



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

STATE OF OKLAHOMA
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

REQUEST FOR PROPOSAL

RFP #: 715-21-1001

RFP Date: November 23, 2021

Type of Services Requested: Actuarial Consulting Services

Brief Description of Services Requested: The Teachers' Retirement System of Oklahoma (TRS) is seeking proposals from qualified firms to provide Actuarial Consulting Services. TRS administers a qualified public pension plan under Section 401(a) of the Internal Revenue Code for approximately 184,000 active and retired members.

TRS reserves the right to reject any or all proposals submitted. There is no express or implied obligation for TRS to reimburse Vendors for any expenses incurred in preparing proposals in response to this RFP. Proposals submitted in response to the RFP become the property of TRS and are subject to public inspection. TRS reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline. If it becomes necessary to revise the RFP at any time prior to the proposal deadline, TRS will post revisions to the TRS website at <https://oklahoma.gov/trs/about-us/request-for-proposals.html>. The RFP is comprised **19** total pages, as follows:

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This RFP can be found on the TRS website at <https://oklahoma.gov/trs/about-us/request-for-proposals.html>. If you are unable to download this document from the website, you can also obtain an electronic copy of this RFP through e-mail. Send your request to Jessica.Malloy@trs.ok.gov. Include the name of the RFP and the proposal number in your request. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP.



*“Certification for Competitive Bid and Contract” **MUST** be submitted along with the response to the Solicitation.*

1. RE: Solicitation# _____

2. Bidder General Information:

FEI / SSN : _____ Supplier ID: _____

Company Name: _____

3. Bidder Contact Information:

Address: _____

City: _____ State: ____ Zip Code: _____

Contact Name: _____

Contact Title: _____

Phone #: _____ Fax #: _____

Email: _____ Website: _____

4. Oklahoma Sales Tax Permit¹:

YES – Permit #: _____

NO – Exempt pursuant to Oklahoma Laws or Rules – Attach an explanation of exemption

5. Registration with the Oklahoma Secretary of State:

YES - Filing Number: _____

NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. Workers’ Compensation Insurance Coverage:

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers’ Compensation Act.

YES – Include with the bid a certificate of insurance.

NO – Exempt from the Workers’ Compensation Act pursuant to 85A O.S. § 2(18)(b)(1-11) – Attach a written, signed, and dated statement on letterhead stating the reason for the exempt status.²

¹ For frequently asked questions concerning Oklahoma Sales Tax Permit, see <https://www.ok.gov/tax/Businesses/index.html>

² For frequently asked questions concerning workers’ compensation insurance, see <https://www.ok.gov/wcc/Insurance/index.html>

7. Disabled Veteran Business Enterprise Act

- YES – I am a service-disabled veteran business as defined in 74 O.S. §85.44E. Include with the bid response 1) certification of service-disabled veteran status as verified by the appropriate federal agency, and 2) verification of not less than 51% ownership by one or more service-disabled veterans, and 3) verification of the control of the management and daily business operations by one or more service-disabled veterans.
- NO – Do not meet the criteria as a service-disabled veteran business.

Authorized Signature	Date
Printed Name	Title

Response Due Date: January 4, 2022 Time: 4:00pm CST

Return Sealed Bids to:

**Teachers' Retirement System of Oklahoma
Attn: Jessica Malloy, Business Manager
301 NW 63rd Street, Suite 500
Oklahoma City, OK 73116**

BIDDER'S CERTIFICATION (Non-Collusion Certification)

Agency Name: Teachers' Retirement System of Oklahoma

Agency Number: 715

RFP #: 715-21-1001

A. I certify that:

1. I am the duly authorized agent of _____, the Bidder submitting this proposal which is attached to this statement for the purpose of certifying the facts pertaining to the existence of collusion among vendors and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the proposal to which this statement is attached;
2. I am fully aware of the facts and circumstances surrounding the making and submitting of this proposal and has been personally and directly involved in the proceedings leading to the submission of such proposals; and
3. Neither the Bidder nor anyone subject to the Bidder's direction or control has been a party:
 - a) to any collusion among Bidders in restraint of freedom of competition by agreement to propose a fixed price or to refrain from submitting a proposal;
 - b) to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other term of such prospective contract;
 - c) in any discussions between Bidders and any state official concerning exchange of money or any other thing of value for special consideration in the award of this prospective contract; nor
 - d) to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45j of Title 74 of the Oklahoma Statutes.

B. I certify, if awarded the contract, whether competitively bid or not, neither the Bidder nor anyone subject to the Bidder's direction or control has paid, given, donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma, any money or other thing of value, either directly or indirectly, in procuring this prospective contract.

Supplier Authorized Signature	Certified This Date
Printed Name	Title
Phone Number	Email

The Bidder's Certification must be made out in the name of the bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.

