- 12) LACERS reserves the right to withdraw this RFP at any time without prior notice and the right to reject any and all Responses. LACERS makes no representation that any contract will be awarded to any firm responding to this RFP. LACERS also reserves the right to extend the deadline for submission.

## **B. EVALUATION OF PROPOSALS**

1. The selected proposer must successfully pass all the following levels of review:

### **a. Level I – Administrative Responsiveness**

LACERS will conduct a preliminary evaluation of all proposals submitted by the deadline to determine compliance with proposal requirements and mandatory document submissions. Firm's proposal must demonstrate its responsiveness to the administrative requirements outlined in the RFP. Firm's ability to adhere to LACERS' standard contract provisions will also be considered.

### **b. Level II – Review of Qualifications, Experience, & References**

Proposer must demonstrate it meets the minimum qualifications and must demonstrate a positive record as a responsible contractor through due diligence reviews conducted by LACERS.

**c. Level III –Interview**

Proposer(s) will be required to participate in an interview via video conference with LACERS staff.

**d. Level IV – Proposed Services and Compensation (“Proposal”)**

Firm’s proposed plan of services, and fees for providing the required services are evaluated and ranked by the evaluation panel. Interviews may also be conducted.

The evaluation criteria for the engagement can be found in the table below.

Criteria	Possible Weight
<p><b>Professionalism</b></p> <p>Proposer demonstrated professionalism in the response to the RFP, such as: RFP presentation, well-written summary of the important features of the RFP, etc.</p>	15
<p><b>Proposed Scope of Services Description and Methodology</b></p> <p>Proposer demonstrated strong understanding of LACERS’ objectives and provides a proposed methodology and further refinement of the RFP Scope of Services to meet LACERS’ objectives, project schedules, and budget.</p>	30
<p><b>Qualifications, Experience, and Accomplishments</b></p> <p>Strength of experience in providing actuarial services for public pension systems; Demonstration of expertise in/knowledge of the proposed team in providing the scope of services and value-add; Strength of favorable references during the due diligence review process.</p>	35
<p><b>Value of Cost</b></p> <p>The evaluation of the relative cost and value indicated in the proposed fee. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP.</p>	20
<p><b>Total</b></p>	100

**e. Level V – Final Approval by the Board**

The proposer(s) that demonstrates to be the most qualified to provide the required services at the best overall value to LACERS, as determined by the evaluation panel, will be recommended for contract award to the LACERS Board of Administration (Board). The Board, at its sole discretion, makes the final award determination.

2. Tentative Schedule

This schedule indicates estimated dates for the RFP process. LACERS reserves the right to adjust this schedule when appropriate.

<b>Date</b>	<b>Event</b>
01/31/2022	Release RFP to Potential Proposers
02/23/2022	4:00 p.m. PST – Deadline to Submit Questions
03/02/2022	LACERS Responds to Questions
03/09/2022	RFP Response Due – must be received by 4:00 p.m. PST
03/10/2022	Consulting Actuary Evaluation Period Begin
03/29/2022	Consulting Actuary Interviews
04/26/2022	Recommendation of Award for Consulting Actuary to Board

## **VI. GENERAL CONDITIONS AND COMPLIANCE DOCUMENTS**

Proposers are to submit required documents specified in the General Conditions and Compliance Documents (Appendix A). The General Conditions also indicate several standard contracting provisions and requirements of every LACERS and City of Los Angeles contract. You are encouraged to read the documents thoroughly as they may result in additional expense to your firm, such as certain insurance requirements and a Los Angeles Business Tax Registration Certificate. This RFP is for a new contract. Previous document submittals and/or waivers do not apply. New forms must be completed and processed.