



REQUEST FOR PROPOSAL
for
Review of the Current Actuarial Firm

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Executive Director

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DUE DATE FOR RESPONSES TO RFP:

September 6, 2019
4:30 p.m. Central Time

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SECTION I – INTRODUCTION

A. Nature of Request

The MoDOT and Patrol Employees' Retirement System (MPERS), Jefferson City, Missouri, is seeking an independent actuary or actuarial firm ("Contractor") to perform an actuarial audit and issue a report based on an examination of the work of MPERS' current actuary covering the experience study report for the five-year period ending on June 30, 2017, and the actuarial valuation report for the fiscal year ending June 30, 2019. The purpose of this report is to provide the MPERS Board of Trustees ("Board") with an independent assessment of the quality of the work of the current actuary with respect to both process and reasonableness of assumptions and results and the reasonableness of the related fees. Contractor also must perform a full replication of the valuation based on information provided to the current actuary for the June 30, 2019 actuarial valuation of the system and the assumptions used in connection with that valuation. All information needed for the review should be available to Contractor no later than September 30, 2019.

B. Closing Date for Receipt of Proposals

The proposal must be received by 4:30 p.m. central time on September 6, 2019, for the respondent's proposal to be considered. There is no expressed or implied obligation for MPERS to reimburse respondents for any expenses incurred in preparing a response to this request. MPERS also reserves the right to request additional information or clarifications from respondents, or to allow corrections for errors or omissions at any time during the evaluation process.

Proposals meeting the requirements set forth in this document will be evaluated by MPERS' staff, culminating in a recommendation to the Board for a contractor.

C. For More Information on the RFP

If you are interested in responding to this RFP and need additional information to complete it or have specific questions, please contact Greg Beck, Assistant Executive Director, via email at Greg.Beck@mpers.org. All questions must be via email and in writing. Questions and written responses will be shared with all other parties that have indicated an interest in submitting a proposal. The questions and responses will be placed on MPERS' website under "About/Bidding Opportunities." The name of the party submitting a question will remain anonymous.

D. MPERS Background Information

MPERS is an instrumentality of the state of Missouri vested with the powers and duties specified in state law. MPERS provides retirement, survivor and disability benefits to its members. MPERS is also responsible for managing a \$2.4 billion dollar investment portfolio held in trust for the payment of member benefits. MPERS is located in Jefferson City, Missouri.

The following information, effective June 30, 2018, is provided to illustrate the size of the retirement plans/tiers:

Plan	No. of Active Members	No. of Retired Members	No. of Term-Vested Members
Closed Plan	2,405	3,271	1,145
Year 2000 Plan	2,441	3,648	817
2011 Tier	2,569	1	23

All plans administered are actuarially funded using an entry age normal actuarial cost method with level percent of payroll amortization of unfunded accrued liabilities. For additional general information relating to MPERS, including an organization chart and board composition, please refer to the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which is available on our website at: <https://www.mpers.org/annual-reports/>.

SECTION II – REQUIREMENTS

A. General Requirements for Responding to This RFP

The potential Contractor shall include the following information in a response to this RFP:

- Contractor's name, address of the office providing services under the contract, telephone number, and email address (and name) of the main point of contact for Contractor.
- A general description of Contractor, including but not limited to: length of time in business, number of employees, primary business, and other business or services offered.
- Identification of the supervising actuary to be assigned to the engagement.
- Identification of other personnel who will be performing work under the contract.
- Summary information regarding the professional qualifications and experience of supervising and support actuaries and other personnel who will perform work under the contract.
- A description of Contractor's experience in providing actuarial and consulting services for large public employee retirement systems and a list of the public employee retirement systems for which the firm has performed services similar to those identified under "Specific Requirements" below.
- A list of names and contact information of three current clients to be contacted as references for which you have provided similar services as those being requested under this RFP.
- A description of your understanding of the requested services including your proposed approach in providing the services requested.
- Estimated fees, quoted on both a "best estimate" and "not to exceed" basis.
- The signature of a representative of Contractor with acknowledgment that such individual is authorized to legally bind Contractor.

B. Specific Requirements for Conducting the Review

MPERS' current actuary is Gabriel, Roeder, Smith & Company (GRS). The scope of this project shall include a full replication of the June 30, 2019 valuation using the same valuation data used by GRS. Respondent should review the work of GRS to the degree necessary to express opinions relating to all of the following:

- The appropriateness of the demographic and financial information used by the current actuary in the valuation of MPERS' retirement funds.
- Whether or not the actuarial valuation assumptions are reasonable and consistent with generally accepted actuarial standards and practices, are reasonable based on MPERS' experience, and are appropriate for MPERS' structure and funding objectives.
- Whether or not the current actuary's valuation methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices; are appropriate for MPERS' structure and funding objectives; are in compliance, as applicable, with Governmental Accounting Standards Board (GASB) reporting and disclosure requirements including GASB 67 and 68 statements; and are applied as stated by the actuary.
- Whether or not the current actuary's valuation results reflect the requirements set forth in state laws that govern the retirement programs (applicable sections of the Missouri Revised Statutes will be provided in PDF format to Contractor but are otherwise available on the internet at <http://revisor.mo.gov/main/OneChapter.aspx?chapter=104>).
- Whether or not the current actuary's valuation results are reasonable, including analysis of contribution rates and accrued liabilities.
- Whether or not the recommended assumption changes in the latest experience study are reasonable and in compliance with Actuarial Standards of Practice.
- Whether or not the valuations were performed by qualified actuaries and were performed in accordance with principles and practices prescribed by the Actuarial Standards Board.
- Whether or not the fees paid by MPERS to the current actuary are reasonable and proper based on the level of services received.

