

City of Pittsburgh
Comprehensive Municipal Pension Trust Fund (“Fund”)
Request for Proposals (“RFP”) - Actuary
Questions & Responses

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RFP: dated September 10, 2021

RFP Due Date: October 25, 2021

Date Issued: October 4, 2021

The following questions were received from prospective applicants for the request for proposals, and the following answers were given:

1. Would the City/Board accept a Professional Liability Insurance limit of less than \$5 million for this engagement?

Response: The Fund would not accept a lower limit.

2. Will the City/Board accept the following Limitation of Liability language in contract terms? “Client agrees that Actuary’s aggregate liability to Client, whether in contract, tort (including negligence), breach of statutory duty or otherwise for any losses suffered by Client and arising from the services performed hereunder shall not exceed the total amount of fees paid to Actuary hereunder; provided, however, that this limitation of liability shall not apply to (i) death or injury resulting from Actuary gross negligence, (ii) Actuary willful misconduct, (iii) fraud, or (iv) liability that cannot be excluded as to a matter of law. In no event shall either Actuary or Client be liable to the other or any incidental, special, consequential, or punitive damages of any kind.”

Response: The language is not acceptable.

3. Nothing in the scope of services describes attendance at board meetings – is actuarial information reviewed at a single meeting or 2 or 3 per year?

Response: The Board of the Fund meets quarterly. The actuary may not be required to attend all meetings, but must be available if needed.

4. Please provide a copy of the current deliverable schedule (specifically related to timing/date of data submission and receipt of final valuation reports) for each of the deliverables.

Response: See list of required reports listed in the scope of services of the RFP and notation in red below when they are due.

(a) an annual actuarial valuation report of the Pension Systems, and from each respective value, determining the City's minimum municipal obligation ("MMO") it must pay to the CMPTF for each of the three Pension Systems.

The MMO information must be completed no later than 9/10 of each year.

(b) an actuarial valuation for each of the three Pension Systems every other year;

The valuation must be completed by 9/30 of the valuation year. For example, the next valuation would be dated 1/1/23 and would be due 9/30/23.

(c) a summary actuarial valuation for all three Pension Systems combined every other year;

Same as (b).

(d) an experience study prepared every four years which compares a retirement plan's actual experience over a multi-year period to the actuarial assumptions;

Same as (b), however the next one would be due 1/1/27.

(e) a Financial Accounting Report on Governmental Accounting Standards Board No. 67 & 68; and

This is needed no later than 3/31 of each year.

(f) an Act 205 Actuarial Valuation Report.

Same as (b).

5. Who prepares pension benefit calculations for the each of the three Pension Systems?

Response: The amount of the benefit is fixed by state statutes and Pittsburgh ordinances. The actual calculation is prepared by the pension office.

6. Why are proposals for actuarial valuation services being requested at this time?

Response: The Board of the Trustees of the Fund decided it wanted to have its own actuary.

7. How long has the current actuary been providing actuarial services?

Response: As noted the Fund currently does not have an actuary.

8. Is the incumbent consultant permitted to respond to the RFP?

Response: As noted the Fund currently does not have an actuary.

9. Are there any service concerns with the current actuary?

Response: As noted the Fund currently does not have an actuary.

10. Can you please provide the annual actuarial fees paid to the current actuary for each of the last three years for services comparable to those included in the RFP?

Response: As noted the Fund currently does not have an actuary.

11. Can you please provide the last two (2) Valuation Reports?

Response: The most recent valuation reports are available on the Fund's website- www.pittsburghpa.gov/cmptf/meeting-materials.

12. Approximately how many meetings per year has the attendance of the consultant been requested?

Response: The Board of the Fund meets quarterly. The actuary may not be required to attend all meetings but must be available if needed.

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