

STATE OF ALASKA REQUEST FOR PROPOSALS



ARMB ACTUARIAL REVIEW SERVICES RFP 2022-0400-0015

ISSUED FEBRUARY 23, 2022

THE ALASKA RETIREMENT MANAGEMENT BOARD (ARMB) IS SOLICITING PROPOSALS FOR ACTUARIAL REVIEW SERVICES THAT INCLUDE: REVIEW OF PROCESS AND PROCEDURES USED BY THE PRIMARY ACTUARY IN THE DEVELOPMENT OF ANNUAL ACTUARIAL VALUATIONS AND THE ACTUARIAL EXPERIENCE STUDY FOR THE ALASKA RETIREMENT SYSTEMS.

ISSUED BY:

DEPARTMENT OF REVENUE
TREASURY DIVISION

PRIMARY CONTACT:

ALYSIA JONES
PROJECT DIRECTOR
ALYSIA.JONES@ALASKA.GOV
(907) 465-3749

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

IMPORTANT NOTICE: IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROJECT DIRECTOR LISTED IN THIS DOCUMENT TO RECEIVE NOTIFICATION OF SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROJECT DIRECTOR MAY RESULT IN THE REJECTION OF YOUR OFFER.

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SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

The Alaska Retirement Management Board (ARMB), housed within the Department of Revenue, Treasury Division, is soliciting proposals for actuarial review services that include review of process and procedures used by the primary actuary in the development of annual actuarial valuations and the actuarial experience study for the Alaska retirement systems; a more detailed description including scope of work is provided in Section 3.

SEC. 1.02 BUDGET

The ARMB estimates an annual budget of \$130,000 - \$170,000 for each year of the contract, including any optional renewals.

Approval or continuation of a contract resulting from this RFP is contingent upon legislative appropriation.

SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **4:00 PM** prevailing Alaska Time on **APRIL 20, 2022**. Oral proposals are not acceptable.

Failure to meet the deadline will result in disqualification of the proposal without review. Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

SEC. 1.04 PRIOR EXPERIENCE

In order for offers to be considered responsive offerors must have experience acting as actuary or review actuary for at least three (3) pensions of similar size.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and rejected.

SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and questionable or objectionable material should be made in writing and received by the project director at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective proposal and exposure of offeror's proposals upon which award could not be made.

SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the project director. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The project director will make that decision.

PROJECT DIRECTOR: ALYSIA JONES – PHONE 907-465-3749 – EMAIL: alysia.jones@alaska.gov

SEC. 1.07 RETURN INSTRUCTIONS

Offerors are encouraged to submit proposals electronically through email or Alaska ZendTo.

If submitting a proposal via email, the technical proposal and cost proposal must be saved as separate PDF documents and emailed to alysia.jones@alaska.gov as separate, clearly labeled attachments, such as “Vendor A – Technical Proposal.pdf” and “Vendor A – Cost Proposal.pdf” (Vendor A is the name of the offeror). You must not email (including CC and BCC) the proposal to any State employee other than instructed above. The email must contain the RFP number in the subject line.

The **maximum** size of a single email (including all text and attachments) that can be received by the state is **20mb (megabytes)**.

If submitting a proposal via Alaska ZendTo, the technical proposal and cost proposal must be submitted as separate, clearly labeled PDF documents to alysia.jones@alaska.gov through <https://drop.state.ak.us>. You must not include any State employee in the ZendTo form other than instructed above. Offerors must include the RFP number and title in the ZendTo note.

Please note that email transmission is not instantaneous, the state recommends sending it enough ahead of time to ensure the email is delivered by the deadline for receipt of proposals

Hard copy proposals are acceptable. If submitting a hard copy proposal, the offeror must submit three hard copies, in writing, to the ARMB in a sealed package.

The cost proposal included with the package must be sealed separately from the rest of the proposal and must be clearly identified. The sealed proposal package(s) must be addressed as follows:

ALASKA RETIREMENT MANAGEMENT BOARD
Department of Revenue, Treasury Division
Attention: ALYSIA JONES
Request for Proposal (RFP) Number: 2022-0400-0015
RFP Title: ARMB ACTUARIAL REVIEW SERVICES

If using U.S. mail, please use the following address:

P.O. BOX 110405
JUNEAU, AK, 99811-0405

If using a delivery service, please use the following address:

333 WILLOUGHBY AVE., 11TH FLOOR
JUNEAU, AK, 99801

Please note that Juneau does not have overnight delivery, the state recommends sending your proposal enough ahead of time to ensure it is delivered by the deadline for receipt of proposals.

It is the offeror’s responsibility to contact the issuing agency at 907-465-3749 or alysia.jones@alaska.gov to confirm that the proposal has been received. The state is not responsible for unreadable, corrupt, or missing attachments.

SEC. 1.08 PROPOSAL CONTENTS

The following information must be included in all proposals.

(a) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

(b) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this RFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- G. that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

(c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

(d) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The ARMB reserves the right to consider a proposal non-responsive and reject it or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the contract to be performed by the offeror. The ARMB's determination regarding any questions of conflict of interest shall be final.

(e) FEDERAL REQUIREMENTS

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the project director no later than ten days prior to the deadline for receipt of proposals.

SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

SEC. 1.11 AMENDMENTS TO THE RFP

If an amendment is issued, it will be provided to all who were notified of the RFP and to those who have registered with the project director after receiving the RFP from the State of Alaska Online Public Notice website.

SEC. 1.12 RFP SCHEDULE

The RFP schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted accordingly. All times are Alaska Time.

- Issue RFP - **FEBRUARY 23, 2022**
- Deadline for Receipt of Proposals - **APRIL 20, 2022,**
- Proposal Evaluation Committee Complete Evaluation - **APRIL 29, 2022,**
- Committee Evaluation Results Proposed to ARMB - **APRIL 29, 2022,**
- State of Alaska issues Notice of Intent to Award Contract - **MAY 2, 2022,**
- Contract start date - **JULY 1, 2022.**

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Chair of the ARMB and the Commissioner of the Department of Revenue, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

SEC. 1.13 PRE-PROPOSAL CONFERENCE

No pre-proposal conference will be held.

SEC. 1.14 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

SEC. 1.15 NEWS RELEASES

News releases related to this RFP will not be made without prior approval of the ARMB.

SECTION 2. BACKGROUND INFORMATION

SEC. 2.01 BACKGROUND INFORMATION

ALASKA RETIREMENT MANAGEMENT BOARD (ARMB)

Pursuant to Alaska Statute, the Alaska Retirement Management Board (ARMB) is established in the Department of Revenue. The Department of Revenue, Treasury Division, provides staff to the ARMB. The Board's primary mission is to serve as the trustee of the assets of the state's retirement systems, health care trusts, supplemental annuity plan, and the deferred compensation program for state employees. Consistent with standards of prudence, the board has the fiduciary obligation to manage and invest these assets in a manner that is sufficient to meet the liabilities and pension obligations of the systems, plan, and program. ARMB consists of nine trustees, appointed by the Governor. The Board also coordinates with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared and sets an appropriate contribution rate for employers in the system. Alaska Statute requires that all actuarial assumptions prepared by the state actuary [Primary Actuary] be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the Board, and further requires that the Board contract for an independent audit of the Primary Actuary not less than once every four years. AS 37.10.210-390.

