

## WRITTEN QUESTIONS AND ANSWERS

### SP-16-0208 Actuarial Services

ANSWERS ARE IN BLUE

1.	<p>Who is the incumbent consultant?</p> <p>Cheiron, Inc.</p> <p>How long have they been the incumbent?</p> <p>7 years</p>
2.	<p>What were the annual fees being paid to the current consultant for each of the last three years?</p> <p>The annual fees being paid to the current vendor has no bearing on the annual fees that may be paid to the new vendor. The vendor should submit their most competitive bid based on the current RFP requirements.</p>
3.	<p>How many consulting hours were billed to the EBD by the incumbent for each of the last three years?</p> <p>See Addendum 2 for Section 2.1 Introduction.</p>
4.	<p>What percentage of the hours was billed by the primary actuary and primary consultant?</p> <p>See Addendum 2 for Section 2.1 Introduction</p>
5.	<p>Are the services requested in this RFP the same as those in the current contract? If not, please detail which are new.</p> <p>The services are very similar but not exact. EBD will not compare the requirements from both RFP's as each RFP stands alone.</p>
6.	<p>1.13 pricing (i), (j) and (k) references Tables 1, 2, 3, 4 &amp; 5. It states only 1 &amp; 2 are used in determining cost and not the rates for the rest of the project team.</p> <p>See Addendum 2 for Section 1.13 Pricing, Items I and J.</p> <p>Is it the expectation that EBD will be invoiced based on the billable hours and hourly rates in all these exhibits?</p> <p>The Estimated Annual Hours listed in Tables 1, 2 and 3 are estimates only.</p> <p>See Section 1.13.H—Pricing See Revised Official Bid Price Sheet See Addendum 2 for Section 2.1 Introduction</p> <p>Is there a reason why EBD would not consider the entire staff when determining cost for the engagement? We would typically expect a significant percentage of our time spent by members not listed as the primary or secondary on the account.</p> <p>Different Actuarial Firms may have a multitude of staff, each performing specific functions. It is not feasible to list every possible scenario for the purposes of low cost determination. Provide any additional staff on Tables 2 and 3 of the Revised Official Bid Price Sheet.</p>
7.	<p>2.1 Introduction requested bidders bid Option A (separate primary) or Option B (combined primary). The official bid price sheet for Table 1 shows hours of 3120 if separate (1560 &amp; 1560) vs. 2080 if combined. The total cost uses these hours to calculate the expected cost.</p> <p>Why would less hours be expected if combined?</p>

	<p><a href="#">See Addendum 2 for Section 2.1--Introduction</a></p> <p><a href="#">See Revised Official Bid Price Sheet</a></p> <p>This method penalizes an approach using different members? Why is there a preference to use a combined bid? The same is true on Table 2.</p> <p><a href="#">See Revised Official Bid Price Sheet</a>  <a href="#">See RFP Section 1.13H—Pricing.</a>  <a href="#">See Addendum 2 for Section 1.13 Pricing, Items I, J, K</a>  <a href="#">See Addendum 2 for Section 2.1 Introduction</a></p>
8.	<p>- For the Official Bid Package Sheet, what is expected in Table 4 – Additional Beneficial Services?</p> <p><a href="#">See Revised Official Bid Price Sheet</a></p>
9.	<p>2.1 Introduction states the vendor must be present in person at meetings and expert testimony. Is it required that the primary or second designee would attend or is it acceptable to have a senior member of the project team?</p> <p><a href="#">For Expert Testimony attendance requirements, See Addendum 2 for Section 2.3.P—Ongoing Service Requirements.</a>  <a href="#">For Meeting attendance requirements, See Addendum 2 for Section 2.3.S—Ongoing Service Requirements.</a></p>
10.	<p>2.2.C.2 Qualification Requirements of the Secondary Actuary</p> <p>Could you please explain what the qualification is? Any actuarial student would be working toward the FSA designation?</p> <p>Is it expected that this person at least be an Associate in the Society of Actuary with the minimum experience requirement?</p> <p><a href="#">See Addendum 2 for Section 2.2.C—Secondary Actuary Qualifications</a></p>
11.	<p>- 2.3.F – Ongoing Service Requirements – Please elaborate on what models the vendor is expected to maintain and update monthly.</p> <p><a href="#">See RFP Section 2.3 F-Ongoing Service Requirements.</a></p> <p>Also what data will be provided to the consultant – a monthly claims extract or summary level reports?</p> <p><a href="#">See Addendum 2 for Section 2.3.F—Ongoing Service Requirements</a></p>
12.	<p>- 2.3.P – Expert Testimony – How many times has the incumbent testified to legislature over the last 3 years?</p> <p><a href="#">See Addendum 2 for Section 2.3.P—Ongoing Service Requirements</a></p>
13.	<p>- 2.4.A – Reports – Fund Balance – Please provide a copy of the latest cash balance report provided monthly by the consultant.</p> <p><a href="#">Reports provided by the current vendor are not relevant to the requirements of this solicitation.</a></p>

