

PUBLIC NOTICE

COMMONWEALTH OF MASSACHUSETTS

MWRA EMPLOYEES' RETIREMENT BOARD

REQUEST FOR PROPOSALS TO PROVIDE ACTUARIAL SERVICES

The MWRA Employees' Retirement Board (hereinafter, "the Board") is seeking a vendor to provide Actuarial Services, including performing annual Valuations, completing GASB statements, and compiling information requisite to annual GFOA-compliant CAFR filings for Massachusetts public retirement systems in coordination with the Board, Accounting Services provider, Consultant, and Custodian, for years ending December 31, 2020 through December 31, 2024. Contract may be extended for no more than two additional years at the discretion of the Board. To be considered for selection, the Actuarial Services provider must have and maintain professional certifications (FSA, AAA, and/or EA), must possess knowledge of General Laws Chapter 32 and 840 Code of Massachusetts, demonstrate proficiency with PERAC-mandated and industry-standard criteria for Actuarial Valuations (cost methods, assumptions, funding methodologies, etc.), and should have experience compiling actuarial data central to filing GFOA-compliant CAFR documents for public entities.

The Board oversees the MWRA Employees' Retirement System (hereinafter, "the System") in accordance with General Laws Chapter 32 and 840 Code of Massachusetts Regulations, as well as ancillary areas of law pertinent to public agencies generally, including the Massachusetts Public Records Law, the State Ethics Law, and the Massachusetts Open Meeting Law. This request for proposals is subject to and will be conducted in compliance with General Laws Chapter 32, § 23B.

The MWRA Employees' Retirement System is a Massachusetts governmental unit which administers the public pensions of approximately 1800 active and retired employees and their beneficiaries. The Board manages approximately \$550,000,000 in System assets and employs a staff of three in offices located at Two Griffin Way, Chelsea, Massachusetts. A copy of the RFP will be available on mwraretirement.com, or may be obtained from Carolyn Russo, Executive Director, MWRA Employees' Retirement System, at carolyn.russo@mwra.com.

The Request for Proposals will be available until the submission deadline of **September 16, 2020 at 3:00 p.m. (E.S.T.)** The Board reserves the right to reject any and all proposals at its discretion.

Proposal Requirements

Qualified and experienced Actuarial Services firms are invited to submit written proposals to the MWRA Employees Retirement Board to be considered for selection as a vendor to provide Actuarial services to the MWRA Employees' Retirement System for accounting years ending December 31, 2020 through December 31, 2024, with a possibility to extend for no more than two additional years at the discretion of the Board. By submitting a proposal in response to this RFP, the vendor is certifying that they currently have and agree to maintain professional certifications (FSA, AAA, and/or EA), possess knowledge of General Laws Chapter 32 and 840 Code of Massachusetts, and have demonstrated proficiency with PERAC-mandated and industry-standard criteria for Actuarial Valuations (cost methods, assumptions, funding methodologies, etc.). Experience compiling actuarial data central to filing GFOA-compliant CAFR documents for public entities is preferred.

I. Scope of Services

The selected vendor will be required to:

- A. Perform an annual Actuarial Valuation of the MWRA Employees' Retirement System in accordance with industry-standard and PERAC-mandated standards and principles, perform data and demographic analysis, issue a formal Valuation report, and provide the Board with funding options for the System consistent with its objectives;
- B. Complete any required GASB Statements;
- C. Compile information in coordination with the System's Staff, Accountants, Custodian, and Consultant in order to create and submit documents central to the submission of the System's CAFR to the GFOA in a timely manner;
- D. Perform other actuarial services or consulting as requested.

Please provide the following information about your entity. The Board does not require a specific format, but requires respondents to address the following areas in its proposal.

II. Background

- A. Please provide a brief history of the firm.
- B. Please identify the location of the headquarters and branch offices.
- C. Please provide a description of the ownership structure of the entity and number of employees.

- D. Please list experience in providing actuarial services to public pension plans within Massachusetts.
- E. Please list experience with compiling and submitting GFOA-compliant CAFR documents, if any.
- F. Please list the services provided to clients in a full-service Actuarial Services relationship. Indicate any services which may be considered the firm's areas of greatest expertise.
- G. Please list any pertinent services or attributes not mentioned in this Request for Proposals which the Board should consider.

III. Operations

- A. Please indicate whether your accounts are serviced by teams or by individual Actuaries or Analysts.
- B. Please indicate the average number and size of accounts per team or Actuary.
- C. Please indicate the largest number of accounts handled by one team or Actuary.
- D. Please identify and provide credentials of those employees who would be assigned to the account. The Lead Actuary for the account should be prepared to attend a Board interview.
- E. Please describe the entity's ability to do prompt, comprehensive and accurate reporting.
- F. Please provide the names of any clients who have terminated services in the last five years prior to the expiration of an existing contract.
- G. Please explain in detail any potential or actual conflict of interest (or appearance of a conflict of interest) which may arise if the entity is selected to perform services for the Board. Include other client relationships which may inhibit or enhance services to the Board.
- H. Please explain in detail any lawsuits or professional board or licensing sanctions pending or imposed upon the firm or its employees in their professional capacity in the past five years.

