

**ATTACHMENT D**



**ACTUARIAL CONSULTING AND ACTUARIAL AUDITING SERVICES  
SEARCH QUESTIONNAIRE**

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# ACTUARIAL CONSULTING AND ACTUARIAL AUDITING SERVICES SEARCH QUESTIONNAIRE

## I. SUMMARY DATA

Firm Name:

Main Address:

Primary Contact(s) at Firm for this RFP

Name:

Title:

Phone Number:

E-Mail Address:

## II. CHECKLIST

**Check the selection box for the service(s) that your firm is including in its response and intends to perform. You may apply for one or both services, but only one firm will be selected for the actuarial consulting services and a separate firm will be selected for the actuarial auditing services.**

Service Categories:

- Actuarial Consulting Services for Retirement Plan and OPEB Program
- Actuarial Auditing Services for Retirement Plan and OPEB Program

**Please confirm that the RFP Package has been reviewed in full.**

_____	Attachment A	Intent to Respond
_____	Attachment B	LACERA's Retirement Benefit Funding Policy
_____	Attachment C	Minimum Qualification Certification
_____	Attachment D	Proposal Questionnaire
_____	Attachment E	LACERA's IT Security Controls Form
_____	Attachment F	Actuarial Consulting Services Agreement Template
_____	Attachment G	Actuarial Auditing Services Agreement Template
_____	Attachment H	Actuarial Consulting Services Statements of Work
_____	Attachment I	Actuarial Auditing Services Statements of Work
_____	Attachment J	Fee Schedule Template
_____	Attachment K	DEI Attributes Template

**Provide the following Exhibits as instructed. If your firm will not provide a requested item, explain why.**

_____	Exhibit A	Completed Minimum Qualifications
_____	Exhibit B	Completed Proposal Questionnaire
_____	Exhibit C	Firm's Organizational Chart
_____	Exhibit D	Audited Financial Reports
_____	Exhibit E	Peer Review Report
_____	Exhibit F	Certificates of Insurance
_____	Exhibit G	SOC-2 Type 2 Report and/or LACERA's IT Security Controls Form
_____	Exhibit H	Incident Response Program
_____	Exhibit I	External Penetration Test Results
_____	Exhibit J	DEI Policy
_____	Exhibit K	DEI Attributes

_____	Exhibit L	Proposed LACERA Team and Credentials
_____	Exhibit M	Sample Actuarial Valuation Report
_____	Exhibit N	Sample Experience and Assumptions Study Report
_____	Exhibit O	Sample GASB 67/68 Report
_____	Exhibit P	Sample GASB 74/75 Report
_____	Exhibit Q	Video Links to Board Presentations
_____	Exhibit R	Client References
_____	Exhibit S	Actuarial Consulting Proposed Fee Schedule
_____	Exhibit T	Actuarial Auditing Proposed Fee Schedule

**III. ORGANIZATION BACKGROUND**

Firm History and Structure

1. Provide a description of the operational structure of the firm, including the following:
  - a. What was the firm’s date of inception?
  - b. How many offices and locations does the firm have?
  - c. How many employees are there at locations which will be providing services?
  - d. How many of these employees will be performing services related to this agreement?
  - e. Include an organization chart indicating reporting relationships and geographic location of staff proposed for the LACERA account. Include as **Exhibit C**.
  - f. Please provide a primary contact for the duration of the RFP.
  - g. If you anticipate any other significant changes within the next fiscal year, including changes in key personnel considered for this contract, please explain.
  - h. Provide a timeline of past changes in the last five (5) years to the ownership or organizational structure.

2. Provide information to demonstrate the firm’s financial stability, including total revenue, net income/(loss), assets, liabilities, and net worth for the last two (2) fiscal years.

