

COUNTY OF LUZERNE
Luzerne County Employees' Retirement System
REQUEST FOR PROPOSAL
PENSION ACTUARIAL SERVICES

1. **Purpose.** The Luzerne County Employees' Retirement System ("LCERS") is seeking proposals for Pension Actuarial Services. The proposal will be evaluated by the County Employees Retirement Board. Upon receipt and subsequent evaluation of the proposals, the Board may invite the responding firms to make presentations to the County.
2. **Issuing Office.** This Request for Proposal ("RFP") is being issued by the Luzerne County Employees Retirement Board. The issuing board is the only point of contact for this RFP. **Proposals must be submitted to Richard Hummer, Pension Coordinator, Luzerne County, 20 North Pennsylvania Blvd, Suite 213, no later than November 30, 2009 at 12:00 pm.**
3. **Objective.** The objective of the RFP is to identify a qualified professional actuarial firm that can offer the highest quality service in the most timely manner possible and at the best value to the LCERS. The successful respondent will be expected to prepare all the required actuarial reports/documents as described more fully in the Scope of Services section of the RFP.

4. Scope of Services:

Recurring Services

- Prepare annual actuarial valuation report in accordance with Pennsylvania Act 96 standards.
- Prepare annual employee benefit statements including each member's accrued benefit, projected benefit, vesting status and value of lump sum death benefit.
- Preparation of required state filings.
- Participate in conference calls and annual meetings to review actuarial issues with Pension Trustees.

Nonrecurring Services

- Prepare special projects or special actuarial studies at the request of the Retirement Board and its delegates.
- Assist in the calculation of retirement estimates in event of termination, death, disability or retirement.

- Assist in the determination of return of employee contributions, remaining benefits payable to beneficiaries of deceased retirees and the value of pension benefits for members going through divorce proceedings.
- Assist in the calculation of buyback of non-intervening military service and unpaid leave of absence and make appropriate adjustments to service to account as necessary.

5. Response to Request for Proposal. All responding firms should answer the following questions:

I. Firm Personnel

1. Identify the name, location and contact information (including email address) regarding your firm and the key contact person for this RFP process.
2. Describe your firm's depth and experience of its professional staff. Identify how many professionals are employed and the ratio of actuarial professionals relative to client load and consulting staff. Identify the team that will be assigned to the County and include responsibilities and biographies for all team members.

II. Firm Background

1. Provide a brief history of your firm.
2. Describe your firm's experience with providing actuarial services to the Pennsylvania counties pursuant to PA Act 96. List your client accounts and identify three client accounts (at least one reference for each of the two actuarial service being proposed) that can serve as a reference to your firm's services.
3. What services does your firm offer in addition to actuarial services? Describe any financial relationships your firm may have with broker dealers or money management companies. Does your firm offer pension consulting services?
4. Describe your firm's professional liability insurance?

III. Client Communication

1. Describe the depth of communication and your firm's availability to attend client meetings to review actuarial reports.
2. Provide a sample Pension actuarial report illustrative of the reporting Luzerne County might expect from your firm.

IV. Professional Fees

1. Identify your firm's proposed fees for the "scope of services." The County anticipates that proposed fees will be expressed as an annual professional fee for the complete scope of services but alternative fee schedule proposals will be considered.

In addition to answering the specific questions listed above, responding firms should provide additional information in a manner that most effectively describes their firm's actuarial consulting credentials.

- 6. Proposal Review Criteria.** Each response may be reviewed and judged, at a minimum, on the following criteria.
 - Responsiveness of the written proposal to the purpose and scope of the project.
 - Reputation and professional qualifications of the specific individuals assigned to complete the project.
 - Experience with government entities.
 - Experience with Pennsylvania counties under PA Act 96.
 - Timeline for the completion of the project.
 - Adherence to all requirements and conditions of the request for proposals.
 - Results of possible project scope and completion plan interview with respondent(s).
- 7. Assignability.** The successful respondent cannot transfer any interest or provide for assignment of professional services contract with Luzerne County either in whole or in part, without the expressed written consent of the LCERS.
- 8. Payment.** Payment for services rendered will be based upon receipt of a detailed statement from the actuarial firm.
- 9. General Information.**
 - The RFP is not to be construed as creating a contractual relationship between the LCERS and any firm submitting a response to this RFP.
 - The LCERS shall have no obligation or liability to any firm responding to this RFP. All costs associated with responding to this RFP are borne solely by the respondent.
 - The LCERS may require follow-up oral interviews with selected respondents and may require the respondents to participate in negotiations.
 - The LCERS reserves the right to reject any or all responses, to modify the scope with one or more of the respondents, and to waive any/all requirements which the LCERS deems to be in its or its employees' best interest.
 - By submitting this information the firm represents that it has examined and understands this RFP and has become fully informed of all the requirements of

the RFP. All terms and conditions set forth in this document are accepted and must be incorporated in the submission unless explicit exception is made to individual items and accepted by the LCERS.

- By submitting a response, the firm represents that it has the ability to meet the requirements outlined herein.

Please provide your response to the County by November 30, 2009 at 12:00 pm by sending one original and five copies of your response to the County as follows:

**Richard Hummer
Pension Coordinator
Luzerne County
20 North Pennsylvania Blvd.
Suite 213
Wilkes Barre, PA 18701**

Because of the nature of this evaluation process, all respondents should direct inquiries relating to this evaluation to the County's Investment Consultant, **Morgan Stanley Smith Barney, (570) 821-1800, The Yelen Hazzouri Group**, to provide a more efficient evaluation process. The County appreciates your interest in serving the County and looks forward to your response.