

REQUEST FOR PROPOSAL
OUTSIDE ACTUARIAL SERVICES
SOLICITATION No.: CPR2300000002

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

COST PROPOSAL

Due Date: March 1, 2023



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

184 Shuman Boulevard, Suite 305
Naperville, IL 60563
(630) 620-0200

March 1, 2023

Melissa Pettrey
State of West Virginia - Department of Administration
Purchasing Division
2019 Washington St. E
Charleston, WV 25305
melissa.k.pettrey@wv.gov

Re: *Request for Proposals for Outside Actuarial Services for West Virginia Consolidated Public Retirement Board*

To whom it may concern:


We are writing to provide a formal response to your search for a firm to provide outside actuarial services for the West Virginia Consolidated Public Retirement Board ("CPRB"). We are excited to provide information about our firm and would like to emphasize what a pleasure it would be to serve as the CPRB's actuary.

As outlined in the RFP, this document is solely the cost portion of the proposal and does not include any technical information. The Technical Proposal document is provided separately. Both pieces combine to form our complete proposal submission.

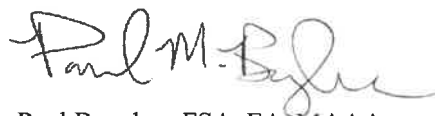
I, Jason L. Franken, am authorized to represent and contractually bind the firm.

Our firm understands the scope of services and would consider it a privilege to serve the West Virginia Consolidated Public Retirement Board. If you have any questions regarding this proposal response, our firm, or the services we are prepared to provide, please do not hesitate to contact us.

Sincerely,



Jason L. Franken, FSA, EA, MAAA
Authorized Officer
jason.franken@foster-foster.com



Paul Baugher, FSA, EA, MAAA
Senior Consulting Actuary
paul.baugher@foster-foster.com

OUR FEES

The RFP provided Appendix B to summarize fees for the included services. We have updated with our fees and included a picture of the final version on the page following. The following provides more support for the pricing included in our Exhibit A submission.

Our understanding of the services the CPRB is seeking as part of this RFP process is as follows:

- **Funding Valuations:** Preparation of annual pension funding valuation reports for five systems (PERS, TRS, Trooper Plan A, Trooper Plan B, and JRS) beginning with the valuations performed in 2023;
- **GASB Valuations:** Preparation of annual pension GASB accounting reports for five systems (PERS, TRS, Trooper Plan A, Trooper Plan B, and JRS) beginning with the reporting period ending June 30, 2023;
- **Return Projections:** Preparation of annual investment return projections over various time horizons;
- **Experience Studies:** Preparation (with CPRB staff) of experience study reports for each pension plan using the schedule as provided; and
- **Other Consulting Support:** Peer review of funding / GASB reports prepared by staff for smaller systems, legislative cost analyses, and other items as directed by the CPRB.

In addition to the items outlined in the RFP and summarized above, we will include our Funding Modeler (presented in the Technical Proposal). We will update it based on the July 1, 2023 valuation results for PERS and provide to CPRB for consideration. We will assist staff and the Board in considering future scenarios, including those that are impacted by changes in economic assumptions and actual asset returns. There will be no charge for this modeler. If desired, we can discuss with CPRB the development of modelers for other systems and other valuation years.

West Virginia Consolidated Public Retirement Board
 Request for Proposals Outside Actuarial Services

Attachment Appendix B																
Consolidated Public Retirement Board																
RFP - Actuarial Services																
Cost Proposal Worksheet																
Description	Initial Year 1		Initial Year 2		Initial Year 3		Renewal Year 1		Renewal Year 2		Renewal Year 3		Renewal Year 4		Extended Cost	
	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee	Hourly Rate	Fixed Fee		
4.2.1.1. Goal 1: Preparation of annual July 1st actuarial valuations [Fixed Fee]		\$ 160,000		\$ 166,400		\$ 173,100		\$ 178,300		\$ 183,600		\$ 189,100		\$ 194,800	\$ 1,245,300	
4.2.1.2. Goal 2: Preparation of annual June 30th GASB 67/68 reports [Fixed Fee]		\$ 25,000		\$ 26,000		\$ 27,000		\$ 27,800		\$ 28,600		\$ 29,500		\$ 30,400	\$ 194,300	
4.2.1.3. Goal 3: Preparation of annual investment return projection [Fixed Fee]		\$ 5,500		\$ 5,700		\$ 5,900		\$ 6,100		\$ 6,300		\$ 6,500		\$ 6,700	\$ 42,700	
4.2.1.4. Goal 4: Preparation of experience studies [Fixed Fee]		\$ 32,000		\$ 32,000		\$ 30,000		\$ -		\$ -		\$ 35,000		\$ 35,000	\$ 164,000	
4.2.4.5 Goal 5: Other assistance and consultations [Hourly Rate]:																
Senior Actuary	\$ 400		\$ 420		\$ 440		\$ 450		\$ 460		\$ 470		\$ 480			
Actuary	\$ 350		\$ 360		\$ 370		\$ 380		\$ 390		\$ 400		\$ 410			
Actuary Assistant	\$ 315		\$ 330		\$ 340		\$ 350		\$ 360		\$ 370		\$ 380			
Other	N/A		N/A		N/A		N/A		N/A		N/A		N/A			
Clerical	\$ 175		\$ 180		\$ 190		\$ 200		\$ 210		\$ 220		\$ 230			
TOTAL BID AMOUNT		\$222,500		\$230,100		\$236,000		\$212,200		\$218,500		\$260,100		\$266,900	\$1,646,300	

Vendor Information	
Name:	Jason L. Franken Foster & Foster, Inc.
Address:	183 Shuman Boulevard, Suite 305 Naperville, IL 60563
Phone:	(630) 620-0200
Email:	jason.franken@foster-foster.com