	Total Revenue	Net Income/ (Loss)	Assets	Liabilities	Net Worth
FY 2023					
FY 2022					

3. Provide the firm’s latest two (2) years of audited financial statements for your firm. Include as **Exhibit D**.
  - a. How often are the financial statements audited by a third party?
  - b. Has your firm changed auditors over the last five (5) years? Provide the date of the last audit.
  - c. Disclose any qualified opinions of financial audits conducted on your firm.
4. Describe the firm’s internal and/or external quality control policy(ies) and procedures, including independent and peer review of work completed in the last two (years). Include a copy of the firm’s most recent report in **Exhibit E**.

Firm’s Professional Experience Relevant to Actuarial Consulting & Auditing Services

5. Provide a breakdown of client type, client size, and client experience at your firm. Describe the firm’s prior experience (public sector organizations are preferred) and work of similar scope and magnitude.

Client Type	Clients' Membership Size	Clients' AUM (range)	Pension Experience (Y/N)	OPEB Experience (Y/N)	Years as Actuary Consultant	Years as Actuary Auditor	Scope of Work Performed
Ex: Public Sector Client #1							
Ex: Private Sector Client #1							

6. Please complete the following table for actuarial consulting services.

Length of time performing actuarial consulting services	
Length of time performing actuarial consulting services for defined benefit pension plans	
Length of time performing actuarial consulting services for OPEB programs	
Percentage of total firm revenue derived from actuarial consulting services	
Number of full time professional actuarial consultants employed by the firm	

7. Please complete the following table for actuarial auditing services.

Length of time performing actuarial auditing services	
Length of time performing actuarial auditing services for defined benefit pension plans	
Length of time performing actuarial auditing services for OPEB programs	
Percentage of total firm revenue derived from actuarial auditing services	
Number of full time professional actuarial consultants employed by the firm	

8. Describe the resources the firm has that specifically address the needs of public retirement fund clients. Describe the firm's ability to access actuarial research and professional standards, technical information, and professional actuarial groups and societies, for the purpose of obtaining prompt responses to inquiries arising from technical or procedural questions developed in the course of conducting actuarial projects.

9. For the firm's team that will be assigned to each project for LACERA, list prior actuarial projects for large employee benefit plans, large government units and other actuarial services the firm deems similar to the projects described in the RFP. Indicate the following:

- Name of entity
- Significant financial data (net assets, net income, etc.)
- Significant membership plan data
- Dates project(s) were completed
- Number of years firm has served as the actuarial consultant or actuarial auditor
- Scope of work performed
- Total hours spent per project
- List of project team members and titles.

#### Conflicts of Interest and Legal Matters

10. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, or any kind of past or current relationships with LACERA Board Trustees. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.

11. Over the past five (5) years, has your organization, affiliates, or parent been involved in any inquiry/investigation, by a federal or state governmental agency and/or business litigation or other legal proceedings that could impact the financial standing of your

organization or affiliates, or your ability to deliver the required services? If so, provide an explanation and indicate status.

12. If resources for this engagement will be drawn from subcontractors, identify the proposed contributions of each, and briefly describe how those resources will be applied to this proposal and how the firm will control the quality of services provided to LACERA. If not applicable, please indicate so.
13. Please confirm that your firm has and will comply with LACERA's quiet period for search respondents with regards to contact with staff and trustees.

#### Coverage of Insurance

14. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries for negligent acts or omissions, including the dollar amounts and insurance carrier names, with at least the minimum following coverages. List proof of coverage (e.g., a certificate of insurance) for such insurance that would be applicable under the contract as **Exhibit F**.
  - a. For Actuarial Consultant:
    - i. Liability Insurance, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate of at least Fifteen Million Dollars (\$15,000,000).
    - ii. Errors and Omissions Insurance, covering liability arising from any error, omission, negligent or wrongful act of the Firm, its officers, employees or Agents, with limits of at least Ten Million Dollars (\$10,000,000) per claim and an annual aggregate of at least Twenty Million Dollars (\$20,000,000). The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Agreement.
    - iii. Workers Compensation Insurance in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than One Million Dollars (\$1,000,000), each accident, and One Million Dollars (\$1,000,000), disease, covering all of Firm's employees.
    - iv. Cyber Liability Insurance, with limits of not less than Five Million Dollars (\$5,000,000) for each occurrence and an annual aggregate of Ten Million Dollars (\$10,000,000) covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security
    - v. Automobile Insurance of at least One Million Dollars (\$1,000,000) if owned or hired vehicles.
  - b. For Actuarial Auditor:
    - i. Liability Insurance, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate of at least Fifteen Million Dollars (\$15,000,000).

