



ALASKA RAILROAD CORPORATION
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July 31, 2020

Addendum Number 1
Request for Proposal 20-21-208368
Actuarial Services

This addendum is being issued to provide information as follows: THE CLOSING DATE FOR THIS SOLICITATION HAS CHANGED AS FOLLOWS, ELECTRONIC PROPOSALS WILL BE RECEIVED AT ALASKA RAILROAD CORP DROPBOX OR EMAIL UNTIL 3:00 PM LOCAL TIME ON, **AUGUST 11, 2020**

BID INFORMATION, CONDITIONS & INSTRUCTIONS:

Closing date changed to August 11, 2020.

Emailed proposals will be accepted for this solicitation. Please either email responses to BatesT@akrr.com or via the Dropbox link that will be provided to each interested party who has submitted a completed cover page of the RFP.

BIDDER QUESTIONS:

1. Why are proposals for actuarial consulting services being requested at this time?
We try to put our contracts out to bid every five years. The last time we were out to bid for Actuarial Services was in 2015.
2. When was the last time the actuarial consulting services were put out for bid?
2015
3. Can you provide the latest valuation report for the pension and OPEB plan?
Yes, see attached
4. Can you provide the most recent experience study report?
Yes, see attached
5. Can you provide the annual actuarial fees paid to the current actuary for each of the last three years for the valuation and GASB services?
*The annual contract spend for ARRC's current Actuarial Services contract with Bartel Associates is as follows:
2015 - \$58,000; 2016 - \$53,000; 2017 - \$50,600; 2018 - \$51,200; 2019 - \$55,000
Further breakdown of costs is not currently available*
6. What are ARRC's current fees for the scope of services?

Same as question #5

7. Are there services in the RFP scope of services that are not currently being provided by the current pension actuary?
No.
8. Will ARRC entertain a direct damages liability cap?
Reference Section C: Proposal Information, Conditions & Instructions – Article 12. Any exceptions or modifications to ARRC's Terms shall be marked in your firm's proposal and may be discussed if your firm is chosen for contract negotiations.
9. Will ARRC entertain an exclusion on indirect and consequential damages?
See question #8
10. Will ARRC entertain limiting the indemnification obligation to third party claims?
See question #8
11. Will ARRC entertain limiting the indemnification obligation to gross negligence, willful misconduct, and fraudulent acts or omissions?
See question #8
12. Will ARRC entertain excluding implicit warranties, such as merchantability and fitness for a particular purpose?
See question #8.
13. Can you provide the actuarial fees paid to the current actuary for the experience study performed in 2015?
See question #5
14. Can you please provide copies of the actuarial reports produced for at least the last two years?
Yes, see attached reports
15. Can you please provide the fees paid to current service provider over last couple years?
See question #5.
16. Are there any issues with the current service provider? Are they invited to bid?
No, and yes.
17. With regards to the submission of the response, pages 2 and 9 of the RFP state that interested firms shall submit one hard-copy original and one electronic copy loaded on a flash drive and on page 11 of the RFP states that interested firms shall submit one (1) original proposal and seven (7) copies. Can you clarify the submission requirements?
ARRC will accept electronic only submittals for this RFP to help facilitate work from home firms. Proposals may be emailed, or sent to a dropbox address that will be provided to each firm that has submitted the Intent to Bid cover page of this RFP.
18. May we have a copy of the most recent actuarial valuation reports for both the pension and post-retirement plans?

Yes, see attached reports

19. Why are bids for actuarial services being solicited at this time? Are there any issues with service and/or fees with the current actuary?

See question #1 & #16

20. Our firm is also proposing on plan administration services to your pension plan. Will AKRR consider retaining the same firm for both administration and actuarial services?

ARRC will not penalize or give preference to firms submitting proposals on these separate RFPs. The evaluation processes are separate.

21. We noticed that the deadline from issuance of the RFP to the due date for the administration proposal is roughly 35 days but the pension proposal is 21 days. Is there a reason for the shorter turn-around time and will AKRR consider extending the due date for actuarial proposals?

ARRC standard and customary advertising period is 21 days. If extenuating circumstances, such as holidays, make it prudent to extend the advertising period then ARRC will do so.

22. Is it the ARRC's preference to award a single contract to a single firm for the Pension actuarial valuations and the Retiree Medical Benefits Plan (OPEB) actuarial valuation services or will it consider separate awards to separate firms (one for the Pension Benefits plan and another for the Retiree Medical Benefits Plan (OPEB) actuarial services)?

