



Request for Proposal

Actuarial Auditing Services

Proposals must be received no later than 5:00 p.m.
Monday, March 18, 2024

Issue Date: February 21, 2024

Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520
(925) 521-3960
cccera.org

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Contra Costa County Employees' Retirement Association
Actuarial Auditing Services
REQUEST FOR PROPOSAL

SECTION 1 - INVITATION

The Contra Costa County Employees' Retirement Association (CCCERA) is requesting proposals from qualified actuarial services firms (Firm or Bidder), to perform actuarial auditing services.

CCCERA is seeking a complete response from Bidders who can demonstrate that they possess the organizational, functional, and technical capabilities to offer and perform the services, and meet or exceed the requirements and service levels specified herein.

Proposals will be received by CCCERA until 5:00 p.m. March 18, 2024.

SECTION 2 – INTRODUCTION AND GENERAL INFORMATION

2.1 INTRODUCTION

CCCERA is a contributory defined benefit pension plan covering the employees of the County of Contra Costa and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, *et seq.* CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County.

Currently, Contra Costa County and 15 other participating agencies are members of CCCERA. The participating agencies include:

Bethel Island Municipal Improvement District
Byron, Brentwood, Knightsen Union Cemetery District
Central Contra Costa Sanitary District
Contra Costa County Employees' Retirement Association
Contra Costa Housing Authority
Contra Costa Mosquito and Vector Control District
First 5 Contra Costa Children & Families Commission
In-Home Supportive Services Authority (IHSS)
Local Agency Formation Commission (LAFCO)
Rodeo Sanitary District
Superior Court of California, Contra Costa County
Contra Costa County Fire Protection District
Moraga-Orinda Fire Protection District

Rodeo-Hercules Fire Protection District
San Ramon Valley Fire Protection District

In addition, CCCERA administers retirement, disability, or survivor benefits to retirees or beneficiaries of the following former participating agencies:

Alamo-Lafayette Cemetery District
City of Pittsburg
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Kensington Fire Protection District
Superintendent of Schools - Contra Costa County Office of Education
Stege Sanitary District

CCCERA is an independent governmental entity separate and distinct from the County of Contra Costa. CCCERA is governed and managed by a 12 member Board of Retirement. Of the 12 members, three are alternates, one for the appointed members, one for safety, and one for retirees. Five Board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees, one as an alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

CCCERA's membership as of December 31, 2023 was approximately 10,500 active, 4,200 deferred members, and 10,100 retired members or beneficiaries. The valuation value of assets totaled approximately \$11 billion. CCCERA administers the following defined benefit tiers:

TIER DESIGNATION	BENEFIT FORMULA	COLA	FINAL AVERAGE SALARY PERIOD
Tier 1-Non Enhanced: Rodeo Sanitary & Byron/Brentwood Cemetery	1.67% @ 55	3%	12 Months
Tier 1- Enhanced	2% @ 55	3%	12 Months
Tier 2- (Closed)	1.13% @ 55	4%	36 Months
Tier 3- Non Enhanced (Closed)	1.67% @ 55	Service - 3% Disability - 4%	12 Months
Tier 3- Enhanced	2% @ 55	Service - 3% Disability - 4%	12 Months
Safety A- Non Enhanced Rodeo-Hercules Fire District	2% @ 50	3%	12 Months

Safety A- Enhanced	3% @ 50	3%	12 Months
Safety C- Enhanced (After 1/1/07)	3% @ 50	2%	36 Months
PEPRA Tier 4	2.5% @ 67	3%	36 Months
PEPRA Tier 4 (2% COLA)	2.5% @ 67	2%	36 Months
PEPRA Tier 5	2.5% @ 67	Service - 3% Disability - 4%	36 Months
PEPRA Tier 5 (2% COLA)	2.5% @ 67	2%	36 Months
PEPRA Safety D	2.7% @ 57	3%	36 Months
PEPRA Safety E	2.7% @ 57	2%	36 Months

CCCERA's financial statements are prepared using the accrual basis of accounting and reflect the overall operations of the Retirement Plan. CCCERA is subject to all applicable financial and accounting standards issued by the Governmental Accounting Standards Board (GASB).

