

REQUEST FOR PROPOSAL

**FULTON COUNTY EMPLOYEES'
RETIREMENT SYSTEM BOARD**

REQUEST FOR PROPOSALS

ACTUARIAL SERVICES

RESPONSES DUE
August 31, 2012

FULTON COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD

The Fulton County Employees Retirement System (FCERS) is seeking to secure proposals for actuarial services over a three year contract period with the option of two additional one year extensions. The FCERS' objective is to engage the services of an actuarial firm with public pension plan experience to perform annual actuarial valuations of the Fulton County Employees Retirement System, and for the performance of other actuarial reporting duties as directed by FCERS. The contract period will commence on or about January 1, 2013. General instructions and requirements are attached which will indicate considerations to be used in evaluating the RFPs and awarding a contract.

Your proposal must be received no later than 4:00 p.m. local time on August 31, 2012. Proposals received after 4:00 p.m. local time will not be considered. Proposals will be opened as soon as practical thereafter and the evaluation results will be made available when completed upon request.

I. GENERAL INSTRUCTIONS, REQUIREMENTS AND CONDITIONS

1. All Proposals, one original with twelve (12) additional hard copies with each including an electronic copy on CD (required), must be received no later than 4:00 p.m. local time on August 31, 2012, to:

Mr. Patrick J. O'Connor, Secretary/Treasurer
Fulton County Employees' Retirement System Board
141 Pryor Street, S.W., Suite 7001
Atlanta, Georgia 30303

2. The "Board" reserves the right to waive any formality in any proposal and to reject any and all proposals. Any proposal submitted shall constitute an irrevocable offer, for a period to begin on January 1, 2013, to provide to the

"Board" the proposed services at the proposed compensation.

3. The terms and conditions of the Actuarial Services Agreement must be fixed for a period of five (5) years (initial three (3) year term with the option to extend, upon mutual agreement, on the same terms for two (2) one year periods). The "Board" reserves the right to terminate the contract, for its convenience, by giving the firm 30 days written notice. The "Board" will require the successful firm to commit to a minimum of a ninety (90) day termination provision. The firm will be paid for its services through the effective date of termination.
4. The firm shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the "Board". The firm may subcontract part of the proposed services with prior written consent of the "Board".
5. The "Board" reserves the right to use judgmental factors in determining which proposal shall be in the "Board's" best interest and the exercise of that judgment by the "Board" shall be final and binding upon all firms submitting proposals. Criteria for selection will include but are not limited to:
 - Contractor's experience with and ability to perform the required services.
 - Contractor's understanding of the project's purpose and scope, as evidenced by the proposed approach and level of effort.
 - Availability and competency of the contractor's personnel.
 - Level of retained liability
 - Conformity with specifications contained herein.
 - Contractor's ability to keep the Board of Trustees informed of significant changes in the laws and regulations governing public pension plan administration.

- Proximity of contractor's staff involved to Atlanta, Georgia.
 - Demonstration of contractor's commitment to affirmative action, equal employment, and/or diversity hiring.
 - Competitiveness of proposed cost.
6. Due care has been used in the preparation of information for this RFP and the information is believed to be substantially correct. The "Board" and its representatives will not be responsible for any errors or omissions in the specifications.
7. All contact pertaining to this RFP will be directed to the following individual:
Tammy E. Goebeler, Investment Officer
Fulton County Department of Finance
141 Pryor Street, S.W., Room 7001
Atlanta, Georgia 30303
(404) 612-7698

Any questions should be submitted in writing to tammy.goebeler@fultoncountyga.gov and will be responded to within a reasonable timeframe.

II. SPECIFICS OF THE FULTON COUNTY EMPLOYEES' RETIREMENT SYSTEM

The Fulton County Employees' Retirement System was created in 1991, consolidating within it all of the County's prior defined benefit plans. Prior to that time, Fulton County sponsored a Public Safety Pension Plan, a Judges and Solicitor's Pension Plan, and a home rule Pension Plan (the 1982 Plan). The 1982 Plan had its genesis in the General Employees' Pension Plan, created by the State Legislature in 1939 and modified in 1955, 1963, 1969, and 1978. In 1999, the 1991 Plan was amended to provide a more generous benefit and is called the 1991 Enhanced Plan. All of the defined benefit plans were closed to new entrants in 1999. All of the defined benefit plans are employer and employee contributory.

At the time the plans were closed in 1999, Fulton County introduced a Defined Contribution Plan. Each year there is a window when defined benefit plan participants may transfer to the defined contribution plan.