The intent is to award to a single firm.

23. The RFP Section A. Background Information states that the ARRC is requesting actuarial valuation compliant with GASB 45 for the retiree medical benefits, can we assume this is a typographical error in this section?

Yes, it is a typographical error; retiree medical is GASB 74 & 75. (Used to be 45.)

24. What fiscal years (with start dates and end dates) for the Pension plan are included in this RFP?

ARRC's Fiscal Year is the calendar year, January 1, 2020 through Dec 31, 2020 will be the first Fiscal Year covered under the award to this RFP.

25. What fiscal years (with start dates and end dates) for the Retiree Medical Benefits (OPEB) plan are included in this RFP?

See question #24

26. Is the ARRC requesting full actuarial valuations and reports for all years included in this RFP for the Pension plan and the Retiree Medical Benefits plan annually?

Yes; annual valuations.

27. When were the last full actuarial valuations for Pension plan completed?

2020, using 12/31/2019 info.

28. Can we receive a copy of the last full valuation report?

Yes, see attached report

29. What were the fees charged by Bartel Associates for the previous Pension plan full valuation?
See question #5
30. When were the last full actuarial valuations for the Retiree Medical Benefits (OPEB)?
2020 using 12/31/2019 info.
31. Can we receive a copy of the last full valuation for the Retiree Medical Benefits (OPEB)?
Yes, see attached report.
32. What were the fees charged by Bartel Associates firm for the previous full valuation of the Retiree Medical Benefits (OPEB)?
See question #5
33. Were any interim or roll-forward valuations performed for the Retiree Medical Benefits (OPEB)?
No
34. What were the fees charged for any interim or roll-forward reports for the Retiree Medical Benefits (OPEB)?
Not applicable
35. In light of recent challenges and our largely remote staff, is it possible to submit an electronic (email only) copy of the proposal?
Yes, see question #17
36. Page 2, Instructions say: Sealed offers in one hard-copy original and one electronic copy loaded on a flash drive will be received until 3:00 pm local time, August 4, 2020.
Page 11, No.8. Proposal Format, Instructions say: Interested firms shall submit one (1) original proposal and seven (7) copies.
These instructions are inconsistent. Please clarify how many Originals, how many copies, and if we need to submit a flash drive.
See question #17
37. Page 5, Section A (Background Information) GASB 67 (pension), GASB 45 (retiree medical).
Page 6, Section A (Background Information) GASB 67 & 68 (pension), GASB 74 & 75 (retiree medical). Please clarify.
Page 5 is a typographical error, page 6 is correct.
38. Please provide the fees paid for these services over the last five years. If possible, please provide the totals by retainer and hourly charges.
See question #5
39. Do we assume Section H. is used just for pricing? **Important Instructions:** To be considered responsive, Proposers must submit the following Page 11, Proposal Format: b: Section H - Cost schedule; Pricing shall be submitted in a separate envelope labeled "Pricing" (no copies needed) Please Clarify, we do not see a Section H. page. If we email,

will it be an additional attachment? And/or if we have to submit hard copies... do we have to have an additional envelope labeled "pricing?"

Proposer shall submit their pricing in their own Cost Schedule/Pricing Matrix. ARRC does not have a required fee structure for these services and therefore did not generate a template for Section H.

Pricing shall be a separate file from the proposer's technical proposal.

40. We respectfully request copies of the following:

- Funding actuarial valuation report and if separate, the accounting disclosure valuation report for the pension plan
- Accounting disclosure valuation report for the OPEB plan

See attached reports

ATTACHMENTS:

Please replace the original attachments in their entirety with the revised attached.

- ARRC OPEB GASBS 74 & 75 Report (22 pages)
- ARRC Pension GASBS 67 & 68 Report (21 pages)
- ARRC PRHC Valuation Report (35 pages)
- ARRC Pension Valuation Report (32 pages)
- ARRC Experience Study 2010-2015 (25 pages)

Please acknowledge receipt of this and all addendums in your firm's **SERVICE BID FORM (Form 395-0129)**. **All other dates, terms and conditions remain unchanged.**

Please direct all responses and/or questions concerning this solicitation to Timothy Bates, Alaska Railroad Corporation, Contracts, 327 Ship Creek Avenue, Second Floor, Anchorage, AK 99501, telephone number 907-265-2355, fax number 907-265-2439 or at email address BatesT@akrr.com .

Sincerely,

Timothy Bates

Timothy Bates

Contract Administrator

Alaska Railroad Corporation