Anti-BDS Israel Certification

CERTIFICATION OF COMPANY

NOT CURRENTLY ENGAGED IN A BOYCOTT OF ISRAEL

In accordance with HB 3967, 2020 Legislative Session, and 74 O.S. Section 582, effective November 1, 2020, the State of Oklahoma shall not enter into a contract with any Company to acquire or dispose of good or services in excess of one-hundred thousand dollars (\$100,000.00), unless such Company submits a written certification that such Individual or Company is not currently engaged in a Boycott of Israel.

"Company" means an organization, association, corporation, partnership, venture or other entity, its subsidiary or affiliate, that exists for profitmaking purposes or to otherwise secure economic advantage;

"Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:

a. in compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 U.S.C., Section 4607(c) applies, or

b. in a manner that discriminates on the basis of nationality, national origin or religion, and that is not based on a valid business reason;

As a Contractor entering into a contract with the State of Oklahoma, it is hereby certified that the Company listed below is not currently engaged in a boycott of Israel.

Signature, Title of Contractor

Certified This Date

Printed Name

Name of Company

A. GENERAL PROVISIONS

A.1. Definitions

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1. "Acquisition" means items, products, materials, supplies, services, and equipment an entity acquires by purchase, lease purchase, lease with option to purchase, or rental;
- A.1.2. "Addendum" means a written restatement of or modification to a Contract Document executed by the Supplier and State.
- A.1.3. "Bid" means an offer in the form of a bid, proposal, or quote a bidder submits in response to a solicitation;
- A.1.4. "Bidder" means an individual or business entity that submits a bid in response to a solicitation;
- A.1.5. "Solicitation" means a request or invitation by the Teachers' Retirement System (TRS) for a supplier to submit a priced offer to sell acquisitions to the state. A solicitation may be an invitation to bid, request for proposal, or a request for quotation; and
- A.1.6. "Supplier" or "vendor" means an individual or business entity that sells or desires to sell acquisitions to state agencies.

A.2. Solicitation Questions and Answers

- A.2.1 In an effort to clarify any issues in this solicitation, TRS will respond only to questions that are presented through email. Questions should be submitted to Jessica Malloy at Jessica.Malloy@trs.ok.gov by the deadline outlined in this solicitation. All questions and answers will be consolidated into a single Q&A document. The Q&A document will be posted on the TRS website by the deadline outlined in this solicitation. This will be the only distribution method for the Q&A document.

A.3. Bid Submission

- A.3.1. Submitted bids shall be in strict conformity with the instructions to bidders and shall be submitted with a completed Responding Bidder Information, Bidder's Certification, and any other forms required by the solicitation.
- A.3.2. Bids shall be submitted to TRS in a single envelope, package, or container and shall be sealed, unless otherwise detailed in the solicitation. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. **THE SOLICITATION NUMBER MUST ALSO APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.**
- A.3.3. All bids shall be legible and completed in ink or with electronic printer or other similar office equipment. The Bidder shall submit one (1) original hard copy proposal and one (1) electronic version of the complete response on a USB drive in PDF or similar format. The container for the USB drive must be clearly marked with the Bidder's name and RFP number. **Bids will NOT be accepted via email.**
- A.3.4. All bids submitted shall be subject to the Oklahoma Central Purchasing Act, Central Purchasing Rules, and other statutory regulations as applicable, these General Provisions, any Special Provisions, solicitation specifications, required certification statement, and all other terms and conditions listed or attached herein—all of which are made part of this solicitation.
- A.3.5. **Acquisitions Requiring Security Assessment and SOC reports.** When TRS acquires a service for Information Technology contracts for programming, data sharing, data management and other such services in which the successful vendor will have access to,

or possess, TRS membership or other confidential data, or other service requiring great trust and confidentiality, the prospective vendor shall complete a Security Assessment through OMES https://omes.ok.gov/sites/g/files/gmc316/f/SecurityCertification-R_0.xlsx. and provide to TRS a System and Organization Controls or other similar type report ("SOC report") with its submission. Such services may include pension administration software, death verification services, custodial banking services, actuarial services, and others as identified by TRS staff from time to time. If vendor does not provide a SOC report, the vendor must provide a detailed reason for failing to do so, and the vendor may be disqualified from providing services to TRS.

- A.3.6. **Acquisitions requiring Anti-BDS Certification.** In accordance with HB 3967, 2020 Legislative Session, and 74 O.S. Section 582, effective November 1, 2020, the State of Oklahoma shall not enter into a contract with any Company to acquire or dispose of good or services in excess of one-hundred thousand dollars (\$100,000.00) unless such Company submits a written certification that such Individual or Company is not currently engaged in a Boycott of Israel.

A.4. Bid Change

- A.4.1. If the bidder needs to change a bid **prior to the solicitation response due date**, a new bid shall be submitted to the procuring agency with the following statement "This bid supersedes the bid previously submitted" in a single envelope, package, or container and shall be sealed and delivered pursuant to A.3.2 above.

