

ADDENDUM 1

Request for Quotes
Actuarial Services
RFQ #2023-07

Springfield Mass Transit District (SMTD) has decided to pull RFQ #2023-07. SMTD will re-issue a request for quotes for each of the reports separately at a later date. SMTD received the following questions during the question-and-answer period. SMTD appreciates the interest expressed in this project. SMTD will send out the revised RFQs to those currently on the bidder's list, as well as any firm who turned in an interested bidder form.

Please ensure you acknowledge ADDENDUM 1 in your question-and-answer form I "Signature Page/Acknowledgement of Addenda".

Below is a list of questions received by November 13th 2023. The answers are below in red.

1. The RFQ Part II: Scope of Work states: "It is the District's intentions to retain a Certified Actuary for a three-year agreement with two one-year options to conduct independent actuarial valuations for our other postemployment benefits retiree health insurance plan for the purposes of GASB statement 43/45, 68 & 74/75. The selected Actuary will evaluate our automobile liability claims, automobile physical damage claims, and worker's compensation claims exposures." and "The selected Actuary shall conduct an annual analysis of estimated funding for the upcoming fiscal year and the ultimate loss levels for workers compensation, auto liability, and auto, physical damage, loss, and loss adjustment expenses and liabilities and to estimate incurred but not reported (IBNR) reserves for property, liability, and worker's compensation exposure." However, the detailed SOW specifications does not mention GASB compliant Actuarial Valuation and Reporting Services for Defined Pension Benefits, Automobile Liability Claims, Automobile Physical Damage Claims, or Worker's Compensation Claims exposures. Please clarify the Scope of Work specifications. **All Tasks included in the Scope of Work, whether in paragraph form or bullet point list, are expected to be completed by the Contractor to meet all applicable GASB standards.**
2. If the District is requesting actuarial valuation and reporting services for ALL of the above items, is it the District's preference to award a contract to a single firm for OPEB actuarial valuation services and annual analysis of estimated funding for the upcoming fiscal year and the ultimate loss levels for workers compensation, auto liability, and auto, physical damage, loss, and loss adjustment expenses and liabilities and to estimate incurred but not reported (IBNR) reserves for property, liability, and worker's compensation exposure or will it consider separate awards to separate firms for the ONLY the OPEB actuarial services? **It is the District's preference to award a contract to a single firm for the services included in RFQ #2023-07.**
3. The RFQ Part II Scope of Work, Section Some Non -Routine services may include: Advice And Consulting Regarding Defined Benefit And Defined Contribution Plans; And Recommendations To Reduce The Actuarial Liability. Please provide further detail regarding this item. Is the District requesting GASB 67/68 compliant Defined Pension Benefits actuarial valuation and reporting

services? SMTD will rely on the Contractor for guidance as it relates to compliance for applicable GASB reporting requirements. The District is requesting actuarial valuation and reporting services for GASB compliant defined pension benefits.

4. GASB Statements No. 43 and No. 45 were superseded by GASB Statements no 74 and No. 75 as of June 15, 2016. Please clarify whether it is the District's intention to require GASB 43/45 compliant actuarial valuations and reports or GASB 74/75 compliant actuarial valuations and reports? GASB Statements No. 74 and No. 75 replace GASB Statements No. 43 and No. 45.
5. What are the fiscal years (for OPEB and Pension) included in the contract for this RFP? This proposal will cover the fiscal year audit of 2024, with preliminary and final reports for fiscal years 2025 and 2026, with option years of 2027 and 2028.
6. When are the final reports due each year for the Defined Benefit Pension Plans actuarial valuation report? July 15th.
7. If applicable, when were the most recent last GASB 67/68 compliant actuarial valuations and report(s) completed for the District's Defined Benefit Pension Plan(s)? IMRF reports were received for the Calendar Year of 2022, which were sent with a finalized production date of 3/27/2023.
8. If applicable, what is the name of the firm that provided the most recent GASB 67/68 compliant Defined Benefit Pension Plan(s) actuarial valuations and report(s) for the District? Pinnacle.
9. If applicable, what were the fees charged to the District by that firm for the most recent GASB 67/68 Defined Benefit Pension Plans valuations and report(s)? SMTD does not disclose budgetary information nor prior contractual costs in a Request for Quotes.
10. If applicable, can we receive a copy of the most recent GASB 67/68 Defined Benefit Pension Plans valuations and report(s)? SMTD publishes their annual fiscal year Audit on the SMTD website. Applicable elements from the actuarial reports are included in the annual Audit.
11. Please confirm whether the District is requesting only FULL GASB 74/75 OPEB valuation report(s) every two years or BIENNIAL FULL GASB 74/75 valuation reports with updated (roll-forward) reports for interim years? Updated every two years, or every year if there is a significant material change. SMTD will work with the Contractor to determine if a report is needed after a significant material change.
12. When were the most recent GASB 74/75 FULL OPEB actuarial valuation(s) and report(s) completed for the District?
SANGAMON MASS TRANSIT DISTRICT
OTHER POSTEMPLOYMENT BENEFITS PROGRAM
FINAL GASB 74 / 75 DISCLOSURES FOR THE
FISCAL YEAR ENDING JUNE 30, 2023
PRELIMINARY GASB 75 DISCLOSURES FOR THE
FISCAL YEAR ENDING JUNE 30, 2024
Valuation Date: July 1, 2022
Measurement Date: June 30, 2023
Fiscal Year Ending: June 30, 2024