14.	<p>- 2.4.B – Please elaborate on what the written report expectation is. Are these your processes for preparing an “Actuarial Fiscal Impact Statement or Actuarial Note”?</p> <p><a href="#">See Addendum 2 for Section 2.4.B—Reports.</a></p> <p>Please provide a sample of a report.</p> <p><a href="#">Samples of current reports are not relevant to the requirements of this solicitation. See Section 2.3.K—Reports.</a></p>
15.	<p>- 2.4.D What is the timing of the data provided to the consultant that is expected to be used in the 15<sup>th</sup> update?</p> <p><a href="#">See Addendum 2 for Section 2.3.F Ongoing Service Requirements.</a> <a href="#">See Addendum 2 for Section 2.4, Items L &amp; M</a></p> <p>If it is 2/15 would EBD expect the January data to be integrated into the projection?</p> <p>Yes.</p> <p>Does EBD do a full updated projection every month or a more streamlined actual vs. expected?</p> <p><a href="#">See Addendum 2 for Section 2.4.D Reports.</a></p>
16.	<p>- 2.4.E – What was the last timing of the full OPEB valuation?</p> <p><a href="#">See Addendum 2 for Section 2.4.E.4—Reports</a></p> <p>When would the data be available for the valuation?</p> <p><a href="#">See Addendum 2 for Section 2.4.E.4—Reports</a></p> <p>Could you please provide a copy of the most recent report?</p> <p><a href="#">Recent reports are not relevant to the requirements of this solicitation. See Section 2.4.K—Reports.</a></p>
17.	<p>- 2.4.F –Please define what vendors the consultant is expected to perform the annual performance audit on.</p> <p><a href="#">See Addendum 2 for Section 2.4—Reports, Item F.</a></p> <p>Can EBD provide results of the most recent audits?</p> <p><a href="#">Reports provided by the current vendor are not relevant to the requirements of this solicitation.</a></p>
18.	<p>- 2.4.G – What is expected of the quarterly performance audit? Is it expected that the vendor will survey the membership quarterly or is it compiling reports provided by vendors?</p> <p><a href="#">See Addendum 2 for Section 2.4.G—Reports</a></p>
19.	<p>- 2.4.I – What is the expectation of the “written” monthly report? Please provide a sample is what is currently being received.</p> <p><a href="#">See Addendum 2 for Section 2.4.I—Reports</a> <a href="#">Recent reports are not relevant to the requirements of this solicitation. See Section 2.4.K—Reports</a></p>

20.	<p>- 2.8 Performance Standards – Many of the projects are contingent on the consultant receiving accurate and timely data from the state. Please provide a timeline of when data will be transmitted to the consultant.</p> <p>If EBD does not meet the timeline we would expect the standards to move accordingly – please confirm.</p> <p><a href="#">See RFP Section 2.8 Performance Standards, Items B, C, G.</a>  <a href="#">See Addendum 2 for Section 2.4—Reports, Items L and M.</a></p>
21.	<p>- 2.8 Performance Standard – Account Management – Will the consultant be notified as to the applicability of the 30 days? Some of the requirement, such as Industry Development, is vague and is in constant flux. Our compliance group publishes commentary on mandates typically within a week but not sure what is expected by this component. Please provide further explanation and expectations.</p> <p><a href="#">See Addendum 2 for Section 2.4—Reports, Item B.</a>  <a href="#">See RFP Section 2.8 Performance Standards, Items B, C, G</a></p>
22.	<p>Are the performance standards in 2.8 identical to those with the incumbent? Have they accessed any damages? If so, please provide amounts and additional detail as allowed.</p> <p><a href="#">The Performance Standards of the current vendor is not relevant to this solicitation.</a></p>
23.	<p>4.1.E Payment and Invoicing – Please provide the level of detail expected on the invoices? Is it expected that invoices will be itemized by project and staff member?</p> <p><a href="#">See Addendum 2 for Section 4.1.E—Payment and Invoice Provisions</a></p>
24.	<p>- Information for Evaluation – E.2.8 – What is EBD looking for under risk assessment and ongoing risk management?</p> <p><a href="#">See Addendum 2 for Section 2.3.X—Ongoing Service Requirements.</a>  <a href="#">See Addendum 2 for Section 2.4.I--Reports</a></p>
25.	<p>- Information for Evaluation – E.4.9.b – Is this question meant to be ADA – American with Disabilities Act or ACA – Affordable Care Act? Please confirm.</p> <p><a href="#">ADA—American with Disabilities Act</a></p>
26.	<p>1.7 Response Document, C. Please confirm if the response does not include any redacted information, does a marked “redacted” copy need to be submitted?</p> <p><a href="#">No. See Section 1.5.A—Definition of Requirement and Section 1.16.B—Proprietary Information</a></p>
27.	<p>If the proposed individual in section 2.2.B solely does not meet the requirement outlined in #3 (one year of experience on one plan with 100,000 members), would the EBD still be willing to consider a proposal if the individuals in sections 2.2.C and 2.2.D, both of whom would also be actively supporting the account, meet that requirement?</p> <p><a href="#">No. Also, see Addendum 2 for Section 2.2- Qualification Requirements, Item B</a></p>