A.5. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

By submitting a response to this solicitation:

- A.5.1. The prospective primary participant and any subcontractor certifies to the best of their knowledge and belief, that they and their principals or participants:
- A.5.1.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or local department or agency;
 - A.5.1.2. Have not within a three-year period preceding this proposal been convicted of or pled guilty or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract; or for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - A.5.1.3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph A.5.1.2. of this certification; and
 - A.5.1.4. Have not within a three-year period preceding this application/proposal had one or more public (Federal, State, or local) contracts terminated for cause or default.
- A.5.2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to its solicitation response.

A.6. Bid Opening

Sealed bids shall be opened by the Business Manager with one witness present at the offices of the Teachers' Retirement System, 301 NW 63rd Street, Suite 500, Oklahoma City, OK, 73116, as reasonably practical after the time and date specified in the solicitation as the Response Due Date and Time.

A.7. Open Bid / Open Record

Pursuant to the Oklahoma Public Open Records Act, a public bid opening does not make the bid(s) immediately accessible to the public. The procurement or contracting agency shall keep the bid(s) confidential and provide prompt and reasonable access to the records only after a contract is awarded or the solicitation is cancelled. This practice protects the integrity of the competitive bid process and prevents excessive disruption to the procurement process. The interest of achieving the best value for the State of Oklahoma outweighs the interest of vendors immediately knowing the contents of competitor's bids. [51 O.S. § 24A.5(6)]

A.8. Late Bids

Bids received by the procuring agency after the response due date and time shall be deemed non-responsive and shall NOT be considered for any resultant award.

A.9. Legal Contract

- A.9.1. Submitted bids are rendered as a legal offer and any bid, when accepted by the procuring agency, shall constitute a contract.
- A.9.2. The Contract resulting from this solicitation may consist of the following documents in the following order of precedence: Any Addendum to the Contract; Purchase order, as amended by Change Order (if applicable); Solicitation, as amended (if applicable); and Successful bid (including required certifications), to the extent the bid does not conflict with the requirements of the solicitation or applicable law.

A.10. Pricing

- A.10.1. Bids shall remain firm for a minimum of one-hundred twenty (120) days from the solicitation closing date.
- A.10.2. In accordance with 74 O.S. §85.40, ALL travel expenses to be incurred by the supplier in performance of the Contract shall be included in the total bid price/contract amount.
- A.10.3. State agencies are exempt from sales taxes and federal excise taxes. Purchases made by suppliers on behalf of a state agency are not exempt from sales or federal taxes unless otherwise provided by law and may not be passed along to the state agency as part of the bid.

A.11. Negotiations

- A.11.1. In accordance with Title 74 §85.5, TRS reserves the right to negotiate with one, selected, all or none of the vendors responding to this solicitation to obtain the best value for the agency. Negotiations could entail discussions on products, services, pricing, contract terminology or any other issue that may mitigate the State's risks. Firms that contend that they lack flexibility because of their corporate policy on a particular negotiation item shall face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply:
- A.11.2. Terms, conditions, prices, methodology, or other features of the bidder's offer may be subject to negotiations and subsequent revision. As part of the negotiations, the bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the offer.
- A.11.3. The requirements of the Request for Proposal shall not be negotiable and shall remain unchanged unless TRS determines that a change in such requirements is in the best interest of the State Of Oklahoma.

A.12. Rejection of Bid

TRS reserves the right to reject any bids that do not comply with the requirements and specifications of the solicitation. A bid may be rejected when the bidder imposes terms or conditions that would modify requirements of the solicitation or limit the bidder's liability to the State. Other possible reasons for rejection of bids are listed in OAC 260:115-7-32.

A.13. Award of Contract

- A.13.1. TRS may award the Contract to more than one bidder by awarding the Contract(s) by item or groups of items, or may award the Contract on an ALL OR NONE basis, whichever is deemed by TRS to be in the best interest of the State of Oklahoma.
- A.13.2. Contract awards will be made to the lowest and best bidder(s) unless the solicitation specifies that best value criteria is being used.
- A.13.3. In order to receive an award or payments from TRS, suppliers must be registered. The vendor registration process can be completed electronically through the OMES website at the following link: <https://pay.apps.ok.gov/dcs/vendors2/app/index.php>
- A.13.4. The initial contract term will be the Date of Award through the end of the current fiscal year and may be subject to annual renewal.

A.14. Contract Modification

- A.14.1. The Contract may be modified only through a written Addendum, signed by the Executive Director of TRS and the supplier.

A.15. Delivery, Inspection and Acceptance

- A.15.1. Supplier(s) awarded the Contract shall be required to deliver products and services as bid on or before the required date. Deviations, substitutions or changes in products and services shall not be made unless expressly authorized in writing by the procuring agency.

