

RFP- Actuarial Services

Questions- due 7/23

Answers- Due 7/28

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

Answer: LIPA has a continuing need for actuarial services and its current contract will expire soon.

2. When was the last time the actuarial services were put out for bid?

Answer: The last RFP for these services was issued in 2015.

3. Can we have incumbent actuary's name and the names of actuaries for PESG LI and National Grid ?

Answer: The services being solicited are for the for the Long Island Power Authority (LIPA) only, not for PSEG Long Island or National Grid. LIPA's current vendor is Cheiron, Inc.

4. How long has the current/incumbent Actuary been providing services?

Answer: The current vendor has been providing services for the last 5 years.

5. Is the current service provider eligible to bid for contract renewal consideration?

Answer: This is not a renewal. It is a new solicitation/procurement. The current vendor can respond to the new solicitation.

6. Are there any improvements or additional services that the Authority are seeking in its relationship with the actuarial consultant?

Answer: None as of now other than disclosed in the RFP; however, as new accounting standards are issued, additional services could arise.

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

Answer: LIPA paid approximately \$558,000.00 for the last 5 years.

8. What are the Authority's biggest concerns related to its Post-Retirement benefit plans?

Answer: The Authority funds a dedicated account for its service provider and ensuring adequate funding levels during the term of our contracts to meet future obligations is an objective as well as ensuring LIPA OPEB trust is funded adequately.

9. Could you please provide the most recent actuarial reports for Authority?

Answer: This question seeks information that is not required to submit a responsive proposal.

10. How many on-site meetings will the contractor be required to attend annually?

Answer: With the current COVID situation, this answer is not able to be determined but remote meetings will be required as needed.

11. Would it be helpful to submit a copy of our subcontractor's New York State MBE certification with our proposal ?

Answer: Yes

12. Are the forms numbered #4,6,7 9,10,11,18 indicated on Page 3 of RFP all the MWBE subcontractor forms required to be completed and submitted with our proposal?

Answer: Yes

13. Can you please add us to your distribution list for any future addendum and/or communications regarding this RFP?

Answer: LIPA does not maintain distribution lists (bid lists). We post all of our solicitations in the NYSCR (NY State Contract Reporter), as well LIPA's website.

14. If you receive two proposals with similar experience and cost, however, one has meaningful certified MBE/WBE professional service participation and one does not, which proposal would receive more favorable consideration for contracting?

Answer: All proposals received will be evaluated as per the RFP requirements and evaluation criteria.

15. What other benefits are included in OPEB?

Answer: OPEB includes post-employment healthcare benefits (including medical, dental, vision, hearing and other health related benefits) and other forms of post-employment benefits (including life insurance, disability and life insurance benefits.)

16. What were the fees charged for this assignment for each of the last five years?

Answer: See answer to question # 7 above.

17. What was the consulting firm engaged for this assignment for each of the last five years?

Answer- see answer to # 3 above.

18. Please provide a copy of the most recent report for this assignment.

Answer: This question seeks information that is not required to submit a responsive proposal.

19. Why has the Authority decided to issue an RFP for actuarial services?

Answer: see answer to question #1

20. What concerns does the Authority have regarding its defined benefit and post-retirement medical plans?

Answer: See question #8.

21. Please provide more insight into what is required in performing actuarial services related to the Authority's insurance needs and risk management (hedging) programs.

Answer: LIPA purchases commercially-available insurance to protect itself against certain risks, and self-insures to protect itself against other risks to its property, plant, equipment and workforce. We would like to understand your firm's experience and capabilities in potentially helping LIPA to evaluate the actuarially-determined level of risk that exists and may be mitigated through commercially-procured

insurance, how that might compare to the risks and mitigation available through self-insurance, whether some exposures current insured against should be modified, and whether certain risks that are currently uninsured might benefit from some form of commercially available- or self-insurance.

22. Please supply the Authority's latest pension actuarial and OPEB reports.

Answer: This question seeks information that is not required to submit a responsive proposal.

23. Please supply the Authority's latest pension (GASB 68) and OPEB (GASB 75) accounting reports.

Answer: See the Authority's disclosure in the audited financial statements on its website.

24. Please supply the latest reports for PESG LI and National Grid.

Answer: This question seeks information that is not required to submit a responsive proposal.

