

**First Set (Numbers 1-24) of
Vendor Questions and ETF Answers for**

Request for Proposals (RFP) ETD0011

**Employee Trust Funds Board Consulting Actuary for
the Wisconsin Retirement System (WRS)**



Issued by the State of Wisconsin
Department of Employee Trust Funds

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RFP ETD0011 VENDOR Q & A, VERSION 20140128

No.	RFP Section	RFP Page	Question
Q1	1.1.10	4	Do the duties required under this RFP qualify under sections 246.020.5 or 246.020.6 of Wisconsin Human Resources Handbook? If no, please confirm that a compliant vendor is not required to perform criminal background checks. If yes, for what purpose(s) are background checks to be used and how are they to be employed?
A			Yes, the duties qualify. It is part of the fiduciary duties of Employee Trust Funds to protect the security and privacy of program data and participant information. See also, Appendix G – Information Confidentiality and Security Requirements
Q2	3.2.4	14	Is the Wisconsin Retirement System (WRS) a cost-sharing multiple-employer pension plan under GASB 67 and 68? If yes, how many cost-sharing employers are in WRS?
A			Yes, the WRS is a cost-sharing multiple-employer pension plan under GASB 67 and 68. Approximately 1,500 employers participate in the WRS.
Q3	3.4.9	15	Please provide a copy of the most recent actuarial audit report.
A			Document has been added to ETD0011 Reference Materials
Q4	Appendix F	38	Is the cost of the triennial experience study supposed to be included in the Annual Retainer Fee or should it be separate?
A			Yes, the triennial experience study is a routine required service and should be included in the Annual Retainer Fee.
Q5	Appendix F	38	What was the Full-Year Annual Retainer Fee for 2013?
A			\$199,700
Q6	Appendix F	38	What was the support fee charged for the last Actuarial Audit?
A			\$13,695
Q7	Appendix F	38	What were the hourly rates charged by staff level for the most recent fiscal year?
A			During the last three years supplemental services have been negotiated fixed fee contracts and not based on hourly rates.
Q8	3.2 - Item 4	14	We understand that there are 1,474 employers that participate in the Wisconsin Retirement System. Section 3.2 item 4 notes “not including the allocation of these items to individual employers”. What level of Plan statistics, funding and/or GASB information, if any, is required to be separated out by participating employer by the actuary?

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A			It is not our intent to require the consulting actuary to provide any employer specific reporting to meet GASB 68 reporting requirements. However, GASB's guidance on the basis for allocation is not fully resolved and if GASB were to require projected future contributions to be used as the basis for allocation, assistance from the actuary in calculating the allocation factors would be required.
Q9	3.2 – Item 5(iii)	14	For the Accumulated Sick Leave Conversion Credit Valuation, Section 3.2 item 5(iii) references calculation of individual contribution rates required to amortize unfunded liability balances for those employers with unfunded liability balances. Approximately how many separate contribution rates are required each year?
A			Currently, individual contribution rates to amortize unfunded liability balances are calculated for three employers. That number is not expected to increase.
Q10	3.4 – Item 11	15	Section 3.2 item 11 references providing any other actuarial computations and certifications required for the normal operation of the retirement system. In an average year, how many “other actuarial calculations” are generally performed and what are the most common types of “other actuarial calculations”?
A			Staff regularly contact the consulting actuary for advice on how specific member situations or potential plan changes may affect plan liabilities. The actuary may be able to respond based on general knowledge of the system, or some calculations may be required. This is more limited than formal actuarial studies of pending legislation which would be outside of the annual retainer.
Q11	3.5	16	Section 3.5 of the RFP references User Applications To Be Provided: What types of applications are staff currently using for these procedures and will these applications continue to be available for the staff if a new actuarial provider is selected? How many different calculators are currently in use that the new actuarial service provider will need to replicate and maintain?
A			Section 3.5 identifies the user applications currently being provided by the consulting actuary. It will be the responsibility of the next consulting actuary to provide applications that provide comparable functionality.
Q12	Appendix F	15	What are the last three Years of annual retainer fees?

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A			In 2007 the quarterly fee started at \$44,625. With CPI increases, it is now \$50,000 per quarter. See openbook.wi.gov/ for all payments made to Gabriel Roeder Smith & Co. ETG0011 Contract(s) including fees are posted on our ETFextranet page as specified in 1.1.3 Fiscal Year 7.
Q13	Appendix F	15	What was the amount of the actuarial audit support fee?
A			See A6
Q14	Appendix F	15	Please provide the last three years of hourly rates for supplemental services.
A			During the last three years supplemental services have been negotiated fixed fee contracts and not based on hourly rates.
Q15	3.1	12	Why are these services out to bid?
A			The Employee Trust Funds Board has a fiduciary duty to assure that it is receiving the best services at the lowest possible cost to the trust funds. They accomplish this by periodically soliciting proposals from all qualified vendors for the services they need. This process is not a reflection of the board's satisfaction with the services provided by the current consulting actuary.
Q16	N/A (General)	N/A	What initiated this RFP? Are there any pain points you are trying to remedy or particular reasons ETF is seeking a new approach and/or vendor?
A			See A15.
Q17	N/A (General)	N/A	When was the last time ETF issued an RFP for these services and the result of that RFP process?
A			The last RFP ETG0011 was issued May 11, 2007. The results are posted on our ETFextranet page as specified in 1.1.3 Fiscal Year 7.
Q18	N/A (General)	N/A	Please provide the fee structure that applies under the current contract for actuarial services, as well as the amounts of annual billings for actuarial services that have been made each year under the contract.
A			The current retainer with Gabriel Roeder Smith & Co. is \$50,000 per quarter. See openbook.wi.gov/ for all payments made to Gabriel Roeder Smith & Co. ETG0011 Contract(s) including fees are posted on our ETFextranet page as specified in 1.1.3 Fiscal year 7.

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Q19	3.1	12	Section 3.1 indicates that “the leading actuary(ies) responsible for performing the actuarial services will appear at selected meetings and hearings for discussion of actuarial standards and/or the principles used in determining funding requirements.” Over the term of the current contract, how many times have the lead actuaries attended: - o Board meetings? - o Hearings?
A			The lead actuaries have attended 3 – 4 board meetings per year and no hearings under the base retainer during the current contract.
Q20	3.5	16	Are the four user applications identified in section 3.5 currently being provided by the incumbent as browser based applications?
A			No
Q21	5.1/Appendix D	19/31	Would ETF be willing to discuss the inclusion of a mutually-agreed-upon limit of liability in the contract?
A			All assumptions and exceptions must be included in Tab 4. The Employee Trust Funds Board may determine the terms and conditions of each contractual agreement as allowed under Wis.Stats.40.03
Q22	N/A	N/A	Why are you going out to bid at this time?
A			See A15
Q23	N/A	N/A	How long have you retained your current actuary?
A			Gabriel Roeder Smith and Co has been consulting actuary to the WRS since it's creation in 1982. It served as consulting actuary to the predecessor systems prior to that time.
Q24	N/A	N/A	What were the fees paid to the current actuary for the last three years?
A			See A18