

REQUEST FOR PROPOSAL – 2009 ACTUARIAL SERVICES

I. INTRODUCTION

The City of Jonesboro, located in Arkansas, is conducting an actuarial services search for its defined benefit plan (hereinafter known as Plan). The Plan has approximately \$5.1 million in total assets. All proposals will be evaluated by the Finance Committee and City Finance Director. Recommendations will be forwarded to the City Council for a final decision.

II. TIMETABLE

DATE PROPOSALS ARE DUE: August 17, 1009, 5:00 PM EST, NO EXCEPTIONS.

Prior to the awarding of the contract, the Finance Committee, or a subcommittee thereof, plans to interview the finalists. The interviews will be forty-five minutes in length, with twenty-five minutes for a presentation and twenty minutes for questions. Finalist candidates should plan to bring the account manager as well as the chief actuary that would be responsible for the account.

III. PROPOSAL FORMAT/SUBMISSION

PERSONS RESPONDING TO THIS REQUEST ARE ADVISED OF THE FOLLOWING:

1. Proposals must include a cover letter as specified in Exhibit "A".
2. Submit one printed proposal in the format prescribed in Exhibit "A".
3. The proposal should address, at a minimum, the scope of work detailed in Exhibit "B".
4. The proposal package including the cover letter and proposal should be sent to:

MR. JIM BARKSDALE, FINANCE DIRECTOR
CITY OF JONESBORO
515 WEST WASHINGTON STREET
JONESBORO, AR 72401

Hard copy submissions should be labeled "ACTUARIAL SERVICES" on the envelope used for shipping.

5. Submit an electronic copy of the firm's proposal in Adobe "pdf" via e-mail to jbarksdale@jonesboro.org by submission deadline. Receipt of the electronic version will not be used in determining compliance with the proposal's due date.

City reserves the right to accept or reject any or all proposals or any parts thereof, and to waive any formalities in the submission of proposals if it is deemed in the best interests of the City to do so. If there are any questions with respect to this investment advisor search please contact Jim Barksdale at jbarksdale@jonesboro.org.

EXHIBIT "A"

Proposal Contents

Bidders are requested to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified. Each page should be numbered.

Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested. Supportive material may be attached as appendices. All pages, including the appendices, must be numbered.

The content and sequence of the proposals will be as follows:

- I. TRANSMITTAL LETTER: A one-page transmittal letter must be submitted on the firm's official business letterhead. The letter is to transmit the proposal and provide an introduction to the firm. The transmittal letter include the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the bidder. The transmittal letter must be signed by individual authorized to commit the consulting actuary to the scope of the work proposed at the price quoted in the firm's cost proposal.
- II. TABLE OF CONTENTS
- III. EXECUTIVE SUMMARY: The executive summary contains a condensed overview of the contents of each of the major sections of the proposal to provide City with a broad understanding of the entire proposal. The executive summary should begin with an overview of the firm's organization and prior experience, identify key employees who will serve City and their qualifications. It should also present highlights from the firm's Proposed Workplan and Detailed Cost Projection.
- IV. EXCEPTIONS: If the RFP contains any exceptions to the requirements of the RFP, this section should include a description of those exceptions. If exceptions are not noted, FCERA will assume that the bidder's proposals meet those requirements. The exceptions shall be noted as follows:
 - A. Exceptions to General Requirements.
 - B. Exceptions to Background/Scope of Work.
 - C. Exceptions to Specific Terms and Conditions.
 - D. Exceptions to Proposal Content Requirements.
- V. VENDOR COMPANY DATA: This section should include:
 - A. The highlights of the firm's corporate resources, including total staff, organizational structure, financial stability, technical environment and details of previous experience. This section should include a description of the firm's experience with particular emphasis on work performed for other public employee retirement systems. At a minimum, this description should include a list of public employee retirement systems for which the firm currently provides actuarial services, but may omit identifying data if so required by existing client contracts.
 - B. Descriptions of professional and experience qualifications of the supervising and support actuaries who shall perform work under the resulting contract.
 - C. Any material (including letters of support or endorsement) indicative of the bidder's capability.
 - D. A brief description of the bidder's current operations, and ability to provide the services.

- E. Describe any pending lawsuits or legal actions:
 - 1. Location filed, name of court and docket number
 - 2. Nature of the lawsuit or legal action

VI. SCOPE OF WORK:

- A. Bidders are to use this section to describe the essence of their proposal.
- B. This section should be formatted as follows:
 - 1. A general discussion of your understanding of the project, the Scope of Work proposed and a summary of the features of your proposal.
- C. A detailed description of your proposal as it relates to each item listed under the "Scope of Work" section of this RFP.
- D. When reports or other documentation are to be a part of the proposal a sample of each must be submitted. Reports should be referenced in this section and submitted in a separate section entitled "REPORTS."
- E. A complete description of any alternative solutions or approaches to accomplishing the desired results.

VII. REPORTS: Samples of reports referenced in Section VIII.C. should be displayed in this section.

VIII. COST PROPOSAL: Quotations may be prepared in any manner to best demonstrate the worthiness of your proposal. Include rates for all services, materials, equipment, etc. to be provided under the proposal.

EXHIBIT “B”

Scope of Work

The goal of this RFP is to evaluate and select an actuarial firm who will serve as consulting actuary to City for a period of thirty-eight (38) months commencing November 1, 2009 (unless terminated by either party in accordance with the contract). The firm awarded the resulting contract will provide various actuarial services which include consultation and advisory services, valuation services, experience analysis, and other general duties, including but not limited to:

- 1) Prepare various actuarial operating tables and factors.
- 2) Recommend possible improvements in City's financing and benefit structure.
- 3) Assist City staff in implementing new legislation or proposed changes to existing retirement laws.
- 4) Keep City informed of any new developments or changes in federal legislation and/or tax regulations regarding financing, benefits, vesting, fiduciary responsibility or disclosure. City also expects the consulting actuary to assist City in interpreting and implementing federal law appropriately.
- 5) Provide advice on special benefit cases. City may occasionally request that the consulting actuary review certain benefit applications and perform complex computations related to special cases including calculations for modified benefits, retirement benefits subject to special IRS limits, and retirement benefits to persons who are eligible for service retirement without meeting the age or years of service requirements.
- 6) Perform annual actuarial valuations. The resulting valuation reports must contain detailed explanations of any significant changes in actuarial losses or gains because of deviations from expected experience.
- 7) Prepare a comprehensive triennial experience study. In the third year of the contract, an experience study must be prepared that may include actuarial assumption changes.
- 8) Prepare necessary reports projecting demographic trends for City that will impact future service demands.
- 9) Assist with preparation of Asset/Liability Study if needed.