



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
 Robert J. Conlin  
 SECRETARY

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***CORRESPONDENCE MEMORANDUM***

**DATE:** November 9, 2012

**TO:** Employee Trust Funds Board

**FROM:** Robert C. Willett, CPA  
 Chief Trust Finance Officer

**SUBJECT:** Rebid of Actuarial Services Contracts

**Staff requests the Employee Trust Funds Board authorize the Department to issue Requests for Proposals for ongoing actuarial services.**

The Board currently has three contracts for actuarial services as shown below:

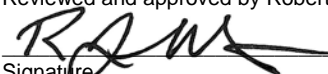
<u>Program</u>	<u>Actuary</u>	<u>Retainer</u>
Wisconsin Retirement System	Gabriel, Roeder, Smith & Co.	\$200,000
Group Health Insurance	Deloitte Consulting	\$443,000
Disability Programs	Deloitte Consulting	\$145,000

These vendors were selected by the Board in 2007. After an initial three-year contract, two-year extensions were added in 2010 and 2012, ending on September 30, 2014. The retainer shown is for normal ongoing services. The Board or Department may also enter into additional contracts with these firms when new services are needed. In addition, the Legislature and the State of Wisconsin Investment Board may also contract with the Board's actuaries for special studies.

Contracts for actuarial services are typically established for longer periods of time than some other contracts. That is because the amount of time it takes for new consultants to learn the complexities of our plans makes it impractical to replace our actuary frequently. However, the efficiency of long-term contracts must be balanced with the Board's fiduciary responsibility to ensure that it is receiving the services it needs at a fair cost. The recommendation to solicit proposals for actuarial services is not an indication that the agency is dissatisfied with services being provided by the current actuaries.

Board	Mtg Date	Item #
ETF	12.6.12	4D

Reviewed and approved by Robert J. Marchant, Deputy Secretary

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Signature Date

11/21/12

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With the Board's approval, staff will develop Requests for Proposals (RFP) for actuarial services for the Wisconsin Retirement System, Group Health Insurance Plans and Disability Programs. Significant lead time is necessary to ensure that the RFP's are fully vetted before being released and address all of the department's needs. These RFPs will be released in late 2013, and the finalists will be invited to present to the Board in March 2014. The new contracts will be effective October 1, 2014. At a later date, the Board will be asked to designate representatives to participate in the review of proposals and the selection of finalists.

Staff will be at the Board meeting to answer any questions.