PLAN ADMINISTRATOR

The Commissioner of the Alaska Department of Administration (or designee) is the Plan Administrator for the state's retirement systems. The Division of Retirement & Benefits (DRB) staff provides support and assistance to the Plan Administrator and the members of the retirement plans. The Plan Administrator and ARMB coordinate preparation of the actuarial valuation reports with the Primary Actuary on an annual or biennial schedule as required by statute.

PLANS

The Plans that are the subject of this RFP include:

Public Employees' Retirement System (PERS) Defined Benefit (closed June 30, 2006)

This three-tiered defined benefit system has approximately 63,172 active, deferred vested, and retired members. Permanent full-time and part-time employees of the State and participating political subdivisions are required to participate in the PERS. Special provisions exist in PERS for peace officers and fire fighters. There are approximately 151 employers in the system. PERS is a cost-sharing, multiple-employer system. The cost of health benefits is pre-funded in this system. Information is maintained in electronic format. AS 39.35

Public Employees' Retirement System Defined Contribution (PERS DCR) (as of July 1, 2006)

This plan covers approximately 24,040 PERS members hired on or after July 1, 2006, and includes a medical plan, occupational disability and death benefits, and a Health Reimbursement Arrangement Plan (HRAP). The cost of health benefits is pre-funded for this system. Information is maintained in electronic format. AS 39.35

Teachers' Retirement System (TRS) (closed June 30, 2006)

This two-tiered defined benefit system has approximately 18,095 active, deferred vested, and retired members. Permanent full-time and part-time teachers and eligible administrators are required to participate in TRS. There

are currently 57 employers in the system. TRS is a cost-sharing, multiple-employer system. The cost of health benefits is pre-funded in this system. Information is maintained in an electronic format. AS 14.25

Teachers' Retirement System Defined Contribution (TRS DCR) (as of July 1, 2006)

This plan covers approximately 5,546 TRS members hired on or after July 1, 2006 that includes a medical plan, occupational disability and death benefits, and a Health Reimbursement Arrangement Plan (HRAP). The cost of health benefits is pre-funded for this system. Information is maintained in electronic format. AS 14.25

Judicial Retirement System (JRS) Defined Benefit – Contributory and Noncontributory

There are approximately 216 active, deferred vested, and retired JRS members. JRS is a single-employer system (State of Alaska). The cost of health benefits is pre-funded in this system. Information is maintained in electronic format. AS 22.25

National Guard/Naval Militia Retirement System (NGNMRS)

There are approximately 5,291 active, retirees and vested NGNMRS members. NGNMRS is a single employer system (State of Alaska). NGNMRS data is maintained manually. Health benefits are not provided by this system. AS 26.05

PRIMARY ACTUARY

Buck is the current Primary Actuary. The Primary Actuary annually prepares an actuarial valuation for the PERS, PERS DCR, TRS and TRS DCR, and every other year provides an actuarial valuation for JRS and NGNMRS. An experience study is prepared every four years; the most recent analysis covers July 1, 2017 - June 30, 2021 and will be presented to the Board at the Juneau 2022 meeting.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 GENERAL SCOPE OF WORK

The ARMB seeks a qualified actuarial firm (ACTUARY) to provide actuarial review services to the ARMB. Alaska Statute (AS) 37.10.220(a)(9) states that the ARMB shall review actuarial assumptions prepared and certified by a member of the American Academy of Actuaries and conduct experience analyses of the retirement systems not less than once every four years, except for health cost assumptions, which shall be reviewed annually; and that the results of all actuarial assumptions prepared shall be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the board. The ACTUARY shall review the process and procedures used by the Primary Actuary (currently Buck) in the development of the annual actuarial valuations for PERS, PERS DCR, TRS and TRS DCR, the bi-annual valuations for JRS and NGNMRS, and the actuarial experience study conducted every four years for the retirement systems. The actuarial valuation reports prepared by the Primary Actuary are used to set individual employer contribution rates and affects other budgetary considerations and investment policies. The experience study is used to validate the assumptions used in the valuation. The results of these studies are used to validate the assumptions used in the valuations. The results of these studies directly affect the cost to employers of over 110,000 active and inactive members. The subject studies must have recognized credibility.

The actuarial review conducted by the ACTUARY is not a replication of the valuations, but rather a review of methods, factors, and assumptions used in the actuarial valuations. The ACTUARY is expected to express an opinion regard reasonableness, consistency, and accuracy of the valuation process, the annual review of healthcare assumptions, and the experience study. Further the ACTUARY is expected to assess and evaluate in writing the data, methods, conclusions, and format of reports made by the Primary Actuary.

The ACTUARY shall discuss and coordinate information with other consultants employed by the ARMB (and/or the State of Alaska) when requested.

The ACTUARY shall maintain the confidentiality of the State's records and data, which may not be sold, shared, or otherwise disclosed to other companies or individuals without written permission from appropriate ARMB/State of Alaska officials.

The majority of data will be provided in MS Excel, or another agreed upon reporting format.

SEC. 3.02 CONTRACT TERM AND WORK SCHEDULE

The total period of performance will be from **JULY 1, 2022** to **June 30, 2025**, with two optional two-year extensions.

The attached timeline [ATTACHMENT 8.04] is an example of the interactive review process with the ACTUARY, Primary Actuary, ARMB, and DRB staff. Draft valuation reports from the Primary Actuary and ACTUARY are generally scheduled to be reviewed by the ARMB at its spring meeting, held the third week of March. Final reports are presented at the June meeting.

Unless otherwise provided in this RFP, the State and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

SEC. 3.03 DETAILED SCOPE OF SERVICES

A. VALUATION REVIEW. The ACTUARY will perform a review of actuarial assumptions, procedures and methods used by the Primary Actuary. It is expected that the verification will consist of examining sample calculations, not recreating the entire valuation.

1. Data Validity: The ACTUARY will assess the validity, completeness and appropriateness of the demographic and financial data used by the Primary Actuary in the valuation.
2. Valuation Methods and Procedures: The ACTUARY will assess the valuation methods and procedures to ensure the methods and procedures:
 - 1) are reasonable and consistent with generally accepted actuarial standards and practices;
 - 2) are appropriate for applicable plan structure and funding objectives; and
 - 3) are applied as stated by the Primary Actuary. The ARMB is particularly interested in comments on method(s) currently being used and the ACTUARY's opinion of alternative methods.
3. Conclusions: the ACTUARY will assess the conclusions of the valuation report for completeness and accuracy. The ACTUARY will offer an opinion whether or not the valuation conclusions accurately portray the actuarial status of the system and are reflected in the required contribution rates.
4. Format: the ACTUARY will review the format of the valuation report and offer recommendations for improvement of the report.

