



Request for Proposal

No. 2017-8368

April 2, 2018

Professional Actuarial Services Spring-Fed Pool

California Public Employees' Retirement System
Professional Actuarial Services Spring-Fed Pool
Request for Proposal No. 2017-8368
Schedule of Events

Events	Anticipated Date of Event
RFP Release Date	April 2, 2018
Deadline to Submit Written Questions	April 17, 2018 at 3:00 p.m., Pacific Time
Post Response to Written Questions	April 26, 2018
Final Filing Date	May 11, 2018 at 3:00 p.m., Pacific Time
Preliminary Review ¹	May 14 – May 18, 2018
Evaluation of Proposals ¹	May 21 – June 11, 2018
Finalists Selected ¹	June 2018
Post Notice of Intent to Award ¹	June 2018
CalPERS Anticipated Contract Start Date ¹	November 1, 2018

¹ All dates after the Final Filing Date are tentative and subject to change by issuance of a CalPERS eBusiness Alert.

**California Public Employees' Retirement System
Professional Actuarial Services Spring-Fed Pool
Request for Proposal No. 2017-8368**

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- 1. CalPERS Joint Venture Procedures**
- 2. Proposal Evaluation Sheet**
- 3. CalPERS Restricted Contact Code**
- 4. Proposed Contract**
- 5. CalPERS Spring-Fed Pool Procedures**

Attachments

- A. Minimum Qualifications Certification**
- B. Proposal/Proposer Certification Sheet**
- C. California Taxpayer and Shareholder Protection Act Declaration**
- D. Contracting Act Declarations**
- E. CalPERS Contract-Related Disclosure Form**
- F. Proposal Questionnaire**
- G. Disabled Veteran Business Enterprise Contract Participation**
- H. List of Proposed Subcontractors**
- I. Required Attachments Certification Checklist**
- J. Fee Proposal**

California Public Employees' Retirement System Professional Actuarial Services Spring-Fed Pool

I. Introduction

The California Public Employees' Retirement System (CalPERS) manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families. It provides benefits for more than 1,134,397 active and inactive members and approximately 492,513 retirees. CalPERS membership is divided approximately in thirds among current and former employees of the state, schools, and participating public agencies.

CalPERS is a defined benefit retirement plan. It provides benefits based on a member's years of service, age, and highest average compensation. In addition, benefits are provided for disability and death, with payments in some cases going to survivors or beneficiaries of eligible members.

In 1932, State Law established CalPERS to provide retirement benefits for state employees. In 1939, public agency and non-teaching school employees were allowed to participate. In 1962, state law authorized CalPERS to provide health benefits to state employees. The health benefits program expanded in 1967 to include public agency and school employees. CalPERS began offering long-term care insurance on a not-for-profit basis in 1995.

II. Purpose

The purpose of this Request for Proposal (RFP) is to establish a pool of firms to provide actuarial services to the Actuarial Office or the Board of Administration. Competitive proposals identified in Section III, Services to be Provided, are being sought for each actuarial service. CalPERS intends to enter into contracts for up to five (5) years, effective November 1, 2018.

III. Services to be Provided

CalPERS is seeking proposals from Proposers who have experience in performing professional actuarial services related to retirement, healthcare, and long-term care programs. Proposers should keep in mind that they are not required to bid on all categories of services. To the extent that a Proposer believes it has experience that closely relates to a CalPERS fund or program, though the experience may not be identical, we recommend that the Proposer detail that experience in its Response to the Proposal Questionnaire (Attachment F) in order for CalPERS to comprehensively evaluate its experience. The professional actuarial services sought in this RFP are explained in detail below:

A. Retirement Services

1. Perform Annual Actuarial Valuations which include calculating the Accrued Liability, comparing the liability to the Market Value of Assets (the Funded Status), and determining the Employer Contribution Rate for plans within CalPERS.
2. Perform Actuarial Experience Studies which include comparing the actual experience of the system against the current assumptions and to recommend new economic and demographic actuarial assumptions.
3. Review and Analyze Government Accounting Standards Board (GASB) Statements to offer guidance on which information is necessary to provide to Employers for compliance with GASB standards.
4. General Actuarial Consulting services which may include preparing and making presentations to CalPERS Board of Administration regarding:
 - a. Analysis of Risk in the Funding of Defined Benefit Plans – assist in assessing the funded status of the Public Employees' Retirement System and its overall soundness and sustainability.
 - b. Direct Rate Smoothing – analyze, recommend, and assist in implementing alternative actuarial smoothing and amortization policies to improve the soundness and sustainability of the system.
 - c. Pension Reform Design – analyze, recommend, and assist in implementing an adequate defined benefit retirement plan that is cost-effective and sustainable.
 - d. Asset Allocation Study and Modeling – analyze, recommend, and assist in implementing various asset allocation models that are cost-effective and offer lower investment risk to the CalPERS portfolio.
 - e. Asset and Liability Cash Flow Modeling – analyze the flow of contributions and benefits within the system.
 - f. Risk Pooling – analyze, recommend, and assist in implementing changes to the design of risk pooling that are cost-effective and provide equitable risk sharing amongst contracting agencies.

