

**Office of Finance
Division of Procurement
MONTGOMERY COUNTY PUBLIC SCHOOLS
45 W. Gude Drive, Suite 3100
Rockville, Maryland 20850**

March 6, 2023

NOTICE TO OFFERORS

The following are questions and responses regarding

**RFP No. 1139.5, Actuarial Consulting Services
for the Montgomery County Public Schools**

Question 1: In reference to Scope of Service 3.5, over the last 2 years how many times has the Actuarial Consultant provided assistance in “evaluating benefit plan proposal and options preceding and during labor negotiations”?

Also with reference to 3.5, does MCPS prefer the Actuarial Consultant to have experience in labor negotiations, including Interest Arbitration proceedings?

Answer: Over the last two years, the Actuarial Consultant has not provided direct additional assistance during the labor negotiations. The Actuarial Consultant does not necessarily need to have experience in these proceedings in order to help. MCPS may use their information or request reports to assist in these negotiations.

Question 2: Does the County require that the same team of actuaries who prepare the Pension valuation prepare the OPEB valuation or does MCPS prefer, but not require, the same team for the Pension and OPEB valuations?

Answer: MCPS does not require that the same team of actuaries prepare both valuations, but it does prefer that the same team do both.

Question 3: What assistance has the actuary been requested to provide historically with respect to the audit process?

Answer: The actuary has historically provided a GASB 67/68 and GASB 74/75 report for the audit and financial report as well as timelines and other process related requests, as the auditor needs.

Question 4: With respect to the award criteria could you please elaborate as to what information MCPS seeks with respect to “Depth and diversity of actuarial consulting experience”?

Answer: MCPS would like to see experience with school districts to help determine whether assumptions MCPS is using are appropriate.

Question 5: Please provide the current pricing for the work being requested (years 2019, 2020, 2021, 2022)

Answer: MCPS does not provide a breakout of specific prices paid for each portion of the contract. See below for totals of what was approved by the board for payment over the course of the contract.

**2017-2018 – 80,500
2018-2019 – 80,500
2019-2020 – \$127,500
2020-2021 – \$81,955**

2021-2022 – \$82,738

2022-2023 – \$86,670

Question 6: How long has the current actuary been in place?

Answer: The current actuary has been in place for six years. The last RFP was issued in 2017.

Question 7: The quote asks for a review of the most recent actuarial work, is there a suspected issue or concern?

Answer: No. The review will be helpful for you to understand MCPS' operations and for MCPS to understand how you operate.

Question 8: Why is this work out to bid at this time?

Answer: The previous contract has expired after the full term.

Question 9: The RFP asks for a two-year rate quote, do you want us to address fees/rates for the optional years?

Answer: Yes, please provide fees for the optional years as well.

Question 10: The RFP (section 3.0) references a review of the 6/30/2022 actuarial valuations. Is this in reference to July 1, 2022, valuation reports (completed on 10/25/2022(pension) and 11/10/2022(OPEB) by GRS)?

Answer: Yes, this is in reference to the valuations as of 7/1/2022.

Question 11: The RFP (section 3.0) specifies completion of the year ending 6/30/2023 valuations. Since this is a 2-year contract, would the year ending 6/30/2024 reports be in scope as well?

Answer: Yes, the initial two-year contract would include 6/30/2023 and 6/30/2024 reports.

Question 12: Section 3.2 references a potential request for a July 1, 2022, actuarial valuation. It appears this valuation is already completed, should this refer to a different year?

Answer: The July 1, 2022 valuation is already complete. However, this note is in reference to proposed changes to the plans that may result in the need for an updated valuation for July 1, 2022.

Question 13: The last experience study was completed in 2019 and covered the period 2014-2018. Based on actuarial best practices, the next experience study should be completed in 2023 or 2024. Should we provide a quote on that work at this time?

Answer: Yes, the new actuary will be expected to complete an Experience Study at some point during the contract. Please include a quote for the Experience Study at this time.

Question 14: Section 13.1 specifies the award criteria. Is there a weighting schedule that is applied to the 6 criteria shown?

Answer: No, there is not a weighting schedule applied to the criteria.

Question 15: Why has the RFP been issued at this time?

Answer: See response to # 8.

