

AWARD CRITERIA

COST

- A. As submitted under the "COST PROPOSAL" section.
- B. How are fees determined for the firm's actuarial auditing services? How are fees billed (billing periods and prospective versus arrears)? The proposed fee should include administrative, third-party, travel, and all other costs.

CAPABILITY AND QUALIFICATIONS

- A. Do the service descriptions address all the areas identified in the RFP? Will the proposed services satisfy CITY's needs and to what degree?
- B. Does the bidder demonstrate knowledge or awareness of the problems associated with providing the services proposed and knowledge of laws, regulations, statutes and effective operating principles required to provide this service?
- C. Has the bidder demonstrated experience in providing the services desired in a public defined benefit retirement plan.
- D. Describe in general the background of the professionals in the firm's actuarial consulting services group:
 - a) Are they brought in from outside of the firm or promoted to their positions from within the organization?
 - b) For those recruited from the outside, what prior experience and educational credentials are generally sought?
 - c) What percentage are currently Fellows of the Society of Actuaries? Enrolled actuaries?
 - d) What ongoing educational programs are economically supported?
- E. Is the organizational plan and management structure adequate and appropriate for overseeing the proposed services?
- F. Discuss in general the firm's competitive advantage over other firms in the actuarial consulting industry and in the actuarial audit service area.
- G. Has the firm, within the last ten years, been censured or fined by any regulatory body? If so, please indicate the dates and describe the situation.
- H. Complete the following table, reporting only those client relationships where actuarial auditing services similar to this mandate have been or are being provided.

As of: 12/31	2004	2005	2006	2007	2008
Total number of actuarial audit Clients					
Total number of public pension plan actuarial audit clients					

AWARD CRITERIA ACTUARIAL SERVICES

CAPABILITY AND QUALIFICATIONS (conc.)

- I. Is the firm affiliated with any other firm(s) offering nonactuarial services that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
- J. Does the consulting actuary have the ability to discuss actuarial theory and other matters in laymen's terms.

METHODOLOGY AND PRACTICE

- A. Describe bidder's theory and methodology used in recommending an appropriate actuarial cost method for a public pension fund.
- B. Describe your firm's theory and methodology for development of actuarial assumptions (except for the interest rate assumption, which is addressed separately).
- C. Describe the methodology used to formulate a pension fund's actuarial interest rate assumption. How may this methodology differ from client to client? Under what circumstances would bidder recommend CITY change its interest rate assumption?
- D. Describe bidder's approach to recommendations regarding the amortization of unfunded liabilities.
- E. Describe bidder's approach to measuring funded status and funding progress in order to facilitate the assessment of trends over several valuations of a client.
- F. Describe the capabilities of bidder's valuation system(s) and your computer system support.
- G. Describe bidder's quality control processes for actuarial audit reports and recommendations. How are these services monitored and reviewed?