B. EXPERIENCE STUDY REVIEW. The ACTUARY will perform a review of procedures and methods used by the Primary Actuary in producing an experience study every four years and evaluate any recommended changes in actuarial assumptions for valuations of the systems. The ACTUARY will assess whether the actuarial valuation assumptions are reasonable and consistent with generally acceptable actuarial standards and practices. It is expected that the verification will consist of examining the study for reasonableness, not by recreating the experience study.

1. Data Validity: the ACTUARY will assess the validity, completeness and appropriateness of the demographic and financial data used by the Primary Actuary in the experience study.
2. Experience Study Methods and Procedures: the ACTUARY will assess if the study methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices; are appropriate for the particular retirement system's structure and funding objectives; and are applied as stated by the Primary Actuary.
3. Conclusions: the ACTUARY will assess the proposed assumptions from the experience study for consistency and accuracy, in addition to reasonableness when compared to system data and when compared to similar states. This will also include review of the gain and loss experience on each assumption and for all assumptions. The ACTUARY will also express an opinion whether or not the projections made in the study by the actuary will achieve the goals of the system.
4. Format: the ACTUARY will review the format of the study and offer recommendations for improvement.

C. HEALTH COST ASSUMPTIONS REVIEW. The ACTUARY will perform an annual review of health cost assumptions and conclusions reported by the Primary Actuary. The ACTUARY will assess the validity, completeness, and appropriateness of the demographic, financial and claims data used by the Primary Actuary, and will assess whether the assumptions and conclusions are reasonable and consistent with generally accepted actuarial standards and are appropriate for the Alaska retirement system's structure and objectives.

D. ARMB ACTUARIAL COMMITTEE AND BOARD MEETING ATTENDANCE. The ACTUARY shall provide reports to the Actuarial Committee and full BOARD on the status of the review and findings approximately four times each year. Regularly scheduled meetings are held mid-March, mid-June, mid-September, and early December.

D. ADDITIONAL SERVICES. The ACTUARY may be requested to provide additional review services outside the scheduled valuations outlined above and may be requested to offer professional opinions and services with respect to information the ARMB trustees seek on current topics and issues that come to their attention.

E. GASB COMPLIANCE. ACTUARY will assess whether the actuarial assumptions, procedures and methods are consistent with the actuarial parameters of the Government Accounting Standards Board (GASB) and any applicable professional pronouncements that the systems are required to comply with.

SEC. 3.04 DELIVERABLES

The contractor will be required to provide the following deliverables for FY2023 – FY2029*:

- A. FY2022 Actuarial assumptions review for ARMB pension and health plans
- B. FY2023 Actuarial assumptions review for ARMB pension and health plans
- C. FY2024 Actuarial assumptions review for ARMB pension and health plans
- D. FY2025 Actuarial assumptions review for ARMB pension and health plans
- E. FY2025 Actuarial assumptions review of experience study
- F. FY2026 Actuarial assumptions review for ARMB pension and health plans
- G. FY2027 Actuarial assumptions review for ARMB pension and health plans
- H. FY2028 Actuarial assumptions review for ARMB pension and health plans

*Reports listed under D. - H. required only if optional extensions are exercised by the ARMB.

SEC. 3.05 CONTRACT TYPE

This contract is a firm, fixed price contract. Invoices from the contractor will be based on rate schedules for the various services contemplated by this RFP in Section 4.09.

SEC. 3.06 PROPOSED PAYMENT PROCEDURES

The ARMB will make payments based on a negotiated payment schedule. Each billing must consist of an invoice detailing services provided. No payment will be made until the progress report and invoice has been approved by the project director.

SEC. 3.07 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Chair of the ARMB and the Commissioner of the Department of Revenue or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract.

The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

SEC. 3.08 LOCATION OF WORK

There is no specific location for this work. The state will not provide workspace for the contractor. The contractor must provide its own workspace.

The contractor may be required to travel to Juneau, Alaska to confer with State of Alaska staff, and is required to attend quarterly ARMB meetings to provide results of the reviews. The contractor should include in their price proposal: transportation, lodging, and per diem costs sufficient to pay for 1-2 person(s) to make at least 4 trips to Alaska per year. The March meeting is typically held in Juneau and the June, September, and December meetings are usually held in Anchorage. Currently, all meetings are hybrid allowing for in-person and virtual attendance.

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the project director in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the state to reject the proposal as non-responsive or cancel the contract.

SEC. 3.09 THIRD-PARTY SERVICE PROVIDERS

The contractor must provide, on an annual basis, a Type 2 Statement on Standards for Attestation Engagements (SSAE) SOC 2 report. Failure to provide these reports may be treated as a material breach and may be a basis for a finding of default.

SEC. 3.10 SUBCONTRACTORS

Subcontractors will not be allowed.

SEC. 3.11 JOINT VENTURES

Joint ventures will not be allowed.

SEC. 3.12 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

SEC. 3.13 CONTRACT PERSONNEL

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director. Changes that are not approved by the ARMB may be grounds for the state to terminate the contract.

SEC. 3.14 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director

may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

SEC. 3.15 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Chair of the ARMB and the Commissioner of the Department of Revenue or the Commissioner's designee.

SEC. 3.16 NONDISCLOSURE AND CONFIDENTIALITY

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure (to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the state, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

SEC. 3.17 INDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

SEC. 3.18 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the project director prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement with minimum coverage limits of \$300,000 per claim /annual aggregate.

SEC. 3.19 TERMINATION FOR DEFAULT

If the project director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's-termination rights under the contract provisions of Appendix A, attached as ATTACHMENT 8.03.

SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 INTRODUCTION

Proposals must include the complete name and address of the offeror's firm, the name, mailing address, and telephone number of the person the state should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP, and, if applicable, provide notice that the firm qualifies as an Alaska bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposal may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

SEC. 4.02 PROPOSAL FORMAT AND CONTENT

The ARMB discourages overly lengthy and costly proposals, however, in order for the ARMB to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

All Offerors are required to format their proposals in a consistent manner as follows:

- A. Each item must be addressed in the offeror's proposal, or the proposal may be rejected.
- B. The proposal cover letter should be in the form of a letter, as described in Section 4.03.
- C. The proposal must be organized under the specific section titles as listed in Sections 4.04 – 4.07.
- D. ARMB may, at its discretion, allow all offerors five (5) business days, from date of submission, to correct errors or omissions to their proposals. Should this necessity arise, ARMB will contact each offeror affected. Each offeror must submit written corrections to the proposal within five (5) business days of such notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by ARMB and will result in disqualification of the proposal from further evaluation.
- E. **A complete proposal will include the following.**
 1. Submission of a proposal cover letter (with the information described in Section 4.03)
 2. Submission of a proposal (with the information described in Sections 4.04 – 4.07), including the following Exhibits:
 - Exhibit A – A Recent Actuarial Review or Audit Report
 - Exhibit B – A Recent Experience Study Review or Audit Report
 - Exhibit C – Organization Chart Depicting Firm Organization
 - Exhibit D – Organization Chart Depicting Structure of Actuarial Group
 - Exhibit E – Chart Depicting Key Executives and Professionals in Actuarial Group
 - Exhibit F – Biographies of Primary and Secondary Actuaries Providing Services to ARMB
 3. Cost Proposal
 4. Three (3) copies, if submitting a hard copy proposal.