Question 16: How long has the current actuary been providing these services and when was the last time an RFP for actuarial services was issued?

Answer: See response to # 6.

Question 17: What is the budget for 2023 for the actuarial services listed in the RFP?

Answer: MCPS does not provide this information.

Question 18: How much did the MCPS pay for actuarial pension services in 2021 and 2022? Of the amount, how much was for out-of-scope services?

Answer: See response to # 5.

Question 19: How much did MCPS pay for OPEB services in 2021 and 2022.

Answer: See response to # 5.

Question 20: We noticed in the pricing there is no request for a fee to perform an actuarial experience study. Will the new actuary be expected to perform the experience study for the 7/1/18-7/1/23 period?

Answer: See response to # 13.

Question 21: Is MCPS willing to limit its indemnity obligation to third party claims only?

Answer: The offeror must list any deviations or clarifications to the MCPS General Contracting Articles at the time of submission. Those will be responded to once appropriate.

Question 22: Is MCPS willing to entertain a reasonable limitation on liability?

Answer: See response to question 21.

Question 23: Is MCPS willing to entertain a waiver of consequential damages?

Answer: See response to question 21.

Question 24: Is it the MCPS's preference to award a single contract to a single vendor for both the Employees' Pension Plan actuarial valuation services and the Other Post-Employment Benefits (OPEB) Trust actuarial valuation services or will it consider two separate awards (one award to a vendor for the Employees' Retirement Pension Plan valuation services and a second award to a separate vendor for the OPEB Trust actuarial valuation services)?

Answer: It is MCPS's preference to award a contract to a single vendor for both Pension Plan and OPEB Trust actuarial valuation services.

Question 25: How long has the current actuary been working with the MCPS?

Answer: See response to # 6.

Question 26: What are the fiscal reporting years included in the RFP?

Answer: The initial two-year contract is for FY 2023 and FY 2024.

Question 27: Can we receive a copy of the most recent GASB 74/75 compliant full OPEB valuation and report completed for the MCPS?

Answer: Yes. MCPS will provide the GASB 74/75 report and the GASB 67/68 report. See separate attachment.

Question 28: What is the name of the firm that performed the most recent GASB 74/75 compliant full OPEB valuation for the MCPS?

Answer: The current vendor is Gabriel, Roeder, Smith & Company.

Question 29: What were the prior fees paid for the most recent GASB74/75 compliant full OPEB valuation and report?

Answer: See response to # 5.

Question 30: Is the MCPS requesting annual full GASB 74/75 OPEB valuations or biennial full OPEB valuations with an updated (roll-forward) report for the interim years?

Answer: MCPS is requesting annual full GASB 74/75 OPEB valuations.

Question 31: Were any roll-forward (interim) GASB 74/75 compliant OPEB valuations completed for the MCPS?

Answer: No interim GASB 74/75 report was completed.

Question 32: Can we receive a copy of the most recent GASB 74/75 compliant interim OPEB valuation and report completed for the MCPS?

Answer: See response to # 31.

Question 33: What is the name of the firm that completed the last GASB 74/75 compliant interim OPEB actuarial valuation?

Answer: See response to # 31.

Question 34: What were the fees charged for any interim (roll-forward or updated) GASB 74/75 compliant OPEB actuarial valuation reports?

Answer: See response to # 31.

Question 35: When are the final reports due each year for the GASB 74/75 compliant OPEB valuations?

Answer: MCPS needs the GASB 74/75 reports to complete the Annual Comprehensive Financial Report by September 30th each year. Therefore, MCPS needs the GASB reports by early September.

Question 36: Is the MCPS requesting an OPEB Experience Study be completed during the contract term included in this RFP?

Answer: See response to # 13.

Question 37: Please clarify the types of liability insurance and minimum coverage amounts that the MCPS requires.

Answer: See MCPS General Contracting Article 23.

Question 38: What are the anticipated requirements for onsite consulting, meetings, and/or presentations?

Answer: Onsite meetings are not required, but would be preferred for the annual board meeting held in November. Any intro meetings, annual strategy meetings, and additional meetings as needed can be held virtually.

Question 39: Can meetings be performed using voice conference and/or web meeting services?

Answer: Yes, MCPS foresees that most, if not all, meetings can be held virtually.