A.16. Invoicing and Payment

- A.16.1. Upon submission of an accurate and proper invoice, the invoice shall be paid in arrears after products have been delivered or services provided and in accordance with applicable law. Invoices shall contain the purchase order number, a description of the products delivered or services provided, and the dates of such delivery or provision of services. An invoice is considered proper if sent to the proper recipient and goods or services have been received.
- A.16.2. Pursuant to 74 O.S. §85.44(B), invoices will be paid in arrears after products have been delivered or services provided. Payment terms will be net 45. Interest on late payments made by the State of Oklahoma is governed by 62 O.S. § 34.72.
- A.16.3. Additional terms which provide discounts for earlier payment may be evaluated when making an award. Any such additional terms shall be no less than ten (10) days increasing in five (5) day increments up to thirty (30) days. The date from which the discount time is calculated shall be the date of a proper invoice.
- A.16.4. State agency acquisitions are exempt from sales taxes and federal excise taxes. Bidders shall not include these taxes in price quotes.

A.17. Audit and Records Clause

- A.17.1. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any Contract with the State, the successful bidder(s) agree any pertinent State or Federal agency will have the right to examine and audit all records relevant to execution and performance of the resultant Contract.

A.17.2. The successful supplier(s) awarded the Contract(s) is required to retain records relative to the Contract for the duration of the Contract and for a period of seven (7) years following completion and/or termination of the Contract. If an audit, litigation, or other action involving such records is started before the end of the seven (7) year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

A.18. Choice of Law / Choice of Venue

Any claims, disputes, or litigation relating to the solicitation, or the execution, interpretation, performance, or enforcement of the Contract shall be governed by the laws of the State of Oklahoma. Venue for any action, claim, dispute or litigation relating in any way to the Contract shall be in Oklahoma County, Oklahoma.

A.19. Termination for Cause

A.19.1. The supplier may terminate the Contract for default or other just cause with a 30-day written request and upon written approval from the procuring agency. TRS may terminate the Contract for default or any other just cause upon a 30-day written notification to the supplier.

A.19.2. TRS may terminate the Contract immediately, without a 30-day written notice to the supplier, when violations are found to be an impediment to the function of the agency and detrimental to its cause, when conditions preclude the 30-day notice, or when TRS determines that an administrative error occurred prior to Contract performance.

A.19.3. If the Contract is terminated, TRS shall be liable only for payment for products and/or services delivered and accepted.

A.20. Termination for Convenience

A.20.1. TRS may terminate the Contract, in whole or in part, for convenience if it determines that termination is in the State's best interest. TRS shall terminate the contract by delivering to the supplier a Notice of Termination for Convenience specifying the terms and effective date of Contract termination. The Contract termination date shall be a minimum of 60 days from the date the Notice of Termination for Convenience is issued by TRS.

A.20.2. If the Contract is terminated, TRS shall be liable only for products and/or services delivered and accepted, and for costs and expenses (exclusive of profit) reasonably incurred prior to the date upon which the Notice of Termination for Convenience was received by the supplier.

A.21. Insurance

The successful supplier(s) awarded the Contract shall obtain and retain insurance, including workers' compensation, automobile insurance, medical malpractice, and general liability, as applicable, or as required by State or Federal law, prior to commencement of any work in connection with the Contract. The supplier awarded the Contract shall timely renew the policies to be carried pursuant to this section throughout the term of the Contract and shall provide the procuring agency with evidence of such insurance and renewals.

A.22. Employment Relationship

The Contract does not create an employment relationship. Individuals performing services required by this Contract are not employees of the State of Oklahoma or TRS. The supplier's employees shall not be considered employees of the State of Oklahoma nor TRS for any purpose, and accordingly shall not be eligible for rights or benefits accruing to state employees.

A.23. Compliance with Applicable Laws

The products and services supplied under the Contract shall comply with all applicable Federal, State, and local laws, and the supplier shall maintain all applicable licenses and permit requirements.

B. TRS BACKGROUND INFORMATION

B.1. Legal Authorization.

The Teachers' Retirement System of Oklahoma (TRS) was created by an act of the Oklahoma Legislature in 1943 after citizens amended the state constitution allowing the creation of a public retirement program for educators. TRS is established as set forth in 70 O.S. § 17-101 et seq. and placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits for public education employees of the State of Oklahoma. The Board of Trustees of the Teachers' Retirement System of Oklahoma (TRS) is charged with the investment of approximately \$22.0 billion in retirement funds. The Board of Trustees and TRS staff oversee the administration of the System to ensure adequate funds are maintained to meet the financial obligations of the entire membership. In directing investments of TRS funds, the Board seeks to maximize gains, minimize losses, and protect the fund. TRS has a budgeted staff of 41 employees. The Executive Director is the chief administrative officer of the agency.

B.2. Board Composition.

TRS is administered by a Board of Trustees composed of 15 members including the State Superintendent of Public Instruction or designee, the Director of the State Office of Career and Technology Education or designee, the Director of the Office of Management and Enterprise Services (OMES) or designee, the State Treasurer or designee, and members appointed by the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the State Senate, and one non-voting member appointed by a retired educators association.

C. COMMUNICATION WITH TRS

C.1 Communications Prohibited.

