

JUDICIAL COUNCIL OF CALIFORNIA

QUESTIONS AND ANSWERS

FIN-201505-ML

Actuarial Services for GASB 43-45 Compliance

June 10, 2015

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1. Are copies of the actuarial reports submitted to the Judicial Council in 2014 posted on-line for review? We would like to review each Court's plan provisions and census data summary along with the actuarial assumptions and methods used in the last actuarial valuation to assist us in our pricing for valuation services.

ANSWER: No, but a sampling of reports submitted will be available for download along with this Q&A response.

2. I would like to see a brief summary of key characteristics of each of the 58 courts for which the actuarial valuations would be needed. The information could be provided in an attachment or a link to a web page:
 - a. Number of active employees and current retirees in the plan
 - b. Post-employment benefits offered (e.g., medical, Rx, dental, vision, group life)
 - c. Is the plan fully insured or self-insured?
 - d. Are benefits provided through a pooled plan or an independent trust/policy?
 - e. Any special eligibility requirements?
 - f. Are retiree contributions based on age or service?

ANSWER: Due to RFP time constraints, the requested data is unavailable.

3. Item 6.1.4 on page 9 of the RFP mentions providing three client references and five client references. Please clarify the requirement.

ANSWER: This is a typo. We are asking for a minimum number of five (5) client references.

4. Please provide the precise number of benefit designs, including those courts with multiple benefit plans or options.

ANSWER: Due to RFP time constraints, the requested data is unavailable.

5. How many of the plans use CalPERS assumptions?
- ANSWER:** Plans vary court to court, but many use CalPERS.
6. How many different databases of census records are involved with the different plans?
- ANSWER:** Because each court maintains its own benefit plan(s) for employees, this may be dependent on the number of data sources used.
7. Please provide the aggregate number of data sources/administrators.
- ANSWER:** A minimum of 58 data sources, one for each of the 58 superior courts.
8. Who is the incumbent providing the GASB 43/45 services to the Judicial Council? How many years have the incumbent Actuary provided the requested services?
- ANSWER:** Northern Consulting Actuaries dba Van Iwaarden Associates has been under contract for GASB 43/45 reporting since June 2012.
9. Are there any restrictions on limits of liability in the contract?
- ANSWER:** Please refer to RFP Attachment 2, Exhibit D, Special Provisions, Section 14, Insurance Requirements.
10. Will the selected vendor be required to make any in-person visits as part of this contract? If so, please describe to what entities, how many, and how often. And, whether or not time and travel cost should be included in the quoted fee.
- ANSWER:** Travel may be required. It depends on the individual needs of the Court. Expenses should be included in the RFP response. Please refer to RFP Section 6.2, Cost Proposal, Subsection 6.2.3. For travel and expense reimbursement refer to Attachment 2, Exhibit G, Judicial Council Travel Rate Guidelines.
11. Why is the Judicial Council bidding for these services? (e.g. Required by law? Unhappy with existing provider?)
- ANSWER:** The existing contract has expired. Per the Judicial Branch Contracting Manual, an open bidding process is required.
12. Is it possible to get a copy of the prior proposal submitted by the incumbent (if any)?
- ANSWER:** This question is not relevant to this RFP

13. Would the Judicial Council be agreeable to a mutually defined limitation of liability? Would this result in a point reduction under the acceptance of the terms and conditions criteria? If so, how many points would be deducted?

ANSWER: Please refer to RFP Attachment 2, Exhibit D, Special Provisions, Section 14, Insurance Requirements. Bidders must submit Attachment 3, Proposer Acceptance of Terms and Conditions, in accordance with section 6.1.6 of the RFP. Exceptions are evaluated according to section 8.0 of the RFP.

14. Is the incumbent invited to bid on this proposal? Are you satisfied with the current level of service? What changes would you like to see in the service provided?

ANSWER: Any qualified vendor is invited to submit a proposal in response to this RFP. Proposal requirements are listed in the RFP.

15. What challenges have you faced from a project management prospective?

ANSWER: Given that each of the 58 superior courts are independent employers with varying benefit plans, securing sufficient and accurate data has been time consuming.

16. Does the Judicial Council drive strategic initiatives on behalf of the courts?

ANSWER: The Judicial Council is the policymaking body of the California courts, the largest court system in the nation. Under the leadership of the Chief Justice and in accordance with the California Constitution, the council is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice. Judicial Council staff implements the council's policies. This includes statewide initiatives, including administrative infrastructure, mandated reporting, and access to justice programs, among others.

19. It is our understanding that the prior valuation (6/30/2013) was performed by a different firm than the 6/30/2011 valuation and the Judicial Council had the option to renew for actuarial valuation services for the 6/30/2015 valuation. Can the Judicial Council provide the reason(s) it is not exercising the option for another two-year biennial valuation in the existing contract?

ANSWER: The Judicial Council complies with the Judicial Branch Contracting Manual when determining whether or not to issue a solicitation. This question is not relevant to this RFP

20. Who will be authorized to approve the assumptions and methods for the updated 2015 valuation? Will the approval be at the individual court level or with the Judicial Council?

ANSWER: The project will be managed by Judicial Council staff.

21. Will the project manager for the Judicial Council have the authority to sign off on the plan provisions being used in the valuation?

ANSWER: Yes.

22. If awarded the contract:

a. Will we be allowed to discuss our valuation questions with the prior actuary?