Contractor should not budget significant resources for the purpose of reviewing the data provided by MPERS to its current actuary.

Contractor should budget for only one trip to Jefferson City to present and discuss the final report at a meeting of the Board. All other interactions with staff and MPERS current actuary should be handled by phone or email.

It is anticipated that the Board will consider awarding a contract for this review at the September 26, 2019 board meeting. The work will culminate with a report by Contractor to the Board regarding the results of the actuarial. Twenty-five copies of the completed final report must be submitted to the executive director at least 30 calendar days prior to the presentation to the Board. An electronic copy of the final report shall be emailed to the executive director at Scott.Simon@mpers.org.

The completed report must be presented, in person, by Contractor to the Board at the February 2020 board meeting. That meeting is generally held the fourth week of February but is subject to change. The exact date of the meeting will be communicated to Contractor after the Board establishes the 2020 meeting schedule which will be done at the November 21, 2019 meeting.

SECTION III – RESPONDENT QUALIFICATIONS

Respondents must satisfy all of the following mandatory minimum qualifications as outlined below in order to be considered for the contract award:

- The respondent must agree to accept a written contract.
- The respondent must agree to provide the minimum services as detailed in Section II, as well as comply with all the requirements as stated in the RFP.
- The respondent must provide assurance that the key professionals and/or that the organization does not have, nor could they potentially have, a material conflict of interest with MPERS or any MPERS’ service providers, especially the current actuary.
- The respondent must demonstrate proficiency and experience in providing products and services specified in Section II.

SECTION IV – INSTRUCTIONS FOR SUBMITTING PROPOSALS

A. General Requirements

Inquiries

Any questions regarding this RFP must be submitted in writing via email to Greg Beck at Greg.Beck@mpers.org. Questions must be received at MPERS by no later than August 16, 2019 at 4:30 p.m. central time. To ensure that all respondents have the same information and instructions concerning the preparation of the proposal, all questions received will be responded to in writing and posted anonymously on MPERS’ website.

Timeline of Activities for This Review

Event or Milestone	Date
Email RFP to Potential Contractors and Post RFP to MPERS’ Website	July 10, 2019
Deadline for Respondent’s Questions	August 16, 2019
Deadline for MPERS to Respond to Written Questions	August 23, 2019
Proposal Due Date	September 6, 2019
Board Selection and Announcement of Successful Contractor	September 26, 2019
Actuary Data, Benefit Information, 2019 Valuation Report, and 2017 Experience Study Provided to Selected Contractor	September 30, 2019
Deadline for Submission of Final Review Report From Contractor	February 4, 2020
Report Presentation to Board in Jefferson City, Missouri	February 2020

B. Specific Requirements

The proposals must be emailed to Greg Beck at Greg.Beck@mpers.org and received by 4:30 p.m. central time, September 6, 2019. Proposals signed by an authorized representative shall be transmitted via email in Adobe Portable Document Format (PDF). All proposals and accompanying documentation become the property of MPERS and will not be returned.

Each proposal must conform to the requirements of this RFP. Conciseness and clarity of content are emphasized and encouraged. Vague and general proposals will be considered non-responsive and may result in disqualification. Failure to provide the required information may also result in disqualification. MPERS reserves the exclusive right to determine compliance with these requirements and to exclude from consideration proposals which, in the judgment of MPERS personnel, do not so conform.

A respondent's preparation and submission of a proposal or subsequent participation in presentations or contract negotiations creates no obligation for MPERS to award a contract or to pay any associated costs.

SECTION V – SELECTION PROCESS AND EVALUATION CRITERIA

A. Selection Process

Designated MPERS' staff will review timely submitted proposals and rank the proposals to determine the contractor to be recommended to the Board, subject to successful contract negotiations. The respondents and MPERS representatives may discuss the respondent's proposal as part of the evaluation process. The contract will be subject to final approval by the Board.

B. Evaluation Criteria

Proposals submitted in response to this RFP may be accepted as submitted, or may be used as a basis for further negotiation of specific project details with respondents. In evaluating proposals, MPERS' staff will consider all of the following criterion:

- Competence, knowledge, reputation, and qualifications of Contractor as a whole and of requisite professional staff.
- Contractor's technical expertise and experience, including experience performing actuarial audits/reviews.
- Quality, conciseness, clarity, and completeness of the proposal.
- Contractor's ability and willingness to meet the requirements and needs of MPERS with respect to the requirements outlined in Section II of this RFP.
- Adequacy of the proposal.
- Reasonableness of costs for the services proposed.