SEC. 4.03 PROPOSAL COVER LETTER

The Proposal Cover Letter must address the following topics:

- A. Identification of the RFP

- B. Complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the state should contact regarding the proposal.
- C. Offeror's ability to supply the requested services
- D. Offeror's willingness to provide the requested services subject to the terms and conditions set forth in the RFP.
- E. A statement to the effect that proposer is an offeror, and that the proposal is an irrevocable offer good for ninety (90) days from submission deadline date
- F. Confirmation that the offeror will comply with all provisions in this RFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder (15 AAC 112.115).
- G. A statement that all staff and other resources which are required to perform the services described in this RFP will be made available by your organization over the life of the anticipated contract
- H. Objections, if any, to the proposed contract format in ATTACHMENT 8.03 Standard Agreement Form - Appendices A, B2, and C
- I. Signed by a company officer empowered to bind the company.

An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

Any other information the offeror may wish to briefly summarize will be accepted.

SEC. 4.04 UNDERSTANDING OF THE PROJECT

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project and the project schedule.

- A. Describe in detail your understanding of the work that is to be performed as described in Section 3 of this RFP.
- B. Provide as *Exhibit A*, one recent actuarial review report, and as *Exhibit B*, one recent experience study review report as provided to an existing client.

SEC. 4.05 METHODOLOGY USED FOR THE PROJECT

Offerors must provide comprehensive narrative statements that set out the methodology they intend to employ and illustrate how the methodology will serve to accomplish the work and meet the state's project schedule.

- A. Describe the specific methodology to be used for the required scope of services identified in Section 3 of this RFP.
- B. Describe your understanding of the timeline included as ATTACHMENT 8.04. Include a description of the approach your firm will take in working within the parameters of that timeline and with other consultants and staff in preparing for the presentation of reports to the ARMB.
- C. Describe the capabilities of your valuation system(s) and your computer system support.
- D. Describe the extent of involvement required of State of Alaska staff, outlining the amount of time, skills and knowledge needed in order for the Offeror to meet the deliverables.

SEC. 4.06 ORGANIZATION AND EXPERIENCE

- A. Offerors must provide comprehensive narrative statements that describe the background and ownership of the firm, including any material changes in organization structure or ownership that have occurred in the past five years.
 1. Year firm was formed and began providing actuarial consulting services to institutional clients.

2. The ownership structure. Indicate all entities that have an ownership stake in the firm (name and percentage).
 3. Affiliated companies or joint ventures.
 4. Recent or planned changes to the ownership or organization structure.
 5. Transition plans for retirement of key executives.
 6. Importance of actuarial consulting services to your parent company's (if applicable) or your firm's overall business strategy.
 7. Percentage of parent company's (if applicable) or your firm's revenues from actuarial consulting services.
- B. Provide as *Exhibit C* one organization chart that diagrams the ownership of your firm and any interrelationships between the parent-subsidary, affiliate, and joint venture entities.
 - C. Provide as *Exhibit D* another organization chart that depicts the structure of the actuarial consulting group and that identifies this group's key people and the people that will be involved in providing direct services to ARMB.
 - D. List the locations of each of the firm's offices from which actuarial consulting services are provided. Indicate which office would be primarily responsible for servicing the ARMB account.
 - E. Discuss in general the firm's competitive advantage over other firms in the actuarial consulting industry and in the actuarial audit service area. Why should ARMB hire your firm?
 - F. Over the past five years, has your organization or any officer or principal been involved in any business litigation or other legal proceedings related to any actuarial consulting activities or actuarial auditing services? If so, provide a brief explanation and indicate the current status.
 - G. Has your firm, within the last ten years, been censured or fined by any regulatory body? If so, please indicate the dates and describe the situation.
 - H. Is the firm affiliated with any other firm(s) offering non-actuarial services that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
 - I. Do you, your parent company, or any affiliated company have any business relationships with Buck, the Primary Actuary? If so, describe that relationship.
 - J. List and describe any professional relationship your firm or any of your actuarial consulting group staff have with any member of the Alaska Retirement Management Board, ARMB staff, or the State of Alaska.
 - K. Has anyone in your firm provided any gifts, travel expenses, entertainment, or meals to any member of the ARMB or ARMB staff in the last twelve months? If yes, describe the expense and the purpose.
 - L. For all current public pension plan clients, state the client's name, the first year of your initial Contract with the plan, and their asset and membership size as of June 30, 2021. Designate by asterisk which of these clients are multi-employer plans.
 - M. Provide the name, title, address, and telephone number for the following THREE (3) client references for whom your firm has provided either full service actuarial consulting or actuarial audit services similar to this mandate, as specified in each question:
 1. The client for whom your firm most recently completed an actuarial review.
 2. The client that most recently terminated your firm's full service actuarial consulting contract.
 3. The client with the longest full-service actuarial consulting relationship with your firm.
 4. A multi-employer public pension plan client for whom your firm has provided full-service actuarial consulting for at least three years.
 5. A full-service actuarial consulting client that has been assigned for at least two years to the principal actuary proposed for the ARMB account.

6. The client for whom the principal actuary most recently completed an actuarial audit.

SEC. 4.07 EXPERIENCE AND QUALIFICATIONS

Offerors must provide response to the following questions:

- A. How many actuaries does your firm employ?
- B. Describe in general the background of the professionals in the firm's actuarial consulting services group:
 1. Are they brought in from outside of the firm or promoted to their positions from within the organization?
 2. For those recruited from the outside, what prior experience and educational credentials are generally sought?
 3. What percentage are currently Fellows of the Society of Actuaries? Enrolled actuaries?
- C. For the key executives and professionals in the actuarial consulting group, including the Principal Actuary and all Secondary Actuaries that would be assigned to ARMB, provide as *Exhibit E* the following information for each staff member:
 1. Name
 2. Title
 3. Responsibilities within the firm. If a person has multiple responsibilities, indicate the percentage of time spent on each function in a footnote to the table
 4. Years of relevant experience
 5. Years with the firm
 6. Degrees and professional designations
- D. For the Principal Actuary and all Secondary Actuaries that will directly provide services to ARMB, provide biographies and label these as Exhibit F.
- E. How long has the current group of key executives and professionals in your actuarial consulting group been together?
- F. For the Principal Actuary and all Secondary Actuaries that will directly provide services to ARMB, state the role each would play in providing the required ARMB services.
- G. For the Principal Actuary and all Secondary Actuaries, state whether any of these individuals are affiliated with any other business entity or activity that could pose a potential conflict of interest with their ARMB assignments. If so, provide details on the entity or activity.

SEC. 4.08 QUALITY ASSURANCE

Identify and discuss how your firm controls cost, quality, timeliness, and confidentiality of its services. Describe your quality control processes for actuarial review reports and recommendations. How are these services monitored and reviewed?