- ii. Errors and Omissions Insurance, covering liability arising from any error, omission, negligent or wrongful act of the Firm, its officers, employees or Agents, with limits of at least Ten Million Dollars (\$10,000,000) per claim and an annual aggregate of at least Fifteen Million Dollars (\$15,000,000). The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Agreement.
- iii. Workers Compensation Insurance in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than One Million Dollars (\$1,000,000), each accident, and One Million Dollars (\$1,000,000), disease, covering all of Firm's employees.
- iv. Cyber Liability Insurance, with limits of not less than Five Million Dollars (\$5,000,000) for each occurrence and an annual aggregate of Ten Million Dollars (\$10,000,000) covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security
- v. Automobile Insurance of at least One Million Dollars (\$1,000,000) if owned or hired vehicles.

### Security and Access

15. Describe the firm's policies and procedures for securing and maintaining the confidentiality of LACERA's member data.
16. Describe the firm's disaster recovery plans, including plans related to client data files in the firm's possession and the firm's critical information technology systems.
17. Please provide the firm's most recent SOC-2 Type 2 Report or complete the IT Security Controls document (**Attachment E** of the RFP). Include as **Exhibit G**.
18. Since the actuarial consultant and actuarial auditor will hold LACERA information, please provide the following information:
  - a. Documentation on the type of connection for information exchange between LACERA and the vendor organization.
  - b. Documentation on how vendor protects and safeguards LACERA information.
  - c. Documentation on which groups within your organization have access to the LACERA information.
19. Provide documentation on the firm's program or initiatives for enforcement of Gramm-Leach-Bliley Act (GLBA) and/or the California Consumer Privacy Act (CCPA).
20. Provide documentation on your Incident Response Program and the procedure for notification of LACERA on security breaches. Include as **Exhibit H**.
21. When was the last penetration audit conducted of the firm and what were the results? Please share the executive summary of the test by the external penetration audit firm. Include as **Exhibit I**.

Diversity, Equity, and Inclusion

22. Describe your firm’s approach to diversity, equity, and inclusion (“DEI”) in the workplace and its relation to your strategic objectives.
23. Does your firm have a written policy (or policies) addressing workplace DEI (“Policy”)? A Policy defines the firm’s commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, gender identity, age, veteran’s status, and other legally protected categories. A Policy (or policies) may be a standalone document or part of a larger firm document. Please provide a copy of the firm’s policy as **Exhibit J**.
24. LACERA takes a broad view of diversity and welcomes firms to report on diversity attributes relevant to your business. However, as a standard baseline, LACERA requests all firms with U.S. operations to provide reporting consistent with the gender, race, and ethnicity categories used by the United States Equal Employment Commission (EEOC) in your firm’s Employer Report EEO-1. See [www.eeoc.gov/employers/eeo1survey/index.cfm](http://www.eeoc.gov/employers/eeo1survey/index.cfm) for further information. Please complete the DEI Attributes Template (**Attachment K** of the RFP) as **Exhibit K**.

**IV. TEAM CREDENTIALS**

Team’s Professional and Academic Qualifications

25. Provide a list of key personnel and the proposed team that will have direct responsibility for LACERA’s actuarial consulting services.

Name	Location of Office	Professional & Title	Professional Credentials	Length of Experience

26. Provide a list of key personnel and the proposed team that will have direct responsibility for LACERA’s actuarial auditing services.