To clarify any issues in this RFP, TRS will respond only to questions that are presented as described in paragraph A.2 above. Telephone questions will not be accepted. TRS policy prohibits direct contact between prospective service providers and TRS Board members, consultants, or staff during this RFP process. This does not include communication with TRS' incumbent service provider for normal business not related to this selection process. From the date of release of this RFP until a Vendor is selected and a contract is executed and approved, all contacts and communications regarding this RFP are restricted to the Q&A provisions in paragraph D of Section A.2. Exceptions include communications with TRS staff identified in this section and designated participants in attendance only during negotiations, presentations, and contract award and execution. Violation of these conditions may result in rejection of a Vendor's proposal.

D. SOLICITATION SPECIFICATIONS, MINIMUM QUALIFICATIONS, AND TIMELINE

D.1. Services Requested. The Teachers' Retirement System of Oklahoma is issuing this request for proposals to identify a qualified firm to provide actuarial and consulting services for TRS in support of TRS' legal, management, and reporting requirements. Some services must be performed periodically (usually annually), and others must be performed on an ad-hoc basis. The Vendor will be required to perform all periodic services according to a schedule mutually agreed upon by TRS and the Vendor, and all unscheduled services as required by TRS. Requested services include:

D.1.1. Annual Actuarial Valuation and Other Annual Services

- D.1.1.1. The Vendor shall complete an annual actuarial valuation of the retirement plans' assets and liabilities for TRS commencing with the fiscal year ending June 30, 2023 (July 1, 2022 – June 30, 2023).
- D.1.1.2. Each actuarial valuation report shall include a summary of principal financial results for TRS including actuarial contribution rates (normal and accrued liability), recommended statutory contribution rates, actuarial and market value of assets, actuarial liabilities, membership demographics, and detailed gain/loss analysis as

well as a history of legislation that has had a fiscal impact on TRS.

- D.1.1.3. Each actuarial valuation report shall include the accounting information and schedules required to comply with Governmental Accounting Standards Board (GASB) standards and guidance. The report shall be in a format that may be incorporated into the retirement system's Comprehensive Annual Financial Reports.
- D.1.1.4. The valuations shall be based on annual data for each fiscal year, with final results contained in one report to be presented to the Board of Trustees in October following the fiscal year end. Drafts of these reports must be delivered to the staff by the first Wednesday of October. The draft and final reports must be delivered in electronic format and hard copy.
- D.1.1.5. Each valuation report shall contain sufficient explanatory text to provide a reasonable understanding of the actuarial assumptions, methods, trends and conclusions to individuals with a fiduciary responsibility for the funding status of the retirement plans.
- D.1.1.6. As appropriate, the valuation report shall contain comments and recommendations concerning the retirement plans' actuarial condition and funding progress.
- D.1.1.7. The most recent actuarial valuation report for fiscal year ended June 30, 2021 and prior reports, may be found on our web site at <https://oklahoma.gov/trs/about-us/publications/actuarial-reports.html>. Prospective bidders are encouraged to review these reports.
- D.1.1.8. Each valuation report must contain an addendum or separate report containing specific statutory assumptions (see 70 Oklahoma Statutes, §17-106.1(I)) in addition to the report with the Board's assumptions.
- D.1.1.9. The actuary must also prepare a separate letter and appropriate schedules to be included in the plan Comprehensive Annual Financial Report (CAFR) to comply with GASB 67 and 68 and/or any other applicable pronouncements.
- D.1.1.10. The actuary must also prepare GASB 74 and 75 OPEB and Disclosure Information on an annual basis for TRS.
- D.1.1.11. The firm may be requested to calculate the annual cash flows necessary to pay the medical premium subsidy paid by the TRS. If requested, this must be done so that the information can be presented to and acted on by the Board at its meeting in July of each year.
- D.1.1.12. The firm must provide or update a variety of spreadsheets, charts, and analyses, such as the following:

- a. TRS spreadsheets to calculate actuarial cost for purchase of:
 - Delinquent service credit (erroneously missing participation)
 - Permissive governmental service
 - Out of State service credit
 - Military Service credit
 - Other miscellaneous service credit

The spreadsheets listed in a above are required if certain legislative changes are made which affect eligibility for retirement or change the benefit calculations structure, or if the assumed earned interest rate changes, or if the mortality tables change. Different spreadsheet versions to allow calculations for different member categories (regular, elected officials, hazardous duty) are required.

- b. IRC 415(b) Benefit Limitation Chart for screening of benefit calculations for TRS.
- c. Deferred Annuity Factors for TRS.

d. Option Factors for reduction to benefits for Joint & Survivor 50%, Joint & Survivor 100%, and Ten Year Certain survivor plans for TRS.

e. Early retirement reduction factors.

f. Spreadsheet for calculation of present value of a member's benefit for TRS.

D.1.2. Experience Study

D.1.2.1. The Vendor shall complete an experience study of TRS every five (5) years. The Vendor must provide a letter to TRS with any necessary commentary for proposed assumption changes or other matters related to the experience of the plans.

D.1.2.2. The Vendor shall investigate and analyze the demographic and economic experience of TRS. The next experience study will cover the period from July 1, 2019 to June 30, 2024, and shall be completed by April 1, 2025.