SEC. 4.09 COST PROPOSAL

Describe how fees are determined for your firm's actuarial services. How are fees billed (billing periods and whether fees are billed prospectively versus work completion)?

The cost proposal should provide a breakdown of total time and expenses to conduct the work indicated under this RFP as outlined in the ATTACHMENT 8.02 Cost Proposal Form. Additionally, the offeror should anticipate four trips to Alaska each year for presentation of review results to the Board. If necessary, ARMB staff may visit the offeror's work site to provide further back information, discuss issues, and review data.

SEC. 4.10 EVALUATION CRITERIA

All proposals will be reviewed to determine if they are responsive. Proposals determined to be responsive will be evaluated based on the criterion set out in SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION. Evaluation factors not specified may not be considered (15 AAC 112.140).

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

SEC. 4.11 SUBMISSION MATERIALS

All proposals and other material submitted become the property of the ARMB and may be returned only at the ARMB's option.

All proposal information will be held in confidence until the issuance of the Notice of Intent to Award. Thereafter, proposals will become public information.

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

SEC. 5.01 EVALUATION FACTORS

The weighted factors listed below will be considered by the Evaluation Committee when evaluating submitted proposals:

Understanding of Scope of Services and Methodology	10	Points
Overall Organization, Experience and Qualifications	10	Points
Professional Qualifications and Personnel Experience	30	Points
Cost Proposal	40	Points
Alaska Offeror's Preference	10	Points

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100.

SEC. 5.02 UNDERSTANDING OF SCOPE OF SERVICES & METHODOLOGY (10%)

Proposals will be evaluated against the questions set out below:

- 1) How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project?
- 2) How well has the offeror described the methodology to be used to provide the required services and other requests set forth in this RFP.
- 3) How well has the offeror identified pertinent issues and potential problems related to the project?
- 4) To what degree has the offeror demonstrated an understanding of the deliverables the ARMB expects it to provide?
- 5) Has the offeror demonstrated understanding of the ARMB's time schedule and can meet it?

SEC. 5.03 OVERALL ORGANIZATION, EXPERIENCE & QUALIFICATIONS (10%)

Proposals will be evaluated against the questions set out below:

- 1) How well has the firm demonstrated that it has the appropriate organizational structure, professional experience, and qualifications?
- 2) How extensive is the firm's experience with work related to similar types of retirement plans and institutional investors?
- 3) How well has the firm demonstrated their expertise, experience, qualifications, and resources available to review existing actuarial valuations and experience studies?

- 4) How well has the firm demonstrated their availability of research facilities, special expertise, and availability to address the consulting evaluation and review services listed in this RFP?
- 5) How well has the firm described their organization's unique strengths that are relevant to requirements presented in this RFP?

SEC. 5.04 PROFESSIONAL EXPERIENCE AND QUALIFICATIONS OF PERSONNEL (30%)

Proposals will be evaluated against the questions set out below:

- 1) How much experience do the individuals assigned to the project have on similar projects?
- 2) Are biographies complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?
- 3) How extensive is the applicable education and experience of the personnel designated as primary and secondary actuaries to work on the project?
- 4) How well has the firm described the professional qualifications and experience of the firm managers, consultants, analysts, and professional staff or other staff not directly connected with day-to-day activities that could be assigned to perform specialized work because of their experience related to consulting, evaluation and review activities described in this RFP?

SEC. 5.05 COST PROPOSAL (40%)

Overall, a minimum of 40% of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under SECTION 6.10.

Converting Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in SECTION 6.14.

SEC. 5.06 ALASKA OFFEROR PREFERENCE (10%)

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10% of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

SECTION 6. GENERAL PROCESS INFORMATION

SEC. 6.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran Preference and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 6.02 SITE INSPECTION

The ARMB may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable access to relevant portions of its work sites.

SEC. 6.03 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the project director and/or on behalf of the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a

material or substantive change to the proposal. The evaluation by the project director or the PEC may be adjusted as a result of a clarification under this section.

SEC. 6.04 DISCUSSIONS WITH OFFERORS

As provided in 15 AAC 112.140 and as determined by the evaluation process, offerors reasonably expecting award may be offered the opportunity to discuss their proposal with the project director or PEC and the proposal may be adjusted as a result.

Offerors with a disability needing accommodation should contact the project director prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

SEC. 6.05 EVALUATION OF PROPOSALS

The Chair of the ARMB will appoint a proposal evaluation committee of at least three members. Proposals will be evaluated by the PEC which will make a recommendation to the Board.

The evaluation will be based solely on the evaluation factors set out in SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

The ARMB reserves the right to reject offerors due to their non-compliance with the requirements of this RFP.

SEC. 6.06 CONTRACT NEGOTIATION

After final evaluation, the ARMB may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the state may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held in the Commissioner's conference room on the 11TH floor of the State Office Building in JUNEAU, Alaska.

If the contract negotiations take place in JUNEAU, Alaska, the offeror will be responsible for their travel and per diem expenses.

SEC. 6.07 FAILURE TO NEGOTIATE

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the offeror and the ARMB after a good faith effort, simply cannot come to terms,

the ARMB may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

SEC. 6.08 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the ARMB will issue a written Notice of Intent to Award and send copies of that notice to all offerors who submitted proposals. The notice will set out the names of all offerors and identify the offeror selected for award.

SEC. 6.09 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the project director at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the project director within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Emailed copies containing a signature are acceptable.

The project director will issue a written response to the protest. The response will set out the ARMB's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the ARMB, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SEC. 6.10 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the **Department of Administration, Division of Shared Service's** web site:

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause the state to disallow the preference.**

Sec. 6.11 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under former AS 32.05, AS 32.06 or AS 32.11 and all partners are residents of the state; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

Alaska Bidder Preference Certification Form

In order to receive the Alaska Bidder Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror does not need to complete the Alaska Veteran Preference questions on the form if not claiming the Alaska Veteran Preference. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

SEC. 6.12 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

In accordance with AS 36.30.321(i), the bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other state agencies, other government, or the general public.

Alaska Veteran Preference Certification

In order to receive the Alaska Veteran Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

SEC. 6.13 ALASKA OFFEROR PREFERENCE

2 AAC 12.260(e) provides Alaska offerors a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

SEC. 6.14 FORMULA USED TO CONVERT COST TO POINTS

The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

SEC. 6.15 EXAMPLES: CONVERTING COST TO POINTS & APPLYING PREFERENCES

(a) FORMULA USED TO CONVERT COST TO POINTS

STEP 1

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

STEP 2

In this example, the RFP allotted 40% of the available 100 points to cost. This means that the lowest cost will receive the maximum number of points.

Offeror #1 receives 40 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

Offeror #2 receives 37.4 points.

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$42,750 \text{ cost of Offeror \#2's proposal} = 37.4$

Offeror #3 receives 33.7 points.

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$47,500 \text{ cost of Offeror \#3's proposal} = 33.7$

(b) ALASKA OFFEROR PREFERENCE

STEP 1

Determine the number of points available to qualifying offerors under this preference.