Name	Location of Office	Professional & Title	Professional Credentials	Length of Experience

27. Include in **Exhibit L**, biographies for each team member listed above, no longer than two (2) pages each, that includes the following information:
  - Name
  - Title
  - Years of experience
  - Years and positions held within the firm
  - Degrees and professional designations and dates obtained
  - Institution awarding each degree and designation
  - Membership in professional organizations relevant to the public pension fund industry



- Publications authored in the last five (5) years
- Statements of qualifications including years of experience in performing actuarial consulting or actuarial auditing for public retirement systems, large employee benefit plans, private sector employee benefit plans, other clients, other actuarial auditing or special projects, and any specialized expertise such individuals may have which are applicable to LACERA’s actuarial projects.

Team’s Professional Experience Relevant to Actuarial Consulting & Auditing Services

28. Provide a breakdown of client type, client size, and client experience that the Lead Actuarial Project Manager and the Principal Actuaries have worked on in the past five (5) years. Describe the actuaries’ prior experience (public sector organizations are preferred) and work of similar scope and magnitude.

Name	Client Type	Client Membership Size	Clients’ AUM (range)	Pension Experience	OPEB Experience
	Public Sector				
	Private Sector				

29. For each team member listed, identify the role (e.g., principal actuaries, supervising actuaries, supporting actuaries, etc.) everyone would play in accomplishing the services required by this RFP.
- Estimate the percentage of time (on an annual basis) each person would spend performing services for LACERA.
  - For the Principal Actuaries, describe the accessibility of these individuals to LACERA staff and stakeholder groups.
30. Please provide the number of clients that the proposed team have worked with in the past five (5) years with the following experience:
- Experience with actuarial valuation with defined benefit pension plans with assets that exceeded two billion dollars (\$2,000,000,000).
  - Experience with actuarial consulting services to OPEB program.
  - Experience with at least one defined benefit pension plan with actuarial projects for defined benefit pension plans falling under the County Employees Retirement Law of 1937.
31. Indicate how long the proposed LACERA team has worked together as a team.
32. Describe the level of ongoing support LACERA would receive if selected (e.g., frequency of contact, training, support, etc.).
33. Describe the firm’s commitment to assigning qualified staff to the LACERA actuarial projects during the term of the agreement. In the event the engagement’s Leading Actuarial Project Manager and/or the Principal Actuaries must be replaced, the replacement must meet the same standards as outlined in this proposal and be pre-approved by LACERA.
34. Describe the firm’s transition plan for unanticipated departures of key professionals assigned to LACERA’s actuarial projects.

**V. EVALUATION OF APPROACH TO PERFORMANCE OF REQUIRED SERVICES**

Methodology and Approach

35. Describe the specific methodology used to accomplish the Statements of Work (**Attachment H and I** of the RFP) included in this RFP and describe all services necessary to accomplish the actuarial projects for LACERA:
- Description of overall project approach and plan.
  - Level of staff and number of hours and percentage of time to be assigned to each section of the project.
  - Estimated timeline which may include information or data gathering, data analysis, reporting and meetings.
  - Type and extent of actuarial procedures to be used in completing the projects.
  - Approach to gain an understanding of LACERA's benefits plans and data structure.
  - Approach in determining the impact of laws and regulations on the actuarial projects and analysis.
  - Description of the theory and methodology for development of actuarial assumptions, including specific comments regarding the interest rate assumption for the Retirement Plan.
  - Description of the approach to making recommendations regarding the amortization of unfunded liabilities.
  - Description of the approach to measuring funded status and funding progression order to facilitate the assessment of trends over several valuations of a client.
  - Approach and extent of member data testing.
  - Describe the use of information technology systems, tools, and models used to conduct the engagement.
  - Description of Partner/Manager leadership and project review process.
36. Describe the firm's competitive advantages over other firms in providing actuarial consulting and/or actuarial auditing services. Describe any new, alternative, or different approaches available to complete the work described in the relevant Statement of Work.
37. Describe the firm's process for transitioning from the previous actuarial consultant if selected by LACERA as the new actuarial consultant. Describe any work that the firm will perform to gain comfort over prior year's actuarial valuations and/or experience study, as well as for preparing upcoming GASB disclosure reports.
38. Describe the firm's process for ensuring reporting deadlines are met.
39. Describe the firm's process for monitoring changes to professional standards and ensuring that LACERA is aware of all new developments, trends, or changes in the actuarial standards and in the retirement industry that are applicable to LACERA's actuarial projects in a timely manner.
40. Describe the firm's quality control process for actuarial reports and recommendations, including how the firm's actuarial services are monitored and reviewed.
41. Describe the firm's approach to resolving potential issues that may be encountered during the performance of actuarial consulting or actuarial auditing for LACERA and any special assistance that will be requested from LACERA.
42. Describe how the firm monitors and measures client satisfaction.