When all other considerations are equal, a contractor whose principal place of business is within the state of Missouri, or who will manage the engagement wholly from one of its offices within the state of Missouri, may be given preference.

SECTION VI – MISCELLANEOUS TERMS AND CONDITIONS

A. Contractual Agreement

The respondent will include certification that the person signing the response to the RFP is authorized to represent Contractor, empowered to submit the bid, and authorized to sign a contract with MPERS by including the following wording:

“I hereby certify that I have read the RFP in its entirety and fully understand the requirements listed therein. I further certify that I am an authorized agent of the respondent empowered to submit the response to the RFP and authorized to sign a contract with MPERS.”

A copy of this RFP (and any amendments thereto) as well as the successful response to the RFP will be attached to a signed contract. The contract terms will be negotiated between MPERS and the successful bidder. All respondents are cautioned that proposals shall be subject to acceptance by MPERS without further clarification. The successful bidder will be asked to provide a contract template that is customary in the industry. MPERS' legal counsel will review the contract prior to signature by the executive director.

The contract shall be construed according to the laws of the state of Missouri. Contractor shall comply with all local, state, and federal laws and regulations related to the performance of the contract to the extent that the same may be applicable.

The successful bidder will represent himself or herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the state of Missouri or MPERS. Therefore, the successful bidder shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers' compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold harmless MPERS, its officers, agents, and employees, from and against, any and all loss; costs (including attorney fees); and damages of any kind related to such matters.

The successful bidder may not assign its rights or obligations under the contract without the prior written consent of MPERS.

B. Right to Reject

Submission of a response to the RFP indicates acceptance by the respondent of the conditions contained in this RFP unless clearly and specifically noted in the response submitted and confirmed in the contract between MPERS and the successful bidder. MPERS reserves the right to reject any and all responses to the RFP submitted without any obligation or payment for costs incurred by proposing respondents.

MPERS reserves the right, where it may serve MPERS' best interest, to request additional information or clarification from any respondent, to allow corrections of errors or omissions, or to discuss points in the response to the RFP before and after submission. MPERS reserves the right to waive any and all formalities contained within this RFP except for the deadline for filing. Responses to the RFP received late will not be considered. MPERS reserves the right to retain each response submitted.

C. Open Records

Copyrighted proposals are unacceptable and will be disqualified as non-responsive. Following the award of a contract, responses to this RFP are subject to release as public information unless the response or specific parts of the response can be clearly shown to be exempt from the "Open Records" law of the state of Missouri (Chapter 610, RSMo.). If there is concern on this matter, respondents are advised to consult with their legal counsel regarding disclosure issues and take the appropriate precautions to safeguard proprietary information. MPERS assumes no obligation or responsibility for asserting legal arguments on behalf of any respondent to this RFP.

D. Competitive Negotiations of Proposals

The respondent is advised that under the provisions of this RFP, MPERS reserves the right to conduct negotiations of the proposals received or to award a contract without negotiations. If such negotiations are conducted, the following conditions shall apply:

- Negotiations may be conducted in person, writing, email, fax, or phone.
- Negotiations will only be conducted with respondents who have submitted potentially acceptable proposals.
- Terms, conditions, prices, methodology, or other features of the respondent's proposal may be subject to negotiation and subsequent revision.
- As part of the negotiations, the respondent may be required to submit supporting financial, pricing and other data in order to allow for a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
- All respondents involved in the negotiation process will be invited to submit a best and final offer.

E. Confidentiality

The respondent who receives the contract award (“successful bidder”) shall maintain all files and any other information provided by MPERS necessary to provide the services herein in a secure and limited access area, under the strictest confidence, and accordingly, will not alter or disclose such files or other information except as provided herein. Upon the completion of the services, all such information and materials provided by MPERS (hereafter “Confidential Information”) will be returned to MPERS unless otherwise directed by MPERS.

The successful bidder will not disclose any of the Confidential Information in whole or in part without the prior written consent of MPERS, unless required to do so by a court order or by law, in which case Contractor shall notify MPERS in writing prior to making any such disclosure. The successful bidder shall further limit access to Confidential Information to those of its employees, officers, and directors who reasonably require such access in the performance of their duties for MPERS and shall take all such necessary precautions and exercise the same duty of care that Contractor would undertake to prevent the disclosure of its confidential and proprietary information.

In the event the successful bidder breaches any provision of this confidentiality provision, MPERS will be entitled to seek any relief and remedy available at law or in equity. In the event that the successful bidder discloses any Confidential Information in breach of this provision or applicable law, the parties recognize and agree that MPERS will suffer irreparable injury and that MPERS will, therefore, be entitled to obtain injunctive relief. The remedies herein provided and those otherwise available at law or in equity shall be cumulative, and no one remedy will be construed as exclusive of any other.

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