ANSWER: Yes.

b. How soon would the prior actuary's valuation reports be available?

ANSWER: Immediately on contract execution and effective date.

c. Is gain/loss reconciliation to the prior valuation required and if so, will a complete census file from the prior valuation be provided?

ANSWER: All data from prior valuations will be made available.

d. How soon would the prior actuary's valuation data be available to us so we can start on the duplication runs to match the prior valuation results?

ANSWER: Immediately on contract execution and effective date.

23. Is the measurement (valuation) date the same for each court and are the same fiscal periods covered for all courts?

ANSWER: Yes.

24. Can we get an approximation of number of courts using community-rated health plans for medical coverage? Are the majority of the community-rated plans participating in the CalPERS Health Program (PEMCHA)?

ANSWER: Due to RFP time constraints, the requested data is unavailable.

25. What aggregate claims and enrollment information will be available?

ANSWER: Due to RFP time constraints, the requested data is unavailable.

26. Do the courts use actual Pay-go costs or estimated costs for development of the balance sheet liability?

ANSWER: This varies court to court.

27. How many Courts are using a trust to prefund for their retiree health benefits?

ANSWER: Approximately thirty (30) courts are currently known to have such trusts.

28. Who will the draft and final reports be released to, the individual courts or the Judicial Council?

ANSWER: Draft and final reports will be shared with individual courts and the Judicial Council project manager. Final reports are submitted to the State Controller's Office.

29. Can the valuation reports prepared by the actuarial firm be released in groups when completed?

ANSWER: Yes.

30. Will the court accept a different report format if it contains the same required information as the prior report format used in for the prior valuation cycle?

ANSWER: The final report format is dictated by the State Controller's Office.

31. Will the Judicial Council establish a deadline for the individual trial courts to provide the information necessary to complete the valuation as part of the project management plan?

ANSWER: Yes.

32. For the prior valuation cycle, what was the established deadline and when were the final reports issued?

ANSWER: Data collection began in Fall 2013 with final reports completed in Spring 2014. Due to significant changes in the court fiscal environment, a secondary review and valuation report updates were completed in Summer 2014.

33. For the prior valuation cycle, were onsite meetings done to review or present results to each court or a management group for the Judicial Council?

ANSWER: Meetings were conducted by phone and in-person with the Judicial Council project manager.

34. Would it be acceptable to have more than one project manager representing the actuarial firm; for example one for the smaller courts and another for the larger courts?

ANSWER: Yes.

35. Can one invoice be provided to the Judicial Council and what detail is required for payment of services?

ANSWER: Please refer to RFP Attachment 2, Exhibit B, Payment Provision and Work Plan, Section 3, Invoicing.

36. Can services rendered be billed monthly?

ANSWER: Please refer to RFP Attachment 2, Exhibit B, Payment Provision and Work Plan, Section 2, General.

37. Is the Contractor or Judicial Council responsible for hosting the electronic database referred to in section 7, Work Requirements, subsection C, Database? If the Contractor is responsible, does the Judicial Council need access to the database throughout the project or just a copy as a deliverable once the valuations are complete?

ANSWER: The Contractor is responsible for hosting the electronic database. The Judicial will need access to the database once the valuations are complete and upon request at any point during the project.

38. Is the Judicial Council willing to incorporate into the agreement a reasonable limitation of liability of the Contractor?

ANSWER: Please refer to RFP Attachment 2, Exhibit D, Special Provisions, Section 14, Insurance Requirements. Bidders must submit Attachment 3, Proposer Acceptance of Terms and Conditions, in accordance with section 6.1.6 of the RFP. Exceptions are evaluated according to section 8.0 of the RFP.

39. Please provide a summary of retiree medical benefit plan provisions for each of the courts. Summaries from actuarial valuation reports would suffice.

ANSWER: Due to RFP time constraints, the requested data is unavailable.

40. Are results presentations included in the standard scope of services? Are presentations or discussions anticipated with the courts, either separately or together?

ANSWER: Results have historically been presented by email and/or phone.

41. During the last two actuarial valuation cycles, what projects or studies were performed outside the scope of the basic actuarial valuation? What were the associated fees?

ANSWER: No projects or studies were performed outside the scope of the contract.

42. What, if any, ad hoc services for individual courts are anticipated to be performed?

ANSWER: Limited consultative services related to GASB 43/45 reporting.

43. While all assumptions are approved by the Judicial Council GASB 43/45 Project Manager, are all economic or non-economic assumptions expected to be the same / similar for each of the courts?

ANSWER: A common methodology is expected to be used.

44. Are any courts currently pre-funding obligations? If so, how many?

ANSWER: Approximately thirty (30) courts are pre-funding liability obligations.

45. Since each local County Court is the intended beneficiary of our valuation work, our firm would require that each local Court be made part of our consulting agreement and that someone with the authority to bind each local Court entity to the terms and conditions signs on behalf of each local Court. Would this requirement disqualify our firm?

ANSWER: The actuarial firm and the Judicial Council are the only parties to the agreement. Each individual court will not be a party to the agreement.

46. Will the Judicial Council accept contractual language such that in the event of a dispute, the Judicial Council would agree to final and binding arbitration and waive its right to a jury trial?

ANSWER: Bidders must submit Attachment 3, Proposer Acceptance of Terms and Conditions, in accordance with section 6.1.6 of the RFP. Exceptions are evaluated according to section 8.0 of the RFP.

END OF QUESTIONS AND ANSWERS