## Sample Work and Reports

43. Provide samples of written work in a PDF document:
  - a. A sample report for an actuarial valuation to a defined benefit public retirement system or equivalent. Include as **Exhibit M**.
  - b. A sample report for an experience study analysis to a defined benefit public retirement system or equivalent. Include as **Exhibit N**.
  - c. A sample report for an actuarial valuation to a defined benefit public retirement system or equivalent for purposes of meeting GASB 67/68 requirements. Include as **Exhibit O**.
  - d. A sample report for an actuarial valuation to a defined benefit public retirement system or equivalent for purposes of meeting GASB 75 requirements. Include as **Exhibit P**.
44. For each team member listed, describe the individual's experience and expertise in communicating actuarial information to various groups of people, including but not limited to: governing boards and committees, plan administrative staff, plan sponsors, unions, professional associations, and the public.
  - a. Please provide at least one (1) video link of proposed team's actuarial presentation to client's past Board meetings. Include as **Exhibit Q**.

## **VI. CLIENT REFERENCES**

45. Provide at least three (3) client references most comparable to LACERA who have engaged your **proposed team** for actuarial consulting or actuarial auditing services and can be contacted. Include the following in **Exhibit R**.
  - Client name, address, and website
  - Nature of business
  - Account type (defined benefit, defined contribution, endowment, etc.)
  - Fund asset size and/or annual revenue
  - Number of plan or program members
  - Primary contact name, title, telephone number, and email address
  - Nature and length of relationship with said entity
  - Description of services provided by bidder

## **VII. FEE PROPOSAL**

46. If Firm has selected to bid for the actuarial consulting work, Firm must include an actuarial consulting proposed fee schedule in the format shown (**Attachment J** of the RFP). Include in **Exhibit S**.
  - a. Retirement Plan and OPEB Program Project Fees: Firm will estimate overhead, out-of-pocket, and administrative expenses and include them in the total for each fiscal year of the agreement, including the two (2) one-year extensions. All expenses will be charged against the total fee and not reimbursed separately.
  - b. Retirement Plan and OPEB Program Hourly Fees: Firm must identify the classification of personnel including staff, specialists, and corresponding hourly rates for each fiscal year of the agreement, including the two (2) one-year extensions.
47. If Firm has selected to bid for the actuarial auditing work, Firm must include an actuarial auditing proposed fee schedule in the format shown (**Attachment J** of the RFP). Include in **Exhibit T**.

- a. Retirement Plan and OPEB Program Project Fees: Firm will estimate overhead, out-of-pocket, and administrative expenses and include them in the total not-to-exceed fee for each fiscal year of the agreement, including the two (2) one-year extensions. All expenses will be charged against the total not-to-exceed fee and not reimbursed separately.
- b. Retirement Plan and OPEB Program Hourly Fees: Firm must identify the classification of personnel including staff, specialists, and corresponding hourly rates for each fiscal year of the agreement, including the two (2) one-year extensions.