IV. Miscellaneous

- A. Please provide three (3) client references, including the names, addresses and telephone numbers of contact persons.
- B. Please describe in detail the type of information you require and expect to receive from the Board's Staff, Consultant, and Custodian in order to perform the proposed services.
- C. Please provide **ONE (1) COPY** of a sample Actuarial Valuation Report, pertinent GASB statements, and public entity CAFR report actuarial contributions, if available, which are representative of the reports customarily supplied to clients.

V. Fee Structure.

In as much detail as possible, please describe the proposed fee structure for your services to the Board for each year of the potential five-year contract.

VI. Evaluation Criteria and Rating

- A. Excepting "minor informalities," proposals for services not addressing or meeting the Minimum Criteria will not be considered "responsive" and will be excluded from further evaluation. A "minor informality" is defined as:

minor deviations, insignificant mistakes, and matters of form rather than substance of the bid, proposal, or contact document which can be waived or corrected without prejudice to other bidders, potential bidders, or the governmental body.

- B. Rating evaluations shall be established as highly advantageous, advantageous, not advantageous, or unacceptable.

- C. Assignment of rating:

(1) "Highly Advantageous" will be assigned based on:

- Strength, stability and longevity of the entity.
- Depth of experience and knowledge of the entity and/or individuals with Massachusetts public pension plan valuations and funding experience including all statutory provisions, rules and regulations.

- Significant level of experience with Massachusetts public pension systems and regulatory agencies.
- Length of time the entity and/or individuals has worked as a team or unit.
- Depth and completeness of reports.
- Reports presented in a clear and concise format.
- High level of client satisfaction

(2.) “Advantageous” will be assigned to responsive proposals addressing all items and meeting all criteria for each part of the proposal.

(3.) “Not Advantageous” will be assigned for those proposals submitted by entities who have:

- Minimal experience with Massachusetts public pension funds and agencies.
- Minimal experience with Chapter 32 and PERAC regulations
- Minimal experience as a working team or unit

(4.) “Unacceptable” will be assigned for proposals that materially fail to meet or address the items enumerated in this request, or proposals that fail to include required documentation.

N.B. To avoid an “unacceptable” rating for failure to address any item of the Request for Proposals, e.g., an item is not applicable to the entity; an explanation of such should be stated in the response.

VII. Submission Requirements

A. Please submit your proposal to:

CAROLYN RUSSO
 MWRA EMPLOYEES’ RETIREMENT SYSTEM
 2 GRIFFIN WAY
 CHELSEA, MA 02150

B. Please submit eight (8) copies of your services proposal. The proposal itself should be no more than 20 pages long, excluding resumes.

- C. Please include in the submission a cover letter stating that the enclosed services and fee proposals are valid through December 31, 2020.
- D. Please include in the submission one copy of a sample Valuation Report, Actuarial Opinion Letter, and GFOA-compliant CAFR contributions for public pension funds (if any).
- E. Please include in the submission package, but in a separate, sealed envelope, the fee proposal, labeled with the firm name and the words “Fee Proposal.”
- F. Please include in the submission one copy of the completed Vendor Contact and Vendor Certification forms, found here: <https://www.mass.gov/lists/perac-compliance-investments-forms#compliance-&-investments-forms-for-vendors->
- G. **Proposals must be submitted and received by 3:00 p.m. on Wednesday September 16, 2020.** Proposals may not be transmitted by fax or electronic mail, but electronic versions should be available upon request if the firm’s submission is selected for further review.
- H. If you have any questions regarding this Request for Proposal, please email Carolyn Russo, Executive Director at carolyn.russo@mwra.com, with RFP question in the subject line.
- I. The Board reserves the right to schedule interviews with any and all respondents, or with no respondents. We anticipate that finalists will be selected at the Board meeting scheduled for September 24, 2020. Finalists should anticipate being interviewed by the Board on October 29, 2020. If interviews are required which cannot be performed on this date, the Board may arrange a further date for interviews. Finalist selection and interview schedule may be subject to change due to unforeseen circumstances.
- J. The Board reserves the right to reject any and all proposals, to seek further information relative to any and all proposals, to waive any minor non-compliance or non-conformity with the Request for Proposal, and to enter into any agreement deemed by the Board to be in the System’s best interest.

VIII. Execution of Contract

Upon the Board’s vote to accept a proposal submitted in accordance with this RFP, the execution of a written contract will be required, subject to review by Board Counsel and separate approval by the Board. Failure to agree to mutually acceptable terms as determined by the Board will void the Board’s acceptance of the proposal. In addition, award will be contingent upon the Board’s receipt of acknowledgment by PERAC that all of the requisite documents have been received and satisfactorily reviewed.

IX. Public Record

In accordance with Chapter 66, Section 10 and Chapter 4 of the Massachusetts General Laws, upon the expiration of the proposal deadline, all proposals shall be deemed a public record and shall be subject to request for public disclosure.

Thank you for your interest in this Request for Proposal.