28.	<p>Please advise if the EBD has any <u>specific</u> requirements of vendor partners to comply with section 2.2.F.</p> <p>No. See Addendum 2 for Section 1.12—Subcontractors</p>
29.	<p>Can you please clarify if the requirements outlined in section 2.4.F are specific to the consultant's services delivered as outlined within this RFP. If not, please provide additional details on what the EBD is expecting.</p> <p>See Question #17.</p>
30.	<p>Please clarify the specific scope of services outlined in section 2.4.G. Specifically, is the EBD asking prospective bidders to administer and report on quarterly member satisfaction surveys or simply aggregate and summarize from a third party source?</p> <p>See Addendum 2 for Section 2.4.G—Reports</p>
31.	<p>Some of the language outlined within the "Account Management" performance guarantee appears broad and subjective, potentially detrimental to both parties. Does the EBD have a specific criteria and/or outline of sources used to determine the requirements?</p> <p>See Addendum 2 for Section 2.4.B—Reports</p> <p>See RFP Section 2.8 Performance Standards, Items B, C, G</p>
32.	<p>Is the EBD willing to accept a lower maximum amount for liability of damages in section 4.4.B?</p> <p>No.</p>
33.	<p>Who is performing these services currently?</p> <p>Cheiron, Inc.</p>
34.	<p>Are any of the current core staff supporting this contract located in Little Rock at this point in time?</p> <p>The location of the current vendor is not relevant to this solicitation.</p>
35.	<p>Is the current vendor's contract expiring or is the business being procured for another reason?</p> <p>The contract is expiring.</p>
36.	<p>What were the total fees charged in the most recent fiscal year for the services outlined within this RFP?</p> <p>The annual fees being paid to the current vendor has no bearing on the annual fees that may be paid to the new vendor. The vendor should submit their most competitive bid based on the current RFP requirements</p>
37.	<p>Does the EBD work with a data warehouse vendor currently? If so, who is it?</p> <p>No. See Addendum 2 for Section 2.4—Reports, Items L and M.</p>

38.	<p>Why is the State out to bid for this contract?</p> <p>The current contract is expiring.</p>
39.	<p>Who is the incumbent consultant?</p> <p>Cheiron, Inc.</p>
40.	<p>Is the incumbent paid on a fee basis or reimbursed via broker commissions?</p> <p>The State of Arkansas does not pay commission.</p>
41.	<p>Does the State have a preference for fee based arrangements?</p> <p>See Addendum 2 for Section 4.6—Price Escalation Item D.</p>
42.	<p>How much did the incumbent receive in fees for their services for the last completed contract year (Dec 1, 2014-Nov 30, 2015)?</p> <p>The annual fees being paid to the current vendor has no bearing on the annual fees that may be paid to the new vendor. The vendor should submit their most competitive bid based on the current RFP requirements.</p> <p>How many hours were billed by that related to these fees?</p> <p>See Addendum 2 for Section 2.1 Introduction</p> <p>Was the work similar to the scope of work being requested under this RFP?</p> <p>See Question 5.</p>
43.	<p>How much did the incumbent receive in fees for their services year to day (Dec 1, 2015-July 31, 2016?)</p> <p>The annual fees being paid to the current vendor has no bearing on the annual fees that may be paid to the new vendor. The vendor should submit their most competitive bid based on the current RFP requirements</p> <p>How many hours were billed by that related to these fees?</p> <p>See Addendum 2 for Section 2.1 Introduction</p> <p>Was the work similar to the scope of work being requested under this RFP?</p> <p>See Question 5.</p>
44.	<p>Is there any service issues on the account, either with the incumbent or any vendors serving the State?</p> <p>The Performance Standards of the current vendor is not relevant to this solicitation.</p>