- a. How often does the Authority's actuary perform an in-depth actuarial experience study of Plan assumptions? When was the last actuarial experience study performed?

Answer: This question seeks information that is not required to submit a responsive proposal.

25. What were the fees paid in years 2017, 2018 and 2019 for in-scope actuarial services?

Answer: see answer to question #7 above.

26. Has the scope of services requested in the RFP changed since what was requested of the Authority's actuary in 2019?

Answer: No, the scope has not changed.

27. What were the fees paid in years 2017, 2018 and 2019 for supplemental (out-of-scope) actuarial services?

Answer: See answer to question # 7 above.

28. Who currently completes an individual retirement calculation of the benefit amount and options when a participant elects to retire?

Answer: This question seeks information that is not required to submit a responsive proposal.

29. Would the Authority accept bidders' proposal with certain deviations from standard Professional Services Agreement, including addition of mutually acceptable limitation of liability language to the contract?

Answer: Please refer to language on page 15 of the RFP- C-Other- #2.

30. How many on-site meetings will the contractor be required to attend annually?

Answer: See question #10.

32. Please provide copies of the most recent valuation reports for: a. PSEG LI Servco Pension and OPEB plans

b. National Grid PSA-related Pension and OPEB plans and c. the Authority's pension and OPEB plans
Answer: The available information is in LIPA's audited financial statements posted on its website. Additional documents are not required to submit a responsive proposal.

**33. What were the MBE/WBE/DV participation goals stated in the prior RFP? a. Were the stated MBE/WBE/DV participation goals from the prior RFP met? If not, what percentage was achieved?
b. How is MBE/WBE participation monitored?**

Answer: 20% Goals were stated in prior RFP. The goals were met. When submitting invoices to LIPA you must identify on the invoice the name of the subcontractor and the \$ value paid. You must also include a copy of invoice paid to subcontractor for services.

34. Item 14 on page 12 of the RFP (under General Information) and page 17 (VIII C) establish a subcontracting goal of 30% to be met by utilizing 15% MBE and 15% WBE. Would 30% participation by a MBE satisfy this requirement, or some other combination of MBE/WBE that sums to 30% other than the stated 15% each?

Answer- Yes, a 30% participation by either an MBE or WBE will satisfy the goal requirement.

35. Who is the incumbent actuary for this scope of services, and how long has that firm been engaged?

Answer- See answer to # 3 above.

36. What are the hourly rates currently in place for these services?

Answer: This question seeks information that is not required to submit a responsive proposal.

**37. What are the total fees by year paid under the current contract for the various services listed, allocated by: a. V.A. – PSEG LI Servco
b. V.B. – National Grid
c. V.C. – other actuarial services**

Answer: This question seeks information that is not required to submit a responsive proposal.

38. In section 5, Scope of Services, please elaborate on the services needed for items C2, C3, and C4. a. Please provide any samples of reports or prior analysis for items C2, C3 and C4.

Answer: C2 – LIPA owns 18% share of nuclear power station and maintains a decommissioning trust fund. Analysis is required to ensure the present value of the fund is adequate to fund future estimated cash flows. C3 – The asset retirement obligation is presented on LIPA's statement of net position on LIPA's audited financial statements and represents the present value of the future estimated obligations and future expense recognition. C4 - LIPA purchases commercially-available insurance to protect itself against certain risks, and self-insures to protect itself against other risks to its property, plant, equipment and workforce. LIPA may need to evaluate the actuarially-determined level of risk that exists which may be mitigated through commercially-procured insurance, how that compares to the risks and mitigation available through self-insurance, whether some exposures current insured against should be modified, and whether certain risks that are currently uninsured might benefit from some form of commercially available- or self-insurance.

39. There is an 18-page limit stated on the length of the response to the General Information items (pages 11-13 of RFP). Item 16 states that comparable information should be provided for all subcontractors. This would appear to disadvantage proposers who will be presenting one or more subcontractors as all responses would need to be abbreviated to meet the 18-page limit. Is it allowable to utilize up to the 18 pages in the main body to present the responses from the primary contractor, and then establish an appendix to each subcontractor to provide their information?

Answer: yes.

40. Could you provide the exact name and Employer Identification Number (EIN) for the PSEG LI Servco pension plan under Scope of Services A.