13. What is the name of the firm that provided the most recent GASB 74/75 compliant FULL OPEB plans(s) actuarial valuation(s) and report(s) for the District? **Foster and Foster Consulting Actuaries Inc.**
14. What were the fees charged to the District by that firm for the most recent GASB 74/75 compliant FULL OPEB actuarial valuation(s) and report(s)? **See #9.**
15. Can we receive a copy of the most recent GASB 74/75 compliant FULL OPEB actuarial plan(s) valuations and reports? **See #10.**
16. If applicable, when were the most recent interim (roll-forward or updated) valuations completed for the District's OPEB plan(s)? **Report analyzing estimated funding for the upcoming fiscal year and the ultimate loss levels for workers compensation, auto liability and auto physical damage loss and loss adjustment expenses of the Sangamon Mass Transit District as of June 30, 2023. We have also provided discounted unpaid claim estimates for auto liability and auto physical damage at various confidence levels.**
**SANGAMON MASS TRANSIT DISTRICT OTHER POSTEMPLOYMENT BENEFITS PROGRAM
FINAL GASB 74 / 75 DISCLOSURES FOR THE FISCAL YEAR ENDING JUNE 30, 2023.
PRELIMINARY GASB 75 DISCLOSURES FOR THE FISCAL YEAR ENDING JUNE 30, 2024.
Valuation Date: July 1, 2022
Measurement Date: June 30, 2023
Fiscal Year Ending: June 30, 2024**
17. If applicable, what is the name of the firm that provided the most recent GASB 74/75 compliant interim year OPEB plans(s) actuarial valuation(s) and report(s) for the District? **Foster and Foster Consulting Actuaries Inc.**
18. What were the fees charged to the District by that firm for the most recent GASB 74/75 compliant interim year OPEB actuarial valuation(s) and report(s)? **See #9.**
19. Can we receive a copy of the most recent GASB 74/75 compliant FULL OPEB actuarial plan(s) valuations and reports? **See #10.**
20. Does the District require the awarded vendor to carry Professional Liability – Errors & Omissions Insurance? **Yes.**
21. If so, what are the minimum pre occurrence and aggregate amounts of coverage required? **Professional liability insurance covering liability arising out of negligent acts, errors or omissions including, without limitation, trademark, and copyright infringement in the rendering of the professional service to be provided in this Agreement with policy limits in the amounts no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.**
22. When are the final reports due each year for the OPEB actuarial valuation report? **July 15th.**

23. What are the requirements for onsite consulting, meetings, and/or presentations? **The primary requirements for this RFQ are actuarial valuations and services. Periodically, SMTD will seek additional clarification related to the actuarial services, which may result in phone calls or remote meetings, as well as written communications. As significant situations or changes arise, SMTD may consult with the Contractor. The expectation is that the Contractor provides guidance to navigate all tasks included in the Scope of Work.**
24. Can meetings be performed using voice conference and/or web meeting services? **Yes.**
25. Is the reference to other actuarial work in the second paragraph of Part II: Scope of Work part of this RFQ or a paragraph that was not meant to be included? **The selected Actuary shall conduct an annual analysis of estimated funding for the upcoming fiscal year and the ultimate loss levels for workers compensation, auto liability, and auto, physical damage, loss, and loss adjustment expenses and liabilities and to estimate incurred but not reported (IBNR) reserves for property, liability, and worker's compensation exposure. The estimated funding for the upcoming fiscal year and the ultimate loss levels are provided using a statistical confidence level of 75%, 85%, 90%, and 95%. Data cutoff date is June 30th, data will be available on July 5th and report should be completed by July 15th of each year. The report will be used to prepare annual financial statements and financial statement disclosures. It is the intention of the District to request that the Actuarial firm complete all tasks included in the Scope of Work.**
26. Is a copy of the most recent full valuation report available? **See #10.**
27. Is the incumbent invited to respond to this RFQ? **Yes.**
28. What were the annual fees under the previous contract for the last two valuations, provide each year separately? **See #9.**
29. What is the name of the incumbent contractor? **See #13.**
30. How long has the incumbent actuarial firm been providing the services? **One vendor since 2009 and the other vendor since 2018.**
31. What are the prior fees that the District paid to the incumbent actuarial firm, split by each task? **See #9.**
32. What is the total number of expected in-person meetings each year? Is on-site work required? **No onsite work is required.**
33. Would it be possible to receive a copy of the latest OPEB valuation reports? **See #10.**
34. Could you kindly share the job titles of the expected evaluation committee members? **There is no evaluation committee. This Request for Quotes is for low bid.**