In June 2012, the GASB released two new accounting standards for public pension plans and participating employers. Statement No. 67, *Financial Reporting for Public Pension Plans*, revises and establishes new financial reporting requirements for governments that provide their employees with defined benefit pensions. These standards have substantially revised the accounting requirements previously mandated under GASB Statement No. 25 and 27 and represent the most significant fundamental changes in reporting requirements for pension plans and plan sponsors since 1994.

CCCERA implemented GASB 67 for the fiscal year ended December 31, 2014. The most notable change is the distinct separation of actuarial funding from financial reporting. Notes and disclosures provided in CCCERA's financial statements provide accounting-related information but do not necessarily provide sufficient information to reflect the Pension Plan's complete actuarial picture. Reports provided by CCCERA's consulting actuary include detailed information to measure and provide the Pension Plan's funding status and metrics.

Plan sponsors of CCCERA were required to implement GASB 68, for the fiscal year ended June 30, 2015. The new standard requires the County and participating employers to recognize their proportionate share of the long-term obligation for pension benefits as a liability in their financial statements and to more comprehensively and comparably measure the annual costs of pension benefits. This proportionate share is based on the plan sponsors' long-term projected contribution effort. The new financial reporting standards also enhance accountability and transparency through revised and new note disclosures and required supplementary information. CCCERA and its consulting actuary assist the plan sponsors with this requirement by providing the required information.

2.2 WRITTEN QUESTIONS

Any requests for clarification or additional information related to this RFP must be in writing (via email, facsimile, or U.S. Mail) and delivered by 5:00 p.m. on February 28, 2024, to the contact person indicated below. CCCERA's responses to written questions will be posted on CCCERA's website (cccera.org) by March 1, 2024. Please forward questions to:

Christina Dunn, Acting CEO
CCCERA
1200 Concord Avenue, Suite 300
Concord, CA 94520
Facsimile: (925) 521-3969
Email: cdunn@cccera.org

2.3 CRITICAL DATES

CCCERA anticipates the following timeline for receiving and evaluation of the proposals and selecting a vendor.

Event:	Date:
RFP issued	February 21, 2024
Last date for questions	February 28, 2024
Post Responses to questions	March 1, 2024
Proposal due date	March 18, 2024
Evaluate proposals	March 20, 2024
Notification of Finalist Interviews	March 22, 2024

2.4 NO CONTACT

No contact with CCCERA board members and CCCERA staff regarding the contents of this RFP will be allowed during the pendency of this RFP, with the exception of written questions submitted to the contact listed above.

2.5 NO REIMBURSEMENT FOR RFP EXPENSES

CCCERA will not provide reimbursement for any fees, expenses, or other costs incurred in connection with this RFP including the costs of preparing the response, providing any additional information and attending an interview or interviews. All material submitted in response to this RFP will become the sole property of CCCERA. CCCERA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights.

2.6 INTERVIEWS

Interviews may be conducted at CCCERA's discretion. All Bidders selected for interview will be notified of the interview date(s) at least one week in advance.

2.7 CONFIDENTIALITY

All responses to this RFP become the property of CCCERA and will be kept confidential until such time as a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, such portion may be marked "confidential." CCCERA will use reasonable and legally permissible means to ensure that such confidential information is safeguarded to the extent that CCCERA, in its independent judgment, concludes that the information is in fact exempt from disclosure, but CCCERA will not be liable for inadvertent disclosure of such materials, data and information. Proposals marked "confidential" in their entirety will not be honored and CCCERA will not deny public disclosure of all or any portion of submittals so marked.

By submitting information with portions marked "confidential", the respondent represents it has a good faith belief that such material is exempt from disclosure under the California Public Records Act and agrees to reimburse CCCERA for, and to indemnify, defend and hold harmless CCCERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CCCERA's non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

SECTION 3 – SCOPE OF WORK

3.1 INTRODUCTION

CCCERA is seeking a complete response from Bidders who can demonstrate that they possess the organizational, functional, and technical capabilities to offer and perform the services, and meet or exceed the requirements and service levels herein.

CCCERA and the selected vendor will execute a final contract incorporating this RFP, the vendor's proposal in response to this RFP, a comprehensive list of all deliverables and services to be performed by the vendor, applicable vendor documentation, product literature, pricing information and a mutually agreed upon Statement of Work.