D.1.2.3. The Vendor's written report of each experience study must include, but is not limited to, recommendations for the basic actuarial assumptions to be used in the annual actuarial valuations and the determination of actuarial factors to be used in administering the TRS Plan.

D.1.2.4. Following completion of each experience study, the Vendor shall present the results to the TRS Board of Trustees. This on-site meeting, required once every five years, will be in addition to those discussed in paragraph E below.

D.1.2.5. TRS' most recent experience study for period beginning July 1, 2014 and ending June 30, 2019, is available at <https://oklahoma.gov/trs/about-us/publications/actuarial-reports.html>

D.1.3. Fiscal Impact of Proposed Legislation

D.1.3.1. When legislation that may affect the retirement plan's funding or benefits is introduced, TRS staff may be called on to produce fiscal impact statements to state budget and legislative officials. The Vendor shall be responsible for providing timely estimates of the fiscal impact of such legislation to TRS staff upon request.

D.1.3.2. The Vendor's fiscal impact estimates shall be made available to TRS staff no later than three (3) business days from the date of such request unless an alternative schedule has been mutually agreed upon by TRS staff and the Vendor.

D.1.3.3. Fee proposals should assume preparation of an average of three (3) to five (5) fiscal impact estimates per contract year.

D.1.4. Special Studies for Benefit Proposals

D.1.4.1. TRS may occasionally request that the Vendor review certain benefit proposals and perform actuarial calculations related to these proposals.

D.1.4.2. The Vendor must have resources available to provide these non-recurring services in a timely manner as requested by TRS.

D.1.4.3. Fee proposals should assume analysis of an average of one (1) benefit proposal per contract year.

D.1.5. Board of Trustees Consultation, Education, and Meetings

D.1.5.1. The Vendor serves as a technical advisor on actuarial issues to the Board of Trustees and should be available as outlined below.

D.1.5.2. The Vendor should be prepared to attend a minimum of two (2) on-site meetings with the Board of Trustees or staff per contract year to give presentations and/or respond to questions, including one (1) meeting to review the annual actuarial valuations and (1) meeting to provide Trustee education.

D.1.5.3. The Vendor is expected to inform the Board of Trustees and the Executive Director of developments in the retirement industry and the potential impact on the retirement plans' funding and benefit structure. This should include current trends and recent

developments within the actuarial profession as related to public defined benefit retirement plans.

- D.1.5.4. The Vendor's primary actuary assigned to TRS and any actuary that makes a presentation to the Board must have the ability to discuss actuarial theory and other actuarial or pension subjects in layperson's terms.

D.1.6. Pension Oversight and Legislative Meetings

- D.1.6.1. The Oklahoma State Pension Commission is a statutory oversight committee for TRS. In addition, there are standing retirement committees in the Senate and House of Representatives of the Oklahoma Legislature. The Vendor is expected to cooperate with the Pension Commission, Legislature and legislative staff members and provide requested information at the request of TRS. While rare, the Vendor must be available to attend a minimum of one (1) on-site Pension Commission or legislative meeting per contract year to make presentations, provide testimony, and/or respond to questions.

D.1.7. General Consulting Services

- D.1.7.1. These services may include, but are not limited to, interpretation or information concerning actuarial issues and actuarial principles, federal legislation, benefit provisions (including service purchases), mortality tables, and present value factors and calculations.
- D.1.7.2. From time to time the Vendor is expected to prepare various actuarial operating tables and factors that may be required for operation of the retirement plans.
- D.1.7.3. The Vendor will be required to support TRS' asset/liability studies conducted on a regular basis by providing information and attributes about System liabilities, communication with the investment consultant responsible for modeling the plans' liabilities for the study, and general commentary and support as requested. One such study should be assumed for the five-year maximum contract period and fees for these services should be included in the base fee for services outlined in this RFP.
- D.1.7.4. The Vendor shall routinely consult with TRS' Executive Director and designated staff regarding actuarial, fiscal, legal, and regulatory issues that may affect the retirement plans.

D.1.8. Additional Services.

- D.1.8.1. Occasionally, the Vendor may be expected to provide additional consulting services, assist with other technical issues, or contribute to reports that are not specifically listed in Section VII, Statement of Needs.
- D.1.8.2. These additional services must be performed on an as-needed basis according to a schedule of fees which is to be contained in this proposal.
- D.1.8.3. The total fee for each project under this section will be negotiated with the Vendor on an as-needed basis.

D.1.9. Miscellaneous

- D.1.9.1. The Vendor shall make available at least one actuary as the primary staff contact and a different actuary as a secondary staff contact to which TRS may direct questions and seek assistance as needed. The primary and secondary consulting actuaries should be readily accessible to TRS designated staff by telephone or email within one (1) working day.

D.2. Minimum Qualifications.