Question 40: Under what conditions will MCPS make downward adjustments on prices without request from the successful vendor?

Answer: This is only considered on a case by case basis.

Question 41: Has the current provider submitted written request for price relief during their contract? If so, can you provide additional information on how "the best interest of MCPS" in accepting or rejecting these requests has been evaluated?

Answer: No.

Question 42: Item 9.6 indicates "three or more references," but item 8.0 only lists three and then says references should be for "two (2) current customers." Is there a third type of reference that isn't a current customer that is requested? If more than three references are provided, should the same format as item 8.0 be followed?

Answer: There is no third type of customer requested, but at least two must be current. If more than three references are provided, please follow the same format as item 8.0.

Question 43: If available, please provide a project timeline from a recent valuation year including dates when census and financial information is available and deadlines for draft and final valuations results. If such timeline is not available, please provide general timing information about these items.

Answer: MCPS will provide the timeline. See separate attachment.

Question 44: In Item 15.0 (Cost Proposal), should we provide the cost for the "prepare projections of future employee pension contributions for the next six years" for just one year or should this represent the cost for both years of the initial period?

Answer: The costs for each year should be separated, but this step should include both years.

Question 45: Item 15.0 indicates that these fees should include items 3.1–3.8, however items 3.5, 3.6, and 3.8 do not provide specific project information sufficient to anticipate their complexity and time requirements. Will a proposal based on hourly rates for these items be considered? If not, please provide additional information of the expected scope of these items and/or information about the extent of these items in each of the last five years.

Answer: For items 3.5, 3.6 and 3.8, hourly rates will be considered.

Question 46: Section 15.0 also indicates that we should "see attached" for the projections of future employee pension contributions. Please provide this attachment.

Answer: This is a typo. It should say employer pension contributions. The report is attached separately.

Question 47: Has MCPS had an actuarial audit completed? If so, please provide a copy of the report and/or presentation related to this audit.

Answer: No.

Question 48: How many board meetings a year do the actuaries typically attend?

Answer: Typically, the actuaries will attend just one meeting a year.

Question 49: Please provide the current actuarial consultant fees for the past five years, and if available, please provide a breakdown in these fees based on the items in 3.1–3.8 or divided between retainer and hourly fees.

Answer: See response to # 5.

Question 50: Please provide copies or links to the most recent reports related to GASB Nos. 67/68 and 74/75.

Answer: See response to # 27.

Question 51: In Item 15.0, the rate is requested for “projection of future employee contributions;” confirming this to be a typo and that it should be “employer contributions” based on item 3.3.

Answer: See response to # 46.

Question 52: The experience study from 2019 is marked DRAFT. Is there a final version available?

Answer: This was not available at the time of release of the Q&A and will be provided at a later date.

Question 53: What has been the historical frequency of experience studies, and do they anticipate another one during or soon after the contract period?

Answer: See response to # 13.

Question 54: Can you please provide us with the fees that have been paid for the various reports for each of the last 3 years?

Answer: See response to # 5.

Question 55: Have there been any changes to the Retirement or OPEB programs since the last actuarial valuation was conducted?

Answer: No, there have been no material changes since the last valuations.

Question 56: Do you have any concerns with the firm(s) that conducted the last actuarial valuations?

Answer: No

Question 57: How many meetings are expected annually for this project, and will these meetings be in-person or conducted virtually?

Answer: See response to # 38.

Question 58: Can you provide copies of the most recent GASB 67 & 68 and GASB 74 & 75 reports?

Answer: See response to # 27.

Question 59: Does item 3.1 under the Scope of Services request a full Experience Study, comparably to the July 1, 2018 Experience Study attached, or just a review of the current valuation reports for reasonableness?

Answer: Item 3.1 is in reference to a review of the current valuation reports for reasonableness. As previously mentioned, MCPS will likely request an Experience Study over the course of the contract and you should add a quote for that in your bid.

Question 60: Can you describe the timing and frequency of labor negotiations described under item3.5?

Answer: This would be infrequent, but MCPS will need to be prepared in case a request comes in.

Angela McIntosh Davis, CPPB
Director, Division of Procurement

AMD

Please indicate your receipt of this notice by signing below and returning with your proposal or under a separate cover.

Accepted By: _____
(Name & Title)

Name of Company: _____