Below is a summary of the actuarial projects:

- Audit of annual Actuarial Valuation Report
- Audit of GASB 68 Financial Statement Disclosure Reporting

Additional CCCERA Information

Refer to cccera.org for current and past reports related to:

- CCCERA Annual Comprehensive Financial Report
- Actuarial Valuations
- Actuarial Experience Studies
- Actuarial Audits
- Summary of CCCERA Plan Provisions
- Overview of Membership Plans
- Board of Retirement – General Information

3.2 TERM OF SERVICE

The contract resulting from this RFP shall be for a period of time to complete the negotiated statement of work and requirements as presented within this RFP.

SECTION 4 – MINIMUM QUALIFICATIONS

4.1 MINIMUM QUALIFICATIONS

1. The Firm must be a professional actuarial services firm whose primary line of business includes providing actuarial valuation, experience with investigations and analysis, actuarial audits, and pension consulting services to public pension plans, or similar entities of substantial size; At a minimum, the Firm must have experience with defined benefit pension plans with assets that exceeded two billion dollars, or actuarial projects for defined benefit pension plans falling under the County Employees Retirement Law of 1937.
2. The Primary Actuary performing the work must be an Associate of the Society of Actuaries and an Enrolled Actuary. Any Supporting Actuary must be either an Associate of the Society of Actuaries, an Enrolled Actuary or have five years of actuarial pension and consulting experience.
3. The Primary Actuary performing the services under the Contract must have a minimum of ten years of experience as an actuary providing pension and consulting services, experience analysis, valuation assignments and actuarial audit assignments for multi-employer retirement plans with defined benefit pension plans.
4. All actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries.
5. The Firm 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.
6. The Firm must provide its own work facilities, equipment, supplies and support staff to perform the required services.

SECTION 5 – PROPOSAL REQUIREMENTS

5.1 PROPOSAL REQUIREMENTS

Each Bidder must provide four (4) copies of their proposal in a sealed package or packages and one (1) electronic copy including all submitted documents to info@cccera.org no later than 5:00 p.m. on March 18, 2024. All packaged proposals must be delivered to:

CCCERA
1200 Concord Avenue, Suite 300
Concord CA 94520
Attention: Acting CEO

5.2 PROPOSAL FORM

Proposals shall be printed double-sided, and prepared in a simple, economical manner, with the sections tabbed to match those in the RFP, and with all pages numbered within each section. The proposal shall be prepared succinctly, providing a straight forward, concise description of the Bidder's ability to meet the requirements of the RFP.

Proposals and cost schedule shall be valid and binding for sixty (60) days following the proposal due date and will become part of the contract that is negotiated with CCCERA.

Failure to complete any question or request for information, in whole or in part, or any deliberate attempt by the Bidder to mislead CCCERA, may disqualify the vendor. Each Bidder shall provide the following in addition to describing their qualifications and commitment to providing the required scope of services.

5.3 PROPOSAL CONTENT

A complete proposal shall include the following elements:

Section 1: Introduction and Statement of Understanding: An overall introduction to the proposal response including a statement of the Bidder's understanding of the project.

Section 2: General Qualifications:

- i. Organizational structure of the Firm including organizational charts.
- ii. Any material changes to the organizational structure that has occurred in the last five (5) years.

- iii. Length of time the Firm has been performing actuarial auditing services.
- iv. Length of time the Firm has been performing actuarial auditing services specifically for defined benefit pension plans.
- v. Percentage of revenue derived from actuarial auditing services.
- vi. Size of the Firm's governmental and/or pension fund actuarial auditing staff including background of the professionals in these groups. Provide a summary of professional designations held and a description of ongoing educational programs that are supported and/or required.
- vii. Describe the resources the Firm has that specifically address the needs of public retirement fund clients.
- viii. Discuss the Firm's competitive advantage over other firms in providing actuarial auditing services.
- ix. For the Firm's office that will be assigned to CCCERA, 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 this RFP. Indicate the following:
 - Name of entity
 - Significant financial data (net assets, net income, etc.)
 - Significant membership plan data
 - Date project(s) were completed
 - Number of years Firm has served as the Actuarial Auditor
 - Scope of work performed
 - Total hours spent per project
 - List of project(s) team names and titles
- x. Describe the Firm's systems controls, security, and resources utilized to ensure the confidentiality and integrity of CCCERA's confidential data and information that will be provided to the successful Bidder. Describe the Firm's information and data systems generally.