$100 \text{ Total Points Available in RFP} \times 10\% \text{ Alaska Offeror preference} = 10 \text{ Points for the preference}$

STEP 2

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska Offeror preference. For the purpose of this example, presume that all of the proposals have been completely evaluated based on the evaluation criteria in the RFP. The scores at this point are:

Offeror #1	83 points	No Preference	0 points
Offeror #2	74 points	Alaska Offeror Preference	10 points
Offeror #3	80 points	Alaska Offeror Preference	10 points

STEP 3

Add the applicable Alaska Offeror preference amounts to the offerors' scores:

Offeror #1	83 points	
Offeror #2	84 points	(74 points + 10 points)
Offeror #3	90 points	(80 points + 10 points)

STEP 4

Offeror #3 is the highest scoring offeror and would get the award, provided their proposal is responsive and responsible.

SECTION 7. GENERAL LEGAL INFORMATION

SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the State's Standard Agreement Form for Professional Services Contracts (form SAF.DOC/Appendix A). This form is attached in **SECTION 8. ATTACHMENTS** for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. ATTACHMENT 8.03 Standard Agreement Form - Appendices A, B2 and C is provided as the template for the proposed contract. Objections to any of the provisions in Appendix A, B2 or C must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

1. Identify the provision the offeror takes exception with.
2. Identify why the provision is unjust, unreasonable, etc.
3. Identify exactly what suggested changes should be made.

SEC. 7.02 PROPOSAL AS PART OF THE CONTRACT

Part of all of this RFP and the successful proposal may be incorporated into the contract.

SEC. 7.03 ADDITIONAL TERMS AND CONDITIONS

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

SEC. 7.04 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <https://www.state.gov/trafficking-in-persons-report/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive or cancel the contract.

SEC. 7.05 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP and all applicable local, state, and federal laws, codes, and regulations. The ARMB may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the ARMB may determine the proposal to be a non-responsive counteroffer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;

- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the project director on behalf of the ARMB.

The ARMB reserves the right to use any ideas presented in any response to the RFP. Selection or rejections of a proposal does not affect that right.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.

A proposal from a debarred or suspended offeror shall be rejected.

SEC. 7.06 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The ARMB will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

SEC. 7.07 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the project director does so, and if the project director agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the project director agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

SEC. 7.08 ASSIGNMENTS

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the ARMB.

SEC. 7.09 DISPUTES

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

SEC. 7.10 SEVERABILITY

If any provision of the contract is found to be invalid or declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

SEC. 7.11 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with **SEC. 7.05 RIGHT OF REJECTION**. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the state's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

if the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

SEC. 7.12 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

SEC. 7.13 FEDERALLY IMPOSED TARIFFS

Changes in price (increase or decrease) resulting directly from a new or updated federal tariff, excise tax, or duty, imposed after contract award may be adjusted during the contract period or before delivery into the United States via contract amendment.

- **Notification of Changes:** The contractor must promptly notify the project director in writing of any new, increased, or decreased Federal excise tax or duty that may result in either an increase or decrease in the contract price and shall take appropriate action as directed by the project director.
- **After-imposed or Increased Taxes and Duties:** Any federal excise tax or duty for goods or services covered by this contract that was exempted or excluded on the contract award date but later imposed on the contractor during the contract period, as the result of legislative, judicial, or administrative action may result in a price increase provided:
 - a) The tax or duty takes effect after the contract award date and isn't otherwise addressed by the contract;
 - b) The contractor warrants, in writing, that no amount of the newly imposed federal excise tax or duty or rate increase was included in the contract price, as a contingency or otherwise.
- **After-relieved or Decreased Taxes and Duties:** The contract price shall be decreased by the amount of any decrease in federal excise tax or duty for goods or services under the contract, except social security or other employment [taxes](#), that the contractor is required to pay or bear, or does not obtain a refund of, through the contractor's fault, negligence, or failure to follow instructions of the project director.

- **State's Ability to Make Changes:** The state reserves the right to request verification of Federal excise tax or duty amounts on goods or services covered by this contract and increase or decrease the contract price accordingly.
- **Price Change Threshold:** No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

SECTION 8. ATTACHMENTS

- 8.01** Proposal Evaluation Form
- 8.02** Cost Proposal Form (PDF sample included. Excel version provided for download)
- 8.03** Standard Agreement Form - Appendices A and C
- 8.04** Sample Timeline
- 8.05** Alaska Bidder Preference Certification Form (Word doc. provided separately)

Attachment 8.1

PROPOSAL EVALUATION FORM

All proposals will be reviewed for responsiveness and then evaluated using the criteria set out herein.

Offeror Name: _____

Evaluator: _____

Date of Review: _____

RFP Number: 2022-0400-0015

EVALUATION CRITERIA AND SCORING

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS CONTRACT IS 100.

Understanding of Scope of Services and Methodology (10 Percent)

- Maximum Point Value for this Section – 10 Points
- 100 Points X 10 Percent = 10 points

Proposals will be evaluated against the questions set out below.

[a] How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project?

EVALUATOR'S NOTES: _____

[b] How well has the offeror described the methodology to be used to provide the required services and other requests set forth in this RFP?

EVALUATOR'S NOTES: _____

[c] How well has the offeror identified pertinent issues and potential problems related to the project?

EVALUATOR'S NOTES: _____

[d] To what degree has the offeror demonstrated an understanding of the deliverables the ARMB expects it to provide?

EVALUATOR'S NOTES: _____

[e] Has the offeror demonstrated an understanding of the ARMB's time schedule and can meet it?

EVALUATOR'S NOTES: _____

EVALUATOR'S POINT TOTAL – Understanding Scope of Services and Methodology: _____

Overall Organization, Experience and Qualifications (10 Percent)

- Maximum Point Value for this Section – 10 Points
- 100 Points X 10 Percent = 10 points

Proposals will be evaluated against the questions set out below.

[a] How well has the firm demonstrated that it has the appropriate organizational structure, professional experience, and qualifications?

EVALUATOR'S NOTES: _____

[b] How extensive is the firm's experience with work related to similar types of retirement plans and institutional investors?

EVALUATOR'S NOTES: _____

[c] How well has the firm demonstrated their expertise, experience, qualifications, and resources available to review existing actuarial valuations and experience studies?

EVALUATOR'S NOTES: _____

[d] How well has the firm demonstrated their availability of research facilities, special expertise, and availability to address the consulting evaluation and review services listed in this RFP?

EVALUATOR'S NOTES: _____

[e] How well has the firm described their organization's unique strengths that are relevant to requirements presented in this RFP?

EVALUATOR'S NOTES: _____

EVALUATOR'S POINT TOTAL – Overall Organization, Experience, and Qualifications: _____

Professional Experience and Qualifications of Personnel (30 Percent)

- Maximum Point Value for this Section – 30 Points
- 100 Points X 30 Percent = 30 points

Proposals will be evaluated against the questions set out below.

[a] How much experience do the individuals assigned to the project have on similar projects?

EVALUATOR'S NOTES: _____

[b] Are biographies complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?