Answer: This question seeks information that is not required to submit a responsive proposal.

Answer:

41. Could you provide the exact name and EIN for the National Grid PSA-related pension plan under Scope of Services B.

Answer: This question seeks information that is not required to submit a responsive proposal.

42. What is the relationship between the Authority and the National Grid PSA-related pension plan and OPEB Plans? Is the Authority required to fund either plan?

Answer: The Authority has a purchase power agreement with National Grid and payments made under the capacity agreement include amounts to fund plans for “LIPA serving employees”. See LIPA’s audited financial statements for disclosures.

43. Verify Authority employee’s are members of the Employee’s Retirement System of the New York State and Local Retirement System under Scope of Services C.1.

Answer: Yes.

44. For the Authority OPEB obligations, are the services requested to review actuarial accounting reports or to prepare?

- a. If the services are to prepare the actuarial accounting report(s), can you provide the most recent GASB 75 actuarial valuation report(s)? Please provide the most recent full actuarial valuation as well as the most recent interim actuarial valuation. These will provide us with a summary of the plan provisions (eligibility, cost-sharing, etc.) as well as the size of each entity and number of medical plans offered.

Answer: The Authority is a participating employer in the New York State Health Insurance Program (NYSHIP), which is an agent multiple-employer plan administered by the New York State Department of Civil Service. Through NYSHIP, the Authority provides certain health care for eligible retired employees and their dependents. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute to the plan. The Authority’s Board is authorized to establish the contribution rates of its employees and retirees below those set by Civil Service Law. Participation in the NYSHIP program provides for employees and/or their dependents to continue eligibility for these benefits in retirement if the employee had at least one year of full-time service with the Authority, and satisfied the requirements for retiring as a member of the Retirement System or is enrolled in the VDC. Eligible retirees contribute 10% of the cost of

single coverage and 25% of the cost of dependent coverage for health insurance benefits. Each employee may accumulate up to 1,500 hours of unused sick time and apply the value of this to fund their required contribution. NYSHIP does not issue a stand-alone financial report and NYSHIP's agent activities are included within the financial statements of the State. (See LIPA's audited financial statements on its website or NYSHIP online.)

If you cannot provide these reports, can you please provide the following information about the Authority's OPEB plan(s)?

- i. Can you confirm the benefits provided (medical, dental, vision, life insurance, Medicare Part B reimbursement, etc.)?

See above.

- ii. What are the requirements to be eligible to receive postretirement healthcare benefits from the Authority? For example, must employees attain a certain age and complete a minimum number of years of service?

Answer: see above

- iii. Do the requirements to be eligible to receive postretirement healthcare benefits vary by union or other employment group? If so, how?

Answer: No

- iv. How many unions and groups does the Authority provide postretirement healthcare benefits?

Answer: No unions

- v. What medical plans does the Authority offer retirees for coverage under age 65 and over age 65?

Answer: see above

- vi. What are the cost-sharing rules for eligible retirees?

Answer: see above

- vii. Do cost-sharing rules vary by union or employment group? If so, how?

Answer: No unions

- viii. Are the cost-sharing rules for spouses different than for retirees?

Answer: see above

- ix. Are surviving spouses eligible for benefits? If so, what are the benefits offered to surviving spouses and what is the cost-sharing for these benefits?

Answer: see above

- x. Are postretirement healthcare benefits provided for the life of the retiree? If not, how is the duration of the Authority-provided retiree healthcare benefits determined?

Answer: see above

- xi. Does the Authority require results to be broken out by Fund, Union or other group?

Answer: see above

45. Can you provide the latest actuarial accounting reports (GASB and FASB) for the OPEB plans from Scope of Services A and B?

Answer: The available information is in LIPA's audited financial statements posted on its website. Additional documents are not required to submit a responsive proposal.

46. Could you provide some examples under Scope of Services C.4.

Answer: C4 - LIPA purchases commercially-available insurance to protect itself against certain risks, and self-insures to protect itself against other risks to its property, plant, equipment and workforce. LIPA may need to evaluate the actuarially-determined level of risk that exists which may be mitigated through commercially-procured insurance, how that compares to the risks and mitigation available through self-insurance, whether some exposures current insured against should be modified, and whether certain risks that are currently uninsured might benefit from some form of commercially available- or self-insurance.