

**OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Question and Answer Document**

**Actuarial Consulting Services  
RFP #515-15-105**

1. **QUESTION:** *What were the fees paid to the current actuary for the past three years, broken down by the flat annual fee and the fees for additional services?*

**ANSWER:**

Fees for Actuarial Services Outlined in the current agreement:

Year 1 (Fiscal Year End June 30, 2011) \$95,000  
Year 2 (Fiscal Year End June 30, 2012) \$95,000  
Year 3 (Fiscal Year End June 30, 2013) \$95,000  
Year 4 (Fiscal Year End June 30, 2014) \$95,000

Fees for the Triennial Experience Study:

Year 1 (Fiscal Year End June 30, 2011) \$45,000  
Year 4 (Fiscal Year End June 30, 2014) \$45,000

Fee for a GASB meeting:

Year 4 (Fiscal Year End June 30, 2014) \$750

Hourly Rates:

For services that are not included in the fees for actuarial services outlined in this Agreement, the hourly rates shall be as follows:

Senior Actuary	\$280 - 360
Senior Consultant	\$224 - 280
Actuary	\$200 - 224
Consultant	\$160 - 200
Other	\$100 - 100

2. **QUESTION:** *Section X (p. 20 of 21 of the RFP) says to provide hourly rates “on projects exceeding ten (10) fiscal impact estimates and three (3) benefit proposals per fiscal year”. Section VII C2 says “Fee proposals should assume preparation of an average of three (3) to five (5) fiscal impact estimates per contract year.” Section VII D2 says “Fee proposals should assume analysis of an average of one (1) or two (2) benefit proposals per contract year”. Please indicate the number of fiscal impact estimates and benefit proposal analyses per contract year that should be included in the annual fee.*

**ANSWER:** The fee structure for actuarial services in the current contract includes the production of 10 fiscal impact estimates and 3 benefit proposal analyses each fiscal year. This is expected to continue into the new contract.

3. **QUESTION:** *Why are these services out to bid? Are they due to the expiration of the current contract or for other reasons?*

**ANSWER:** The current contract was for a five year period ending June 30, 2015. It was the Board’s prerogative to issue the current RFP.

4. **QUESTION:** *What is the estimated budget for the services requested?*

**ANSWER:** The amount budgeted for actuarial services should have no bearing on your response to this RFP. The responses to question 1 show how much has been paid to the current actuary for prior periods.

5. **QUESTION:** *Can you please let us know what the fixed fees and hourly rates were for the past three years?*

**ANSWER:** See answer to Question 1.

6. **QUESTION:** *Are there any specific areas of the actuarial valuation that OPERS would like the vendor to address?*

**ANSWER:** No, the services required under the contract are described in RFP.

7. **QUESTION:** *Please describe the actuary's involvement in OPERS process for developing and communicating the accounting information under GASB No. 68 for the participating employers for fiscal years 2015 and beyond.*

**ANSWER:** It is our intent that OPERS will be responsible for the calculation and dissemination of information to participating employers under GASB No. 68 for fiscal years 2015 and beyond.

8. **QUESTION:** *Is the actuary's involvement limited to calculating the accounting information and providing that information electronically to OPERS for communication to the participating employers or will the actuary's involvement also include the production of individual reports to each participating employer?*

**ANSWER:** See answer to question 7.

9. **QUESTION:** *What are the contract terms of the current contract for actuarial services? In particular were all of the same services listed in this RFP included in the current contract and what was the pricing structure of the current contract?*

**ANSWER:**

The current fee is as follows:

- a. Annual fee of \$95,000 for actuarial services
- b. \$45,000 fee for triennial experience study
- c. \$15,000 fee for simulation models
- d. Various hourly rates for services beyond scope of actuarial services
- e. \$1,500 per consultant per day fee for on-site visit in excess of 3 per year

10. **QUESTION:** *Is the current provider invited to submit a proposal?*

**ANSWER:** Yes.

11. **QUESTION:** *The Analytical Tools and Projection Models of VII. H. Does this type of arrangement currently exist with the provider? Would the results of this type of analysis be used internally or would it be expected to be shared externally? If shared externally, would the actuaries have the opportunity to review or analyze those results before publication?*

**ANSWER:** Yes, the current contract provides for these services. The intent of the model output is internal dissemination. However, if the output is disseminated outside of the System, it is expected the actuary would have an opportunity to review before dissemination.

12. **QUESTION:** *Under Item VII. G. General Consulting Services, the actuary would be asked to provide certain information to be used for a triennial asset/liability study. Is a recent version of this study available for review? Would the actuary be considered a signatory producer of this report or only be providing certain items to the investment consultant, i.e. liability cash flow amounts? How is this different from the Projection Models of VII. H.?*

**ANSWER:** A copy of the most recent 3 year experience study is on our website ([www.opers.ok.gov](http://www.opers.ok.gov)) located under the “publications” tab. OPERS consultant is the signatory producer of this report, however, the actuary is expected to support OPERS’ consultant in production of the report with necessary data (primarily relating to liabilities and cash flows). The models described in section VII H. are intended to allow staff to conduct high-level sensitivity analysis on the assets and liabilities of the System.

13. **QUESTION:** *For GASB reporting purposes, has it been determined whether the entire plan is considered Cost Sharing Multiple Employer or are there separate Agent Multiple Employer portions of the plan that will have to be included in the GASB reporting under the RFP?*

**ANSWER:** The OPERS plan is a cost sharing multiple employer plan. The URSJJ is a single employer plan.