

**ANSWERS TO RESPONDENT QUESTIONS -- RFP FOR ACTUARIAL SERVICES  
Employees' & Elected Officials Retirement Systems of the City of Baltimore  
May 2019**

Gabriel, Roeder, Smith & Company submitted the following questions:

1. Please provide copies of the most recent Governmental Accounting Standards Board (GASB) Statement No. 67 and 68 reports for each system and confirm that annually two actuarial valuation reports are needed for each system (one funding report and one GASB report). **There are two (2) separate valuation reports for ERS and EOS.**
2. Does the actuary perform employer allocation calculations for GASB 68? **Yes.** Please indicate the number of employers with employees participating in the ERS. **Three (3).**
3. The RFP requests audited financial statements and asks for acknowledgement that all documents submitted pursuant to the RFP will become a matter of public record. Would the ERS and Board make an exception that the firm's audited financial statements remain confidential? **Yes.**
4. Please clarify whether the Certificate of Independence must be returned with the proposal response or filed once selected as a finalist candidate. **Filed once selected as a finalist candidate.**
5. Please confirm the expected timing of the experience study during the contract period and the number of experience studies anticipated during the contract period (including the three one-year extension periods). **Every four (4) years, and two (2).**
6. Has the current actuary prepared notices to participants and plan amendments (similar to what is being requested in the current RFP)? If so, please provide copies of those notices. **No.**
7. Please confirm that the following services that are typically considered separate from the annual actuarial valuations should be included in the requested bundled fee: experience studies, special studies for benefit changes and preparing notices to plan participants. **Confirmed.**
8. Please confirm whether the requested bundled fee should cover the entire three-year contract period or whether it should be an annual bundled fee. **Annual bundled fee for each of the three (3) years.**
9. Please confirm whether any additional actuarial fees (in excess of the bundled fee) have been paid to the current actuary in each of the last five years. **None.**
10. Please confirm the amount of any additional actuarial fees paid to the current actuary (in excess of bundled fees) in each of the last five years. **None.**
11. Please confirm the timing of when the census and financial data for the actuarial valuations are sent to the actuary and when the actuarial valuation reports are due. **Census data provided one month after June 30 and Financial data is sent mid-September.**

**Korn Ferry submitted the following questions:**

1. The section titled Evaluation of Responses states that the fee proposal should be comprised of (1) a fixed fee for the annual valuation, including services stipulated above for three years and (2) hourly time charges for any additional work or studies. Please identify which items listed in the section titled Fees and Additional Information 1(a)-1(h) should be included in the fixed fee for the valuation. **Just the valuation fee.**
2. The section titled Fees and Additional Information 1(a) includes the preparation of experience studies. Should the all-inclusive fee include the fee to prepare experience studies even though this is not provided annually? **In the year of the experience study.** Can the fee to provide the experience study be included as a separate, all-inclusive fee that would be billed each four years? **Yes.**
3. The section titled Fees and Additional Information 1(a) and 1(h) both refer to providing the cost of changes in employee benefits. The scope of this service can vary significantly based on the frequency and scope of potential changes. Will this bundled fee only provide for reflecting implemented changes in benefits in the actuarial valuation? **Yes.** Will the review of potential changes be included as a separate fee? **Yes.**
4. Please provide a summary of any benefit changes that occurred during the last five years. **Please refer to items 5 and 6 on page 40 of the ERS CAFR (6/30/18) as well as the creation of Class D membership. (CAFR is found on the ERS website, under Publications & News.)**
5. The section titled Fees and Additional Information 1(d) and 1(e) are not actuarial and appear to be services best provided by ERS' legal counsel. Please explain the expected role of the actuary in providing these services. **Unable to fully define at this time. OK to defer pricing.**
6. Please provide the actuarial consulting fees, paid to the incumbent for each of the past five (5) years, broken down by Retainer Services vs. Non-Routine Services, including the incumbent's current billing rate schedule. **Unable to provide.**
7. Please describe any limitations of liability included in the current contract to provide the requested actuarial services. **The Actuary will indemnify and hold harmless the Board and its officers and employees against any and all damages, losses or liabilities arising out of or resulting from work performed under this Agreement due to the willful misconduct or negligent acts or omissions by the Actuary's officers, employees or authorized agents which do not conform to the standard of care set out in this section.**
8. What are the biggest financial, administrative, or other challenges that the Board faces in managing the Retirement systems. **The actuarial funding of the plan.**