5. Review and Consult on Mortality and Disability Insurance Programs – analyze, recommend and assist in implementing cost-effective and equitable mortality and disability insurance programs.
6. Audits with respect to:
 - a. Annual Actuarial Valuations – the Contractor shall perform parallel actuarial valuations to independently validate the rates and accrued liabilities regarding State agencies, public agencies, and school employers participating in CalPERS and other programs. These programs are statutorily defined in the Public Employees Retirement Law (Government Code sections 20000 et seq.) “Parallel actuarial valuations” means the Contractor shall perform independent valuations from input data provided by CalPERS for specified categories using the Contractor’s computer software and hardware.
 - b. Experience Study – the Contractor shall perform a parallel experience study to compare the actual experience of the system against CalPERS economic and demographic assumptions using input data provided by CalPERS. The Contractor will independently validate the calculated actuarial economic and demographic assumptions.
 - c. Optional Factors – the Contractor shall perform an analysis of the optional factors. The Contractor will independently validate the optional factors determined by CalPERS actuarial staff.
 - d. Amendment Valuations – the Contractor shall perform parallel actuarial amendment valuations to independently validate the rates and accrued liabilities regarding State agencies, public agencies, and school employers participating in CalPERS and other programs. “Parallel amendment actuarial valuations” means the Contractor shall perform independent amendment valuations from input data provided by CalPERS for specified categories using the Contractor’s computer software and hardware.
 - e. Legislative Cost Analyses – the Contractor shall perform parallel actuarial legislative cost analyses to independently validate the rates and accrued liabilities regarding State agencies, public agencies, and school employers participating in CalPERS and other programs. “Parallel legislative cost analyses” means the Contractor shall perform independent legislative cost analyses from input data provided by

CalPERS for specified categories using the Contractor's computer software and hardware.

7. Actuarial Valuation, Experience Studies, Audits, and other Actuarial Consulting Services in connection with Retiree Health Benefits provided by the state.
8. Other actuarial or general retirement consulting services as required.

B. Health Services

1. Project claims costs based upon historical claims from health services rendered by CalPERS HMO and PPO plans. The Contractor will use data extracted from the CalPERS Health Care Decision Support System (HCDSS).
2. Calculate and estimate Incurred but Not Reported and Risk Based Capital reserves.
3. Analyze health care trends based upon cost and utilization patterns of medical and pharmacy claims extracted from CalPERS HCDSS.
4. Research health care industry trends based upon cost and utilization patterns of medical and pharmacy claims to compare against CalPERS experience.
5. Run risk scores for the CalPERS HMO and PPO health plans for the purpose of calculating risk-adjusted premiums.
6. Project cash flows to determine reserve adequacy and to verify sufficient liquidity exists for claims payments.
7. Review and summarize proposed legislation and/or regulations for impact and consequences to the benefits and premiums within the CalPERS health program.
8. Perform parallel premium rate calculations to independently validate the premium rates calculated for CalPERS HMO and PPO plans. "Parallel premium rate calculations" means the Contractor shall perform independent premium rate calculations from input data provided by CalPERS for specified categories using the Contractor's computer software and hardware.
9. Other actuarial or general health consulting services as required.

C. Long-Term Care Services

1. Review Long-Term Care plan design and make competitive benefit recommendations for future Long-Term Care products.
2. Perform market analysis on competitive rates for industry Long-Term Care products sold in California using Long-Term Care rate survey(s).
3. Assist in pricing new Long-Term Care products based on CalPERS experience, industry experience and new industry benefit design.
4. Assist in re-pricing existing Long-Term Care products based on CalPERS claims experience and recent valuation assumptions. Compare CalPERS experiences to valuation assumptions.
5. Assist in analysis of Long-Term Care program performance over the past one to three years.
6. Perform a parallel Long-Term Care experience study to compare the actual experience of the CalPERS Long-Term Care program to the assumptions used in CalPERS valuation.
7. Assess Long-Term Care actuarial method and model by reviewing the CalPERS Long-Term Care valuation method to ensure actuarial soundness, coverage of all contracted benefits and accuracy of the valuation formulas.
8. Assist in the development of guidelines for the third party Long-Term Care administrator to implement any future rate changes and oversee proper implementation of the guidelines.
9. Assist in the preparation of annual valuation reports for CalPERS Long-Term Care, including analysis of cash flows, the funded status, margin, actual to expected comparison and program recommendations.
10. Compare third party Long-Term Care administrator underwriting guidelines to the most rigorous industry underwriting standards. Explore claim experiences to determine if there is evidence that underwriting guidelines are followed.
11. Determine marketability of program based upon Long-Term Care product plan design and the premium rate levels. Assist in evaluating balance between premium rate levels and sales volume.