On December 31, 2011, the FCERS had a total membership of 3,961 composed as follows: 937 active employees, 29 inactive participants not in receipt of benefits, and 2,995 inactive participants & their beneficiaries in receipt of benefits. Below is a schedule of Annual Required Contributions and Funding Progress:

	Annual Required Contribution	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio
12/31/2002	20,383	1,004,253	1,085,354	81,101	92.5%
12/31/2003	27,002	1,018,979	1,149,383	130,404	88.7%
12/31/2004	29,778	1,038,201	1,232,491	194,290	84.2%
12/31/2005	32,726	1,064,825	1,277,972	213,147	83.3%
12/31/2006	37,081	1,116,451	1,331,658	215,207	83.8%
12/31/2007	38,895	1,193,724	1,383,842	190,118	86.3%
12/31/2008	33,836	1,175,299	1,441,124	265,824	81.6%
12/31/2009	43,008	1,149,786	1,478,136	328,350	77.8%
12/31/2010	36,639	1,144,371	1,567,306	422,934	73.0%
12/31/2011	45,049	1,104,779	1,604,463	499,684	68.9%
12/31/2012	51,199				

III. SCOPE OF SERVICES TO BE PROVIDED

1. The preparation of annual actuarial valuation reports for FCERS for each of the three contract years. The valuations will be based on annual retirement system data for fiscal years ending December 31, with final results reported to the Board of Trustees by April 1st of each year. In addition to the standard valuation detail, the reports must include: a) the accounting information required in accordance with applicable Governmental Accounting Standards Board Statements, and b) a detailed gain/loss analysis.
2. The preparation of one FCERS experience study report during the contract upon request of the Board of Trustees. Each report must include: a) an analysis of the economic and demographic experience of the retirement system over the defined study period, b) the development of a set of actuarial assumptions based on the study results, including a financial analysis of the proposed changes, and c) a review of the existing actuarial funding method and asset valuation method.
3. Attendance at up to four meetings per year with the Board of Trustees (or a Subcommittee thereof) to present relevant actuarial reports and related findings in connection with the FCERS and to review actuarial assumptions.
4. A valuation of accrued benefits for each participant for the purpose of transferring from the defined benefit plan to the defined contribution plan to be delivered by March 20th of each year.
5. Special projects assigned by the Board of Trustees, including but not limited to the preparation of fiscal impact statements on legislation being considered by the Fulton County Board of Commissioners relative the FCERS provisions.
6. Routine consultations with the pension administrator regarding fiscal, legal, and regulatory issues impacting the FCERS.

IV. TECHNICAL PROPOSAL SUBMISSION REQUIREMENTS

Each proposal must include the following:

1. Title Page – A title page indicating the date, subject, name of the contractor, and the central office address. If a local office will be performing the contracted services, please provide the local office address, telephone number, and name and title of the local contractor's contact person for the purpose of clarifying any information submitted.
2. Organizational Structure – A general description of the contractor's organization, including the legal structure (corporation, partnership, franchise, etc.), the number of professional and support staff employed and the primary business functions (benefits consulting, actuarial consulting, asset management, insurance provider, etc.). Identification of the actuaries available for assignment to this engagement and descriptive materials relating to the professional qualifications of each actuary.
3. Experience - A listing of all public employee retirement systems to which the contractor currently provides actuarial valuation and consulting services. This listing should include the name of the retirement system, the number of plan participants (active and retired), market value of plan assets, and the number of years that the contractor has been retained to provide actuarial services to the system. Of the staff members designated for the engagement that is the subject of this RFP, the contractor must also identify which clients, if any, they serve as lead consultant to for the public retirement systems listed. In addition to the above information, contractors are encouraged to identify other experience, factors, or strengths that they possess which may assist the Board of Trustees in its selection process.
4. Computer Systems – Description of computer systems contractor will be using.
5. Backup Equipment/Systems – Overview of the disaster recovery backup systems for all equipment which may be used by the contractor.
6. Subcontractors – Identification of the subcontractor(s), if any, to be utilized in

meeting the service requirements of this RFP and a listing of the specific tasks to be assigned to the subcontractor(s).

7. Recommended Workplan – A statement of the contractor’s capacity to provide each of the deliverables specified in Section III of this RFP within the expressed timeframes.
8. Work Samples – A sample of the contractor’s actuarial report, experience study, and any other relevant publications or notifications that the contractor transmits to clients on a regular basis concerning topical issues in the area of public pension plan administration.
9. Conflict of Interest – Disclose any current or past (within the last ten years) business relationships which may pose a conflict of interest.
10. Regulatory Issues – Disclose any regulatory problems experienced in the past ten years.
11. Affirmative Action – The proposal must include a summary of the contractor’s experience with affirmative action, equal employment, and/or diversity efforts, including a summary of the contractor’s affirmative action, equal employment, and/or diversity plan and policy statements.
12. Limitations of Liabilities - Any contractor requiring any limitation(s) of liability for the services to be contracted for shall set forth and fully disclose in their technical proposal any and all such limitations of liability, and the reasons therefore, in sufficient detail, and shall include and specify the actual contract language sought for such limitation(s) of liability. If there are no limitation(s) of liability, a statement to that effect should be set forth in the proposal. Proposals with no limitation(s) of liability shall be favored. All proposals shall be assessed in light of the absence of, or the extent of, any limitation(s) of liability sought by the contractor.
13. Authorized Agent - An authorized agent for the contractor with authority to negotiate and contractually bind the contractor must sign the proposal; such individual’s title, address, and telephone number must also be provided.