- D.2.1. Vendor must have a minimum of 7 years of experience as a business entity performing actuarial valuation services.
- D.2.2. The Vendor must have all necessary permits and licenses. Liability as well as errors and omissions insurance must be in full force at the time the proposal is submitted and must

- be maintained throughout the term of the contract.
- D.2.3. The Vendor must provide its own work facilities, equipment, supplies, and support staff to perform the required services.
 - D.2.4. The Vendor must have at least three (3) current public pension clients, each with at least 50,000 members, retirees and joint annuitants in total.
 - D.2.5. The primary actuary assigned to the account must be a Fellow of the Society of Actuaries and an Enrolled Actuary and must have at least eight (8) years of experience providing pension consulting services, experience analysis, and valuation assignments for public retirement systems with memberships of at least 50,000 members, retirees and joint annuitants.
 - D.2.6. All secondary actuaries performing services under this contract must be Fellows of the Society of Actuaries or Enrolled Actuaries and must have at least five (5) years of actuarial pension consulting experience.
 - D.2.7. All actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries

D.3. Solicitation Deadline and Timeline. The deadline for receipt of completed proposals is **4:00 p.m. Central Time, on J a n u a r y 4 , 2 0 2 2** Proposals submitted to an incorrect address or location, or received after this date or time will be rejected and will not be considered. **TRS will not grant requests for extension of the submission date or time. A complete timeline for this solicitation is as follows:**

Event	Date & Time
Issuance of Solicitation (RFP)	November 23, 2021
Questions Due to TRS	December 10, 2021 4:00pm/CST
Q&A Posted to TRS website	December 15, 2021 4:00pm/CST
Response to Solicitation (RFP) Due	January 4, 2022 4:00pm/CST
Finalist Presentations (If necessary)	January 26, 2022
Tentative Contract Start Date	July 1, 2022

E. EVALUATION CRITERIA

E.1. Best Value Criteria.

This RFP will be evaluated as best value in accordance with Title 74 Oklahoma Statutes, §85.7. The best value criteria for this proposal is as follows:

- E.1.1. Bidder's ability to perform Services Requested,
- E.1.2. Bidder's experience and record of successful past performance with acquisitions of similar scope and complexity,
- E.1.3. Bidder's use of proven development methodology, and innovative use of current technologies that lead to quality results,
- E.1.4. Bidder's response to Minimum Qualifications,

- E.1.5. Price and Cost,
- E.1.6. References,
- E.1.7. Interview of Bidder, if requested.

F. QUESTIONNAIRE

- F.1.** *Description of Firm* - Please state the bidding firm's name, address and contact information of primary headquarters and address and contact information of the office that will service this account.
- F.2.** *Description of Personnel* - Please list the individual(s) who would be assigned to the TRS account by name and provide their contact information, professional biography, role, title, and years of experience each individual has in the public pension industry and specifically with the Bidder's firm.
- F.3.** Give a brief history of your firm's involvement in the actuarial consulting business, including the year of organization, number of years in business, current and historical ownership structure, and affiliations.
- F.4.** Describe any material changes to the firm during the previous five years, including changes in ownership structure, account personnel, business focus or objective, etc. Are ownership or senior management changes planned or anticipated at this time?
- F.5.** How many years has your firm provided actuarial consulting services to public sector pension plans?
- F.6.** What do you consider to be your firm's consulting specialties, strengths and limitations?
- F.7.** What services, if any, does your firm offer clients in addition to actuarial consulting services? Please indicate the percentage of total income that such services represent for your firm.
- F.8.** Provide details on the financial condition of your firm. Provide your most recent audited financial reports (as Appendix A in your response). Also provide any additional information necessary to demonstrate the financial stability of your firm.
- F.9.** During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been involved in any business litigation, regulatory or legal proceedings? If yes, provide a brief explanation of the matter including the parties to the litigation, and indicate the current status of the proceedings.
- F.10.** During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been the subject of an audit, inquiry, or administrative action by the SEC, IRS, U.S. Justice Department, or state regulatory body? If yes, provide a brief explanation of the matter including the parties to the litigation, and indicate the current status of the proceedings.
- F.11.** Describe your firm's backup procedures should any key personnel leave the firm. How would these procedures apply to professionals assigned to the TRS account?
Provide an organizational chart of your firm, including a corporate affiliation chart if the firm is owned or controlled by another entity.
- F.12.** Describe all of the in-house services provided by your firm.
- F.13.** What standard services does your firm typically provide to its public pension full service actuarial consulting clients? Include descriptions of any research or other technical resources (including on-line databases and computer-based analytical tools) that you routinely make available to your clients.
- F.14.** Describe the services that distinguish your firm from your competitors. Briefly explain why your firm is the most qualified for this engagement.
- F.15.** Describe your firm's philosophy relating to the actuarial consultant's relationship with a Board of Trustees and staff.
- F.16.** How does your firm inform clients of relevant pending changes in federal legislation or IRS rules and regulations?
- F.17.** Describe your firm's internal quality control processes for actuarial consultants' reports and recommendations. How are these services monitored and reviewed?
- F.18.** Have your firm's actuarial consulting service products been audited by another actuarial firm within the last five years? If so, indicate the number of audits and whether any resulted in revisions to your clients' annual valuation results, actuarial assumptions or actuarial cost methods.

