

**READING RETIREMENT BOARD
REQUEST FOR PROPOSALS
ACTUARIAL SERVICES**

Introduction

The Reading Retirement Board ("Board") invites proposals from qualified actuarial firms to prepare an Actuarial Valuation and Review Report as of July 1, 2013. The Board and Reading Retirement System ("System") are governed by Chapter 32 of Massachusetts General Laws. The Board is subject to the oversight of the Public Employee Retirement Administration Commission ("PERAC").

The most recent actuarial valuation completed by the Board is as of July 1, 2011. The unfunded liability of the System is \$43.1 million as of July 1, 2011. The System's funding schedule calls for full funding of its system by June 30, 2030. A copy of the most recent valuation is available on the PERAC website at www.mass.gov/perac/reading/reading.htm.

As of April 30, 2013, The Board manages approximately **\$103** million in assets, fully invested in the Pension Reserve Investment Trust ("PRIT") and employs one person in its office, which is located in Reading, Massachusetts.

As of December 31, 2012, the System had 345 active participants, 33 inactive participants and 320 retired participants and beneficiaries within the System.

Term of Contract

The term of the contract will be for four years. The selected actuarial firm will submit to the Board an Actuarial Valuation and Review as of July 1, 2013, an Actuarial Update as of July 1, 2014, an Actuarial Valuation and Review as of July 1, 2015 and an Actuarial Update as of July 1, 2016.

Scope of Work

The reports submitted by the actuarial firm to the Board shall be in accordance with generally accepted actuarial principles and practices. The actuarial reports shall also include supplemental information as required by the Governmental Accounting Standards Board for the Town of Reading's annual financial report.

The valuation dated July 1, 2011 is broken out by several departments. The Board will require that the Actuarial Valuation and Review dated July 1, 2013 to include Retirement in addition to those departments.

Prior to issuing the Actuarial Valuation and Review reports, the actuarial firm will present the Board with funding schedules alternatives. The actuarial firm will explain the impact that the actuarial assumption change(s) have on each funding schedule.

Selection and Award of Contract

In accordance with Chapter 32, Section 23B, the Board will evaluate the narrative proposals prior to the consideration of costs. Therefore, all references to cost should be submitted separately from the narrative proposal.

The Board's selection of a contractor to provide actuarial services will be based on its determination of overall best value. This determination will be influenced by the following criteria:

- The firm's years of experience and staff size
- The firm's experience with Massachusetts Public Pension Plans, PERAC, and compliance with MGL Chapter 32 preferred
- The Lead Enrolled Actuary's experience with Massachusetts Public Pension Plans, PERAC, and compliance with MGL Chapter 32 preferred
- Certifications held by Lead Enrolled Actuary who would be assigned to the engagement
- Quality of sample report provided
- Resources (both technical and personnel) to fully and satisfactorily execute system valuation; qualifications and experience of staff assigned to engagement
- Proposed methodology and timeline for delivery of service
- References

It is anticipated that the successful respondent will be selected on or before July 23, 2013. All respondents are hereby advised that any proposal which is selected shall be subject to a written contract. Failure to agree on mutually acceptable contract language will void the award of the proposed engagement to the selected candidate.

Information Required from Actuarial Firms

Separate narrative and price proposals must be submitted. The narrative proposal must be delivered in a sealed envelope marked "PROPOSAL FOR ACTUARIAL SERVICES – NARRATIVE" The price proposal must be delivered in a separate sealed envelope marked "PROPOSAL FOR ACTUARIAL SERVICES – PRICE".

The narrative proposal should highlight the firm's capabilities and experience in providing actuarial services for Massachusetts Retirement Systems.

The price proposal should indicate the fee related to each actuarial valuation (July 1, 2013 and 2015) and each update (July 1, 2014 and 2016).

The vendor certification form at the end of this request for proposal must be completed and submitted with the firm's proposal.

Submission of Proposals

A total of six (6) complete copies of the proposal are required to be submitted to Colleen Loughlin, Board Administrator, Reading Contributory Retirement Board, 16 Lowell Street, Reading, MA 01867. Proposals must be received prior to 5:00 PM on July 9, 2013. Only original signed proposals will be accepted.

Additional Information

Colleen Loughlin, Board Administrator
16 Lowell St.
Reading, MA 01867

Telephone: (781) 942-9007
Facsimile: (781) 942-9037
Email: cloughlin@ci.reading.ma.us

The Board's regular business hours are 8:00 a.m. – 5:30 p.m. Monday, Wednesday, Thursday, and 8:00 a.m. – 7:00 p.m. Tuesday.

Vendor Certification Form

The proposal process is governed by the provisions of 840 C.M.R. 16.08 therefore any response must include the following certification:

“The undersigned certifies under penalties of perjury that this bid or proposal has been submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, club or other organization, entity or group of individuals.”

Signature of individual submitting response

Name of Firm

Date