V. COST PROPOSAL

- a. A fixed fee for each of the three actuarial valuation reports required for FCERS (Section III, Subsection 1);
- b. A fixed fee for the experience study report required for FCERS (Section III, Subsection 2);
- c. For each of the contract's three calendar years and any contract extension years (ending December 31), a fixed fee for attendance at - up to four meetings with the Board of Trustees (or a Subcommittee thereof) in connection with FCERS, (Section III, Subsection 3);
- d. A fixed fee for the valuation of accrued benefits (Section III, Subsection 4); and
- e. For each of the contract's three fiscal years (ending December 31), hourly billing rates by position classification for special projects, fiscal impact statements, and routine consultations (Section III, Subsections 5 & 6).

Fees proposed, whether fixed or variable, shall be deemed inclusive of all expenses and all cost estimates will be considered as "not to exceed" quotations.

Fee proposals should not include start-up or exit costs.

The Fulton County is exempt from the payment excise, transportation, and sales tax imposed by the Federal Government and the State; accordingly, such taxes must not be reflected in the proposed price.

VI. SELECTION PROCESS AND TENTATIVE SCHEDULE

June 15, 2012 – Release of RFP by Board of Trustees

August 31, 2012 – Proposals due at Fulton County Finance Department

September 1 thru September 28, 2012 – Reading and scoring of proposals

Week of October 1st – Finalist Interviews

October 10, 2012 – Recommendation firm submitted to Pension Board for approval

VII. TERMS AND CONDITIONS

Contractors responding to this RFP must be willing to adhere to the following conditions and must affirmatively state their adherence to these requirements with a transmittal letter appended to their proposal response.

1. Acceptance or Rejection by the Board of Trustees - The Board of Trustees reserves the right to accept or reject any or all proposals submitted for consideration. All proposals will be kept sealed and safe until the deadline for submission has passed.
2. Conformance with Statutes - Any contract awarded as a result of this RFP must be in full conformance with statutory requirements of the Fulton County, the State of Georgia and the Federal Government.
3. Ownership of Proposals - All proposals in response to this RFP are to be the sole property of the Board of Trustees, and subject to the applicable Freedom of Information provisions of the State of Georgia.
4. Ownership of Subsequent Products - Any product, whether acceptable or unacceptable, developed under a contract award as a result of this RFP is to be

the sole property of the Fulton County, unless explicitly stated otherwise in the RFP or contract.

5. Timing and Sequence - All timing and sequence of events resulting from this RFP will ultimately be determined by the Board of Trustees.
6. Stability of Proposed Prices - Any price offerings from contractors must be valid for a period of one hundred eighty (180) days from the due date of the contractor proposals.
7. Oral Agreements - Any alleged oral agreement or arrangement made by a contractor with any agency or employee will be superseded by the written agreement.
8. Amending or Canceling Requests - The Board of Trustees reserves the right to amend or to cancel this RFP prior to the due date and time.
9. Rejection for Default or Misrepresentation - The Board of Trustees reserves the right to reject the proposal of any contractor that is in default of any prior contract or for misrepresentation.
10. Board of Trustee's Clerical Errors in Awards - The Board of Trustees reserves the right to correct inaccurate awards resulting from its clerical errors.
11. Rejection of Qualified Proposals - Proposals are subject to rejection in whole or in part if they limit or modify any of the terms and conditions and/or specifications of the RFP.
12. Contractor Presentation of Supporting Evidence - A contractor, if requested, must be prepared to present evidence of experience, ability, service facilities and financial standing necessary to satisfactorily meet the requirements set forth or implied in the proposal.

13. Changes to Proposal - No additions or changes to the original proposal will be allowed after submittal. While changes are not permitted, clarification at the request of the agency may be required at the contractor's expense.
14. Expenses Incurred - The Board of Trustees will not reimburse any contractor for any costs or expenses incurred in preparing proposals or in any other connection with the RFP, including travel expenses relating to an oral presentation.
15. Collusion - By responding to this RFP, the contractor implicitly states that the proposal is not made in connection with any competing contractor submitting a separate response to the RFP, and is in all respects fair and without collusion or fraud. It is further implied that the contractor did not participate in the RFP development process, had no knowledge of the specific contents of the RFP prior to its issuance, and that no employee of the agency participated directly or indirectly in the contractor's proposal preparation.

VIII. RIGHTS RESERVED TO THE BOARD OF TRUSTEES

The Board of Trustees reserves the right to award in part, to reject any and all proposals in whole or in part, and to waive technical defects, irregularities and omissions if, in its judgment, the best interest of the FCERS will be served.