FRANKLIN REGIONAL RETIREMENT SYSTEM

278 MAIN STREET, SUITE 311
GREENFIELD, MASSACHUSETTS 01301-3230

Questions and Answers Regarding RFP for Actuarial Services January 1 2012

October 3, 2012

1) Is there a full RFP (along with the IFB) with specifics on what information the system would like to obtain from prospective actuarial providers?
   a) There are no further specifics on descriptive information, but we are interested in what you would like to present explaining who you are and how and why you are qualified to provide the service. See this paragraph in the IFB:
      "The bids will be evaluated on the following criteria:
         Experience in providing services similar in scope and size
         Proposed staffing and methodology for delivery of services
         Demonstrated ability to complete the project"

October 12, 2011

1) The IFB states that questions are to be submitted in writing on October 19, but I hope you can take questions earlier as we won't be able to wait until the 19th and successfully reflect your answers and submit the proposal by the 20th.
   a) The statement "on October 19" is a typo and should say "by October 19". Please accept the change.
2) We generally like to provide you with a timeline for delivery of services. When will the member and asset data be available and sent to the selected vendor?
   a) Data will be available after the system records are reconciled and closed for the prior year. Barring unforeseen circumstances, the data will be ready by June 1st of each year.
3) I see that the amendment removed the service to provide the funding position of the system by entity. Do you require any other results, such as the appropriation, by entity?
   a) No. We calculate our own appropriations by entity and then have it verified by the PERAC actuary.
4) How many copies of the final report will be required?
   a) One electronic copy in PDF format, one hard copy to be provided to PERAC, and no more than 10 hard copies delivered to the system office.
5) Regarding the Supplement Report, does the Board anticipate receiving one additional funding schedule that is the result of an alternative investment return and salary scale? Does the Board anticipate receiving alternate funding schedules with different amortization of the UAL?
   a) There will be only one final, funding schedule – to be included in the final report, which will be distributed after the September 2012 meeting with the Board, a meeting at which various alternatives will be discussed and decided. Therefore, it is expected that the supplemental report will include any number of alternatives that the successful actuary would propose based on their analysis of the liability and resources of the system - as well as the financial viability of the economy – both locally and abroad.
6) I noticed in your most recent report that the System increased the COLA base from $12,000 to $13,000. Will the Board require analysis and preparation of a revised funding schedule

telephone: 413-774-4837 fax: 413-774-5677 e-mail: Admin@FRRSMA.com

showing any additional increases in the COLA base? If yes, we will include a separate fee for this analysis.

   a) No, this retirement system will do its own analysis and inform the successful actuary what COLA base to use in the funding schedule.

7) Please provide the amount of the fees collected by the current actuarial consulting services provider.
   a) $14,500 for the January 1, 2010 valuation.
8) Please identify any differences in the scope of the work between the previous retainer and the current Scope of Services.
   a) There are no differences.
9) Is the incumbent actuary allowed to bid on this assignment?
   a) Yes.
10) How could the actuarial services you are currently receiving be improved?
   a) We have not identified any areas but we are open to improvement.
11) How many meetings do you usually hold with the actuarial consulting services provider?
   a) One.
12) Would the Retirement System be willing to negotiate certain contractual terms and conditions with the winning bidder, such as a commercially standard limitation of the contractor's liability?
   a) No.
13) For the service "Establishment of reasonable actuarial assumptions," are you requesting a full experience study?
   a) No. The Board expects the successful actuary to use standard assumptions that will meet with the approval of the PERAC actuary.
14) For the service "Assessment of the need for refinements to the funding program," (i) could you please elaborate on the specific services required, and (ii) would it be acceptable to propose hourly fees rather than a fixed fee for this item?
   a) The Board expects the successful actuary, in the process of performing the valuation, to review, comment, and suggest refinements on a "noticed" basis. The successful actuary will do this as a matter of course, and will have no need to charge additional hourly fees.

Dale Kowacki
Executive Director