45.	<p>Does the contract include review of any stop loss / reinsurance arrangements?</p> <p><a href="#">See Addendum 2 for Section 2.3.Y—Ongoing Service Requirements</a></p>
46.	<p><b>Page 2, Section 1.5B:</b> How do you determine what are non-mandatory items (in terms of allowing for exceptions?)</p> <p><a href="#">See RFP Section 1.5.A—Definition of Requirement for the definition of a requirement.</a></p>
47.	<p>Will you negotiate your Standard Terms &amp; Conditions?</p> <p>No.</p>
48.	<p><b>Page 10, Section 2.3, questions F:</b> It does not appear that the State utilizes a data ware house, please confirm?</p> <p>No. <a href="#">See Addendum 2 for Section 2.4—Reports, Items L and M.</a></p>
49.	<p><b>Page 10, Section 2.3 question F:</b> Will the incumbent provide the data it has maintained to populate historical data?</p> <p><a href="#">See Section 2.5—Transition Services</a></p>
50.	<p><b>Page 11, Section 2.3, question O:</b> Is the term “legal opinions” that is being requested here refer to those that would be provided by a law firm, or just an interpretation of the law? Many consultants are not able to provide legal opinions (even though they may have attorneys on staff).</p> <p><a href="#">See Addendum 2 for Section 2.3—Ongoing Service Requirements, Item O.</a></p>
51.	<p><b>Page 11, Section 2.3, question Q:</b> When was the last time the State procured for benefit vendors?</p> <p><a href="#">See Addendum 2 for Section 2.3 Ongoing Service Requirements, Item Q.</a></p> <p>In this case, is the term benefit referring only to health &amp; welfare vendors, or all vendors (eg: retirement)?</p> <p><a href="#">See Addendum 2 for Section 2.3 Ongoing Service Requirements, Item Q.</a></p> <p>Is there any procurements expected in the first year of this contract?</p> <p><a href="#">See Addendum 2 for Section 2.3 Ongoing Service Requirements, Item Q.</a></p>
52.	<p><b>Page 11, Section 2.3, question S:</b> How many meetings are anticipated each year?</p> <p><a href="#">See RFP Section 2.3.S—Ongoing Service Requirements.</a></p> <p>If the vendor is using both a Primary Actuary and a Primary Healthcare Consultant, is the expectation that they would both attend meetings?</p> <p><a href="#">See Addendum 2 for Section 2.3.S—Ongoing Service Requirements.</a></p>
53.	<p><b>Page 11, Section 2.3, question T:</b> Can the vendor charge separately for expenses, or should the rates be all inclusive (and expenses cannot later be charged)?</p> <p><a href="#">See RFP Section 1.13.A—Pricing</a></p>

54.	<p><b>Page 11, Section 2.3, question U:</b> Please define “each of the plans” (eg: medical, dental, vision, flexible spending accounts, etc)</p> <p><a href="#">See Addendum 2 for Section 2.1 Introduction</a></p>
55.	<p><b>Page 11, Section 2.4, question A:</b> Please define how many plans there are that monthly fund balances will be required to provide. (Please confirm which plans they are by providing the name of each plan.)</p> <p><a href="#">See Addendum 2 for Section 2.1 Introduction</a></p>
56.	<p><b>Page 11, Section 2.4, question C:</b> Does the State only need the attestation, or does the current consultant manage the actual process on behalf of the State?</p> <p><a href="#">See RFP Section 2.4.C—Reports states the requirement.</a></p>
57.	<p><b>Page 11, Section 2.4:</b> Regarding reports, will any required formats be provided to the selected vendor?</p> <p><a href="#">See RFP Section 2.4.K—Reports</a></p> <p>As needed, will the current incumbent provide needed information regarding past assumptions, etc?</p> <p><a href="#">See RFP Section 2.5—Transition Services</a></p>
58.	<p><b>Page 13, Section 2.6:</b> Does the State have information regarding their existing secure file protocols available?</p> <p><a href="#">See Addendum 2 for 2.6.B Administration Requirements</a></p>
59.	<p><b>Official Bid Price Sheet:</b> Fee sheet appears to only be asking for the 1<sup>st</sup> year rate?</p> <p>If the contract is extended on a year by year basis, are those rates negotiated each year, or is there a place on the form to indicate willingness to enter into multi-year rate caps?</p> <p><a href="#">See Section 4.6—Price Escalation</a></p>
60.	<p><b>Official Bid Price Sheet:</b> How did the State arrive at the hours in the worksheet? Are they illustrative, for pricing purposes only?</p> <p><a href="#">See Revised Official Bid Price Sheet</a></p> <p><a href="#">See RFP Section 1.13H—Pricing</a></p>
61.	<p><b>Office Bid Price Sheet:</b> Our firm is not a law firm and cannot provide “legal services” however, we will be able to provide consulting on the administration of new legislation. Is the expectation that the chosen firm will provide legal guidance, similar to what a law firm will provide?</p> <p><a href="#">See Addendum 2 for Section 2.3 Ongoing Service Requirements, Item O.</a></p>