- F.19. Has your firm been retained by any clients to perform an audit of another actuarial consulting firm’s work during the last five years? If so, indicate the number of such engagements performed by your firm and approximate completion dates.
- F.20. Does your firm use internal or external legal expertise, or both? If external, state its source and nature.
- F.21. Describe the training, education, or client conferences that your firm would provide to TRS’ trustees and staff as it relates to pension funding principles and actuarial concepts.
- F.22. Describe any software, applications, and training your firm would provide to TRS’ staff for modeling various funding variables and alternatives.
- F.23. How does your firm monitor and measure actuarial client satisfaction?
- F.24. Do you anticipate needing to subcontract for any of the services requested? If so, explain. Please describe your firm’s disaster recovery / emergency management plan. How has your firm prepared for remote work? How has your firm maintained your standard of service during the COVID-19 disruptions?
- F.25. Describe your firm’s approach to cyber-security. Has your firm experienced any material cyber security breaches in the last 5 years?
- F.26. Provide 1-2 samples of a project your firm has completed that fits the scope of the solicitation and show proven results.

G. References and Client Base

G.1. Complete the table below, reporting only those client relationships with “full service” actuarial consulting like this mandate.

Client Type	As of 12/31/2017	As of 12/31/2018	As of 12/31/2019	As of 12/31/2020	As of 12/21/2021
Total Actuarial Consulting Clients					
Pension Plan Clients					
Public Pension Plan Clients					

- G.2. Indicate the number of client relationships the proposed primary and secondary actuaries is currently involved in managing.
- G.3. How many actuarial services accounts has your firm **lost** in each of the last five calendar years? List each terminated client and indicate the reason(s) each account was lost.
- G.4. Identify (by name) your firm’s five largest client relationships (based on membership).
- G.5. Would your firm propose to use any subcontracts in the provision of the required services? If yes, describe the specific services that would be subcontracted, the name of the subcontractor, and how you would control the quality of services provided.
- G.6. Provide at least 3 references your firm has worked with along with the name, brief summary of services provided, and phone and email contact information of the individual(s) at each agency the firm has worked with. If your firm has experience with other State agencies, please list those references over private industry offices.
- G.7. **Other**
 - G.7.1. Describe the process and timeline by which a new client would transition to your services. (Non-Incumbents only)
 - G.7.2. Does your firm carry errors and omissions insurance? If so, what is the level of coverage? (Please provide proof of coverage)
 - G.7.3. Does your firm carry fiduciary liability insurance? Is so, what is the level of coverage? (Please provide proof of coverage)
 - G.7.4. Does your firm sell any client data? If so, please describe this revenue stream in detail.

H. PRICE AND COST

H.1. Annual Fee. Bidders must submit a complete detailed budget sheet for entire length of this contract (1-year term subject to renewal) outlining all costs associated with this service. The Vendor's fee proposal must include the total fees for general actuarial duties, valuations, consultation and advisory services, as detailed in Section D.1 to be performed during the five-year contract period. There will be no additional reimbursement for travel, communications, computer charges, or other expenses incidental to the contract. The total fee must be all inclusive with fees for specified items identified separately. The fee proposal should have a flat annual fee for each year of the five-year contract. A separate flat fee shall be listed for the Experience study. Vendors must then indicate hourly rates of compensation for any additional services requested by TRS. Varying rates for named individual actuaries is permitted. Use the Table Below:

Contract Year	Annual Fee for all services (excluding Experience Study)
Year 1 (July 1, 2022 – June 30, 2023)	\$
Year 2 (July 1, 2023 – June 30, 2024)	\$
Year 3 (July 1, 2024 – June 30, 2025)	\$
Year 4 (July 1, 2025 – June 30, 2026)	\$
Year 5 (July 1, 2026 – June 30, 2027)	\$

H.2. Fee for the Experience Study

H.2.1. Completed on Year 3: (for period 7/1/19 to 6/30/24 – due 4/1/2025) \$ _____

H.3. Hourly Rates (may vary with organizational function)

On projects exceeding five (5) fiscal impact estimates and one (1) benefit proposals per fiscal year

H.4. Please list any other anticipated costs that will be associated with this service.

Travel and all related expenses must be included in the contract price and shall not be billed separately.

I. CHECKLIST

- I.1. Responding Bidder Information
- I.2. Bidder's Certification (Non-Collusion Certification)
- I.3. Anti-BDS Israel Certification (see item A.3.6)
- I.4. Bidder's Answers to Questionnaire
- I.5. Detailed Price/Cost Sheet

- I.6.** Complete Bidder's Response in requested format(s) listed in A.3.
- I.7.** Completion of OMES Security Assessment and Bidder's most recent SOC Report (see item A.3.5)
- I.8.** Proof of insurance, references, other documentation, as requested