EVALUATOR'S NOTES: _____

[c] How extensive is the applicable education and experience of the personnel designated as primary and secondary actuaries to work on the project?

EVALUATOR'S NOTES: _____

[d] How well has the firm described the professional qualifications and experience of the firm managers, consultants, analysts, and professional staff or other staff not directly connected with day-to-day activities that could be assigned to perform specialized work because of their experience related to consulting, evaluation, and review activities described in this RFP?

EVALUATOR'S NOTES: _____

EVALUATOR'S POINT TOTAL – Professional Qualifications and Personnel Experience: _____

EVALUATOR'S COMBINED POINT TOTAL FOR ALL SECTIONS: _____
(Cost Proposal & Alaska Offeror's Preference Calculated by Staff.)

Attachment 8.02

Cost Proposal Form

		A	B	= A*B
		Hours on project to be billed	Hourly billing rate <i>(includes overhead & profit)</i>	Budgeted Expense
Team Member Name	Position Title			
Total Labor and Indirect Costs				
Travel Costs				
Supplies and All Other Expenses				
TOTAL PROPOSED FEE				

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number 2022-0400-0015	2. Contract Title ARMB Actuarial Review Services	3. Agency Fund Code	4. Agency Appropriation Code
5. Vendor Number	6. IRIS GAE Number (if used)	7. Alaska Business License Number	
This contract is between the State of Alaska,			
8. Department of	Division	hereafter the State, and	
9. Contractor			hereafter the contractor
Mailing Address	Street or P.O. Box	City	State ZIP+4
<p>10. ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 16, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p>ARTICLE 3. Period of Performance: The period of performance for this contract begins <u>July 1, 2022</u>, and ends <u>June 30, 2025, with two optional two-year extensions.</u></p> <p>ARTICLE 4. Considerations:</p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of Revenue	Attention: Division of Treasury		
Mailing Address P.O. Box 110405, Juneau, AK 99811-0405	Attention: Pamela Leary		
12. CONTRACTOR		<p>14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.</p>	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	Date
Department/Division Revenue/ Treasury	Date		
Signature of Project Director		Typed or Printed Name Lucinda Mahoney, Commissioner, Department of Revenue	
Typed or Printed Name of Project Director Pamela Leary		Signature of Alaska Retirement Management Board Chair Date:	
Title Director of Treasury		Title: Chair, Alaska Retirement Management Board	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX A

GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspections and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

Article 3. Disputes.

- 3.1 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of contract.

Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. In the absence of a breach of contract by the contractor, the State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law; Forum Selection

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

Article 15. Compliance.

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

Article 16. Force Majeure:

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

Appendix C
#22-0015
Agreement Between the
State of Alaska, Department of Revenue
Alaska Retirement Management Board

And

As Actuarial Review Consultant

Section One: Appointment of Actuarial Review Consultant. _____, hereinafter referred to as ACTUARY, is hereby appointed as Actuarial Review Consultant for the Alaska Retirement Management Board (ARMB), a board established in the Department of Revenue, State of Alaska (collectively referred to herein as the “State”). ACTUARY accepts such appointment and agrees to perform all required services set forth in this agreement.

Section Two: Required Services. Under the direction of ARMB, the services to be provided by the ACTUARY shall include, but not be limited to, the following:

1. **VALUATION REVIEW.** The ACTUARY will perform a review of actuarial assumptions, procedures and methods used by the Primary Actuary. It is expected that the verification will consist of examining sample calculations, not recreating the entire valuation.
 - a. **Data Validity:** The ACTUARY will assess the validity, completeness and appropriateness of the demographic and financial data used by the Primary Actuary in the valuation.
 - b. **Valuation Methods and Procedures:** The ACTUARY will assess the valuation methods and procedures to ensure the methods and procedures 1) are reasonable and consistent with generally accepted actuarial standards and practices; 2) are appropriate for applicable plan structure and funding objectives; and 3) are applied as stated by the actuary. The ARMB is particularly interested in comments on method(s) currently being used and the ACTUARY’s opinion of alternative methods.
 - c. **Conclusions:** the ACTUARY will assess the conclusions of the valuation report for completeness and accuracy. The ACTUARY will offer an opinion whether or not the valuation conclusions accurately portray the actuarial status of the system and are reflected in the required contribution rates.
 - d. **Format:** the ACTUARY will review the format of the valuation report and offer recommendations for improvement of the report.

2. **EXPERIENCE STUDY REVIEW:** The ACTUARY will perform a review of procedures and methods used by the Primary Actuary in producing an experience study every four years and evaluate any recommended changes in actuarial assumptions for valuations of the systems. The ACTUARY will assess whether the actuarial valuation assumptions are reasonable and consistent with generally acceptable actuarial standards and practices. It is expected that the verification will consist of examining the study for reasonableness, not by recreating the experience study.
 - a. **Data Validity:** the ACTUARY will assess the validity, completeness and appropriateness of the demographic and financial data used by the Primary Actuary in the experience study.

- b. Experience Study Methods and Procedures: the ACTUARY will assess if the study methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices; are appropriate for the particular retirement system's structure and funding objectives; and are applied as stated by the Primary Actuary.
 - c. Conclusions: the ACTUARY will assess the proposed assumptions from the experience study for consistency and accuracy, in addition to reasonableness when compared to system data and when compared to similar states. This will also include review of the gain and loss experience on each assumption and for all assumptions. The ACTUARY will also express an opinion whether or not the projections made in the study by the actuary will achieve the goals of the system.
 - d. Format: the ACTUARY will review the format of the study and offer recommendations for improvement.
3. HEALTH COST ASSUMPTIONS REVIEW: The ACTUARY will perform an annual review of health cost assumptions and conclusions reported by the Primary Actuary. The ACTUARY will assess the validity, completeness, and appropriateness of the demographic, financial and claims data used by the Primary Actuary, and will assess whether the assumptions and conclusions are reasonable and consistent with generally accepted actuarial standards and are appropriate for the Alaska retirement system's structure and objectives.
 4. ADDITIONAL SERVICES: The ACTUARY may be requested to provide additional review services outside the scheduled valuations outlined above and may be requested to offer professional opinions and services with respect to information the ARMB trustees seek on current topics and issues that come to their attention.
 5. GASB COMPLIANCE: ACTUARY will assess whether the actuarial assumptions, procedures and methods are consistent with the actuarial parameters of the Government Accounting Standards Board (GASB) and any applicable professional pronouncements that the systems are required to comply with.
 6. TIMELINE: The attached timeline is an example of the interactive review process with the ACTUARY, the Primary Actuary, ARMB and DRB staff. Draft reports from the Primary Actuary and the ACTUARY are generally scheduled to be reviewed by ARMB at its April meeting, usually held the third week of April. Final reports are presented at the June meeting.
 7. REQUIRED REPORTS: Specific reports required for PERS, PERS DCR, TRS, TRS DCR, JRS and NGNMRS during FY2023 – FY2029 (7/1/2022 – 6/30/2029) *
 - A. FY2023 Actuarial assumptions review for the ARMB pension and health plans
 - B. FY2024 Actuarial assumptions review for the ARMB pension and health plans
 - C. FY2025 Actuarial assumptions review for the ARMB pension and health plans
 - D. FY2026 Actuarial assumptions review for the ARMB pension and health plans
 - E. FY2027 Actuarial assumptions review for the ARMB pension and health plans
 - F. FY2027 Actuarial assumptions review of experience study
 - G. FY2028 Actuarial assumptions review for the ARMB pension and health plans
 - H. FY2029 Actuarial assumptions review for the ARMB pension and health plans

*Reports listed under D. – H. are required only if optional extensions are exercised by ARMB

Section Three: Standard of Care. ACTUARY shall exercise the highest standard of care and loyalty expected of a fiduciary with respect to its relationship to ARMB in fulfilling its obligations under this agreement.