Section 3: Professional Staff Qualifications and Experience:

- i. Identify the actuarial auditing team assigned to CCCERA, including, but not limited to, the following positions: Principals, Managers, Supervisors, Senior Analysts, Analysts, Reviewers, Compliance Consultants, and Others.

- ii. For each project team member, provide resumes (or professional profiles).
- iii. Indicate how long the current group consisting of the engagement Principal, Manager, Senior(s), and Analysts have worked together as a team.
- iv. For each individual the Firm identifies in this Section, 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.
- v. For each individual the Firm identifies in this Section, identify the role (e.g., Principal, Manager, Primary, etc.) each individual would play in accomplishing the services required by this RFP. Estimate percentage of time (on an annual basis) each person would spend performing services for CCCERA.
- vi. For the Principal and Manager, state the total number of clients currently assigned to these individuals. Describe the accessibility of these individuals to CCCERA staff and stakeholder groups.

Section 4: Project Planning and Approach:

- i. Describe the specific methodology used to accomplish the Statement(s) of Work included in this RFP and describe all services necessary to accomplish the actuarial projects for CCCERA:
 - 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 CCCERA's benefit 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 progress in 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.
- ii. Describe the Firm's process for monitoring changes to professional standards and ensuring all new standards are applied to CCCERA's actuarial projects.
 - iii. Describe the Firm's quality control processes for actuarial reports and recommendations, including how the Firm's actuarial services are monitored and reviewed.

Section 5: Potential Conflicts

- i. Provide details of any potential conflicts of interest related to any other client relationships if awarded the CCCERA engagement.
- ii. Describe any potential conflicts of interest with the proposed Principal and Manager relative to the CCCERA engagement.
- iii. Provide details of any other affiliates offering non-actuarial services and/or currently offering services to CCCERA that could represent conflicts of interest. Briefly describe the Firm's policies and procedures for doing business with these affiliates, while safeguarding against conflicts of interest.
- iv. Describe any known relationship the Firm or any staff has with any member of CCCERA's Board, management, staff, or plan sponsors (including, but not limited to Contra Costa County).
- v. Describe the Firm's approach to resolving potential issues that may be encountered during the performance of actuarial audit for CCCERA and any special assistance that will be requested from CCCERA.

Section 6: Legal Situations

- i. Describe the circumstances and status of any investigation, non-routine examination, complaint, disciplinary action or other proceeding of your organization commenced by any state or federal regulatory body or professional organization during the past five (5) years.

- ii. Describe any situation whereby the Firm was censured and/or fined by any regulatory body within the last five (5) years.
- iii. Describe any business litigation brought against the Firm or any officer or principal by any entity for fraud, malpractice, misrepresentation, negligence, or similar cause of action within the last five (5) years.
- iv. Describe each actuarial project or service relationship with other clients, involving the team that would be assigned to CCCERA, which has been the subject of litigation, arbitration, mediation or other dispute resolution mechanisms within the past five (5) years. Identify the individual(s) involved, and provide the case name and number, the damages sought, and the outcome.
- v. Describe any situation within the last five (5) years, when your Firm was notified, by any actuarial auditing client, that the Firm is in default of its contract, or that conditions exist jeopardizing continuation of that contract. State the client's name, year the notice was received, reasons for the notice, and resolutions or current status of the relationship.

Section 7: Additional Information

- i. Indicate whether or not subcontractors will be used in providing the required actuarial services to CCCERA. If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to your Firm for these services, and how the Firm will control the quality of services provided to CCCERA.
- ii. Describe the levels of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Provide the dollar amounts and insurance carrier names.
- iii. Describe any new, alternative, or different approaches available to complete the work described in the relevant Statement of Work.

Section 8: Fee Schedules

- i. CCCERA anticipates awarding an agreement to perform actuarial auditing services on a project basis. Please propose your project basis fee.
- ii. For additional services requested by CCCERA that are not included within the scope of the routine services outlined in this RFP, please indicate your hourly time charges.

- iii. If the number of client visits impacts the fee proposal, please indicate the number of visits that are included in your proposed fee.

Section 9: References

- i. The Bidder shall provide at least one former client reference for which the Bidder had performed actuarial auditing services, similar to those described in this RFP, within the last three (3) years.
- ii. The Bidder shall provide at least three (3) current client references for which the Bidder has performed actuarial auditing services, similar to those described in this RFP, within the last three (3) years.
- iii. The Bidder shall provide the following information for the references named in i and ii above:
 - 1. Entity name, address, and website
 - 2. Nature of business
 - 3. Fund asset size and/or annual revenue
 - 4. Number of plan or program members
 - 5. Primary contact name, title, telephone number, and email address
 - 6. Nature and length of Bidder's relationship with said entity
 - 7. Description of services provided by Bidder

CCCERA reserves the right to contact any of the individuals/agencies provided above.

