

March 11, 2016

QUESTIONS AND ANSWERS (1)

Request for Proposal(s): RFP # 16-07-03 & 16-07-04

Description: Pension Actuarial Consultant Services

- 1. What are the reasons for issuing the current RFP?**
Answer: The City elects not to answer this question as part of this solicitation process.
- 2. Is the current actuary providing a response to this RFP?**
Answer: The current actuary is invited to provide a response to this RFP.
- 3. What are the fees for actuarial services under the current contract?**
Answer: The City elects not to answer this question as part of this solicitation process.
- 4. Does the City have any service or fee concerns with the current actuary?**
Answer: The City elects not to answer this question as part of this solicitation process.
- 5. What areas of service are in need of improvement? For example, timeliness, responsiveness or accuracy of actuarial services?**
Answer: The City elects not to answer this question as part of this solicitation process.
- 6. Will the current actuary be allowed to bid?**
Answer: Yes.
- 7. Are you open to proposals where the actuarial services are delivered by out-of-state offices?**
Answer: Any interested Offeror may submit a proposal.
- 8. How does the City currently submit data to its actuary: via email, disk or secure FTP?**
Answer: The City currently submits data to its actuary via upload to the actuary's secure client portal.
- 9. How many on-site meetings does the City currently have with your actuary?**
Answer: The City currently meets with its actuary one to two times annually. Additional meetings may be scheduled if needed.
- 10. How many meetings should be anticipated for proposals?**
Answer: The City anticipates one meeting for interview of the selected vendor candidates and one transition meeting with the selected candidate. Please refer to the response to question 9 in relation to the number of meetings anticipated as part of the on-going relationship.

11. What type of actuarial tools or software does the plan currently use, i.e., calculators, projections, benefit modeling, etc.?

Answer: The City utilizes an internally developed web-based program for retirement benefits administration, which encompasses benefit calculation and projection capabilities. The City utilizes a portability calculator developed by the current actuary, and utilizes lump-sum calculation factors which are provided by the actuary on an annual basis. The Plan provisions include limited purchase of creditable service options. The actuary is expected to provide individualized cost of purchase service calculations as needed on an ad hoc basis.

12. Confirm that the pension plan and post-retirement health plans receive a full valuation (including updates to participant census information) annually, and the Line of Duty plan receives a full valuation (including updates to participant census information) biennially. In other words, although the City is requesting annual valuations for each of its pension and OPEB plans, the line of duty plan valuation uses a full and interim rollforward valuation approach.

Answer: The City of Roanoke Pension Plan and both OPEB plans receive a full valuation, including the update to participant census data on an annual basis. The City of Roanoke Pension Plan GASB 67/68 report is prepared based upon a rollforward of the liability calculation from the prior year.

13. Are benefit statements showing accrued and projected pension benefits provided to participants? If so, should this project be included as part of the RFP response?

Answer: Benefit statements showing accrued and projected pension are provided to plan participants annually. These statements are prepared using data available in the Plan's administrative system and should not be included as part of the RFP response.

14. Are any statements of coverage or benefits provided to participants for the line of duty and OPEB plans? If so, should the project be included as part of the RFP response?

Answer: No statements are provided to either of the OPEB plan participants, and this should not be included as part of the RFP response.

15. What involvement does the current actuary have in the determination of pension benefit estimates and benefit calculations?

Answer: The current actuary performs a check of annual census data provided for the valuation, including the calculation of benefit amounts provided as part of the census data. The Plan is not reliant upon the actuary for the production of member benefit estimates or member benefit calculations. It is expected that the 5-year experience study would include a review of the reduction factors utilized for the calculation of benefits provided under each of the elective spousal options.

- 16. Please provide sample benefit calculations and examples of any other actuarial work products provided by the current actuary that are within the scope of this RFP.**

Answer: Work products were published along with the RFP documents.

- 17. The Alternative Statement of Needs in the RFP appears to mirror a lot of the items in A through K of the preceding section. Are these intended to be different?**

Answer: The Alternative Statement of needs is not necessarily intended to be different from the service outlined in Section 6., but is intended to more clearly define the expectation of services sought through the issuance of the RFP.

- 18. Will the City of Roanoke accept contracts containing a limit of liability clause?**

Answer: The City of Roanoke's standard contract is included in the RFP. Offerors are asked to note conditions of their proposal or exceptions to the contract as requested in Attachment B.

- 19. Page 13 of the RFP states that an actuarial valuation report for the City's Retirement Plan should be delivered no later than October 1. Would the first actuarial valuation performed under this contract be as of July 1, 2016? If so, would the results of the July 1, 2016 valuation be used to determine the City's contribution rate for the fiscal year beginning July 1, 2017?**

Answer: The Pension actuarial valuation would be as of June 30, 2016. The valuation would be used to determine the contribution rate for fiscal year beginning July 1, 2017.

- 20. Page 13 of the RFP makes reference to assisting the City in creating a retiree handbook. Is there already a handbook in place which simply needs updating, or would this be a completely new document? Also, would the City need any communications consulting as part of the handbook development?**

Answer: The City currently has a retiree handbook in place. Work related to the handbook would be an update, rather than the development of a completely new document. The City would consider the need for communications consulting based upon the extent of any modification to the handbook.

- 21. Page 14 of the RFP makes reference to ad hoc calculations relating to purchased service credits. What is a typical number of these calculations that are completed annually?**

Answer: Eligibility to purchase service credit in the City of Roanoke Pension Plan is limited. The need for this type of calculation is infrequent and has not been requested in recent years. In most years there are no request for purchase service calculations.

- 22. Was the work required in prior years similar to that described in the current RFP?**

Answer: The work required in prior years is similar to that described in the current RFP with the exception of reporting required for pending implementation of GASB 74-75.

- 23. Is the City planning to report under GASB 74-75 for this valuation?**

Answer: The City intends to implement GASB 74 and 75 based upon the effective dates of the statements. Early implementation is not anticipated.

- 24. What were the total annual dollar amount of fees paid to the previous actuarial vendor for both GASB 43/45 and Line of Duty Act valuations over the last two years? What were the hourly rates by personnel tier for the last two years of the contract period?**

Answer: The City elects not to answer this question as part of this solicitation process.

- 25. Will the City provide the amount of the total level of effort (hours of work) for the last two contract years?**

Answer: The City's contract with the current actuary provides for a fixed dollar fee the valuation. Information on the vendor's cumulative hours spent in preparation of the valuations has not been provided. City staff spends significant effort to provide accurate, comprehensive data required for the valuation.