Section Four: Indemnification. ACTUARY agrees to indemnify the State and hold the State harmless from and against any and all claims, losses, damages, or liabilities (including legal fees and expenses) resulting from or arising out of imprudence, negligence, willful misconduct, or breach of this agreement by ACTUARY's employees, agents, or designees. Notwithstanding the foregoing, ACTUARY shall not be responsible for losses resulting from cause beyond its control if ACTUARY employed the diligence and prudence of a professional investment advisory consultant acting as a prudent investment advisory consultant familiar with such matters in a like capacity, character, and aim.

Section Five: Notification of Certain Facts or Occurrences. If ACTUARY, in accordance with industry standards, using the care and diligence of a professional investment advisory consultant, obtains information regarding any facts or occurrence which it believes might result in any significant risk or loss to the assets of ARMB, the ACTUARY shall, upon becoming aware of any such fact of occurrence, as soon as possible, and in no case more than twenty-four (24) hours later, notify the State of such fact of occurrence and the resulting risk.

Section Six: Key Person. _____, is considered as a designated "Key Person" to perform the ACTUARY's obligations under this agreement. A change in the Key Person designation shall be contingent upon approval by ARMB.

_____ shall be the primary contact and is considered project manager for ACTUARY under this agreement and shall perform or be directly responsible for and

specifically knowledgeable about all work performed by ACTUARY under this agreement. _____ shall attend board and committee meetings required by this agreement unless a non-business emergency prevents such attendance.

Section Seven: Amendments. This agreement may not be amended or modified except by an instrument in writing signed by both ACTUARY and ARMB.

Section Eight: Reliance. Each of the parties to this agreement may rely on any documents or communications from the other which it reasonably believes in good faith to be genuine and valid.

Section Nine: Headings. Headings to this agreement are for convenience of reference only and shall not expand, limit, or otherwise affect the meaning of this agreement.

Section Ten: Assignment. Performance by ACTUARY of its duties under this agreement may not be delegated. This agreement may not be assigned by either party without written consent of the other and any purported assignment without such consent shall be null and void. Subject to the foregoing, this agreement shall be binding upon and inure to the benefit of each party to this agreement and its successors and permitted assigns.

Section Eleven: Waivers. Failure to exercise any right or remedy provided for in this agreement does not constitute a waiver thereof.

Section Twelve: Property Entitlement. All documents created or maintained by ACTUARY relating to its activities and obligations under this agreement shall be the property of the State.

Section Thirteen: Incorporation by Reference. ACTUARY understands and agrees that the State has materially relied upon ACTUARY's responses in the State selection process for Actuarial Review Services. The State's Request for Proposal #2022-0400-0015, and the ACTUARY's Response to the RFP dated _____ are made part of this agreement by this reference.

Section Fourteen: Termination. This contract may be terminated by the State without cause at any time by written notice to the ACTUARY and by ACTUARY without cause after 30 days written notice to the State

Attachment 8.4

State of Alaska
Timeline for Valuations as of June 30, 20XX

Item #	Task	Target Deadline	20XX Valuation Revised Deadline	Date Completed	Team Responsible	Comments/Notes
1	Valuation data request/asset requests	20-Jul			Primary Actuary	For prior year finals & current year drafts
2	Valuation data to Primary (all plans except NGNMRS)	17-Aug			DRB	
3	Assets to Primary	17-Aug			DRB	
4	Audit data and test lives requests to Primary	31-Aug			Review Actuary	
5	Monthly audit discussion with Primary & Review actuaries	31-Aug			Primary/ Review	
6	Data questions (all plans except NGNMRS) to DRB	7-Sep			Primary	
7	Valuation data to Primary (NGNMRS)	7-Sep			All	
8	Actuarial Committee Meeting	14-Sep			All	
9	ARMB adopts contribution rates for FYXX	15-Sep			ARMB	
10	Data questions (NGNMRS) to DRB	20-Sep			Primary	
11	Data answers (all plans) to Primary	23-Sep			DRB	
12	Monthly audit discussion with Primary & Review actuaries	28-Sep			Primary/ Review	
13	TRS (and selected school district PERS) updated active listing to capture term/ rehires to Primary	4-Oct			DRB	
14	Final 6/30/XX assets for all plans to Primary	18-Oct			DRB	
15	Monthly audit discussion with Primary & Review actuaries	26-Oct			Primary/ Review	
16	2021 valuation data to Secondary	9-Nov			Primary	
17	Sample life information to Secondary	16-Nov			Primary	
18	Monthly audit discussion with Primary & Review actuaries	23-Nov			Primary/ Review	
19	Preliminary valuation results to Secondary	30-Nov			Primary	
20	DRAFT DB reports (all plans) w/ projections to Secondary	14-Dec			Primary	
21	DRAFT DCR reports to Secondary	21-Dec			Primary	
22	Monthly audit discussion with Primary & Review actuaries	28-Dec			Primary/ Review	
23	Monthly audit discussion with Primary & Review actuaries	25-Jan			Primary/ Review	
24	Monthly audit discussion with Primary & Review actuaries	22-Feb			Primary/ Review	
24	Actuarial Committee Meeting - present draft reports and discuss audit process	15-Mar			All	
25	DRAFT DB actuarial review report to Primary	24-Mar			Review Actuary	
26	DRAFT DCR actuarial review report to Primary	24-Mar			Review Actuary	
27	Monthly audit discussion with Primary & Review actuaries	29-Mar			Primary/ Review	
28	Actuarial Committee Meeting (tentative) - present final DRAFT valuation reports and audit results/ audit findings list	27-Apr			All	
29	Monthly audit discussion with Primary & Review actuaries	28-Apr			Primary/ Review	
30	Monthly audit discussion with Primary & Review actuaries	24-May			Primary/ Review	
30	Actuarial Committee Meeting - Approval and adoption of all reports	14-Jun			All	
31	Monthly audit discussion with Primary & Review actuaries	28-Jun			Primary/ Review	
32	Monthly audit discussion with Primary & Review actuaries	26-Jul			Primary/ Review	
33	Monthly audit discussion with Primary & Review actuaries	30-Aug			Primary/ Review	
34	ARMB adopts contribution rates for FYXX	13-Sep			ARMB	