Section 10: Attachments to Proposal

The following is a list of required Attachments to the proposal:

- Firm's Financial Information or Audited Financial Statements
- Quality Control Review or Peer Review Report
- Example – Actuarial Audit Report
- Proposed Agreement Language
- Fee Schedules
- Additional Materials – materials and information not specifically requested for evaluation, but which the Bidder wishes to submit with the proposal.

SECTION 6 – PROPOSAL SELECTION AND EVALUATION

6.1 GENERAL INFORMATION

Each proposal will be judged on its completeness and quality of its content. CCCERA reserves the right to reject any or all proposals and are not liable for any costs the Bidder incurs while preparing the proposal. All proposals will become part of the public file, without obligation to CCCERA. Upon the completion of the evaluations, CCCERA intends to negotiate a contract with the Firm whose proposal is deemed to be most advantageous to CCCERA.

6.2 PRESENTATIONS

Firms may be selected to give an oral presentation to the CCCERA Board of Retirement. Such presentations shall provide an opportunity for Firms to clarify their proposal to ensure there is a mutual thorough understanding. CCCERA staff may interview selected Firms and ask additional questions related to the proposal and the scope of work prior to an oral presentation to the CCCERA Board of Retirement. Interviews and oral presentations are conducted at CCCERA's discretion. Firms selected for an interview or oral presentation will be notified of the date at least one week in advance. Firms invited to an interview or oral presentation will be responsible for making and paying for their own travel arrangements.

6.3 SCORING AND EVALUATION CRITERIA

Proposals will be judged on completeness and quality of content. CCCERA is seeking to contract with a firm(s) that have the appropriate qualifications using appropriate methodology to ensure delivery of a high quality product, and that has extensive demonstration experience with, and an understanding of, similar projects.

CCCERA reserves the right to determine the best qualified firm(s) and negotiate a final scope of service and cost, negotiate a contract with another firm if an agreement cannot be reached with the selected firm, or reject all proposals. The selected firm(s) will be required to enter into a professional services contract with CCCERA, which will incorporate the scope of service as part of the agreement.

CCCERA assumes no liability or responsibility for costs incurred by firms in responding to this request for proposal, or for requests for interviews, additional data, or other information with respect to the selection process, prior to the issuance of an agreement, contract, or purchase order.

It is the intention of CCCERA to enter into a long-term relationship with the selected firm(s). Therefore, multiple factors will be weighed to determine the awarded firm(s); price is not the sole criteria in determining the best solution for CCCERA.

SECTION 7 – CONTRACT REQUIREMENTS

7.1 CONTRACT AWARD

The award of a contract is accomplished by executing a contract with a written agreement that incorporates the entire RFP, firm's response, clarifications, addenda, and additions, including the negotiated Statement of Work and Compensation. All such materials constitute the contract documents.

1. All proposals must be irrevocable for 180 days and signed by an authorized officer of the agency.
2. Successful Proposers must agree to provide CCCERA with audit access on request during the term of the contract and for 7 years thereafter.
3. CCCERA at any time, in its sole discretion, may terminate its contract with the selected firm(s), or postpone or delay all or any part of the contract, upon written notice to the selected firm(s).

7.2 CONTRACT REQUIREMENTS

The Firm must be covered by Workers' Compensation Insurance, which will extend to and include work in California. In addition, the Firm must also submit documents addressing general liability insurance, automobile and collision insurance, and an indication that there is no conflict of interest on the part of the consultant's submission of a proposal for the services being solicited under this RFP. The Firm shall demonstrate willingness and ability to provide a Certificate of Insurance within ten (10) days of the Notice of Contract Award.

7.3 CONTRACT PERIOD

CCCERA may, in its sole discretion, terminate the contract at any time. CCCERA makes no representation as to the amount of auditing services, if any, that may be given to any approved provider during the contract period.

7.4 CONTRACT APPROVAL

CCCERA's selection of one or more successful proposal(s) shall not be binding until it has been approved by CCCERA's Board of Retirement.