12. Perform industry asset allocation analysis to provide input to the Long-Term Care fund investment strategy and derivation of program discount rate.
13. Review and summarize proposed legislation and/or regulations for impact and consequences to the benefits and premiums within the CalPERS Long-Term Care program.
14. Independently assess the financial reporting and premium calculations of the CalPERS Long-Term Care program. Contractor shall perform independent calculations from input data provided by CalPERS for specified categories using the Contractor's computer software and hardware. Review accuracy and completeness of data provided by third party Long-Term Care administrator.
15. Other actuarial or general Long-Term Care consulting services as required.

IV. Minimum Qualifications

The Proposer must meet all of the following Minimum Qualifications in order for its Proposal to proceed to the Technical Proposal Evaluation stage. Failure to satisfy any of these qualifications and requirements upon submittal of the Proposal may result in the rejection of the Proposal. An individual who is authorized to bind the Proposer contractually must sign the Minimum Qualifications Certification, Attachment A, to certify that the Proposer meets all of the Minimum Qualifications. Such certification also must include an explanation of how each Minimum Qualification is met. It is preferred that the Proposer explain in writing on, or attached to, Attachment A, Exhibit 1 how each Minimum Qualification is met. Proposer may provide the explanation(s) elsewhere in its Proposal, however the Proposer should identify that the explanation serves to explain its satisfaction of the particular Minimum Qualification.

The Minimum Qualifications may be satisfied by the Proposer as a joint venture as specified in the CalPERS Joint Venture Procedures, Exhibit 1. CalPERS Joint Venture Procedures permit only joint venture partners to use their combined individual experience and qualifications to fully satisfy all Minimum Qualifications. If the Proposer is submitting a Proposal based on a prime contractor/subcontractor relationship, the subcontractor's qualifications cannot be used to satisfy the Minimum Qualifications.

- A. The firm must be a professional actuarial services firm that provides any combination of actuarial retirement services, health services, and long-term care services as described in Section III, Services to be Provided. The Lead Project Consultant responsible for the CalPERS account must be at a minimum either:

1. An Associate of the Society of Actuaries **and** an Enrolled Actuary; or
 2. A Fellow of the Society of Actuaries
- B. The firm must have been performing services as described in Section III, Services to be Provided for at least the last three (3) years, as of December 31, 2017.

V. Proposal Requirements

Proposals must describe the Proposer's qualifications and expertise in the format outlined in the RFP. A Proposal will not be considered complete unless it contains all of the items described below. The forms are posted to the CalPERS website for Proposers to download. Proposers are not to alter or modify the forms other than by providing the required information; please note, adding your firm's logo or letterhead to the form is not considered a modification or alteration of the form.

A. Technical Proposal

The Technical Proposal includes all of the following items:

1. Cover Letter

A cover letter, which will be considered an integral part of the Proposal, must be signed by an individual who is authorized to bind the Proposer contractually. The cover letter must state the individual is authorized and must identify the title or position that the individual holds in the Proposer's firm. An unsigned cover letter shall cause the Proposal to be rejected. The letter must contain all of the following:

- a. A statement to the effect that the Proposal is a firm and irrevocable offer good for 180 days.
- b. A statement expressing the Proposer's willingness to perform the services as described in this RFP.
- c. A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables as described in this RFP.

2. Minimum Qualifications Certification

Proposers must complete and return the Minimum Qualifications Certification, Attachment A, certifying that the Proposer satisfies the Minimum Qualifications and requirements. This form must be signed by an individual who is authorized to bind the Proposer contractually. Failure to submit this form will cause the Proposal to be rejected.

Please include an explanation of how each applicable Minimum Qualification is met. It is preferred that the Proposer explain in writing on, or attached to, Attachment A how each Minimum Qualification is

met. Proposer may provide the explanation(s) elsewhere in its Proposal, however the Proposer should identify that the explanation serves to explain its satisfaction of the particular Minimum Qualification.

3. Proposal/Proposer Certification Sheet

Proposers must complete and return the Proposal/Proposer Certification Sheet, Attachment B. This form must be signed by an individual who is authorized to bind the Proposer contractually. Failure to submit this form will cause the Proposal to be rejected.

4. California Taxpayer and Shareholder Protection Act Declaration

Proposers must complete and return the California Taxpayer and Shareholder Protection Act Declaration, Attachment C. This form must be signed by an individual who is authorized to make the declaration on behalf of the Proposer. Failure to submit this form will cause the Proposal to be rejected.

5. Contracting Act Declarations

Proposers must complete and return the Contracting Act Declarations, Attachment D. This form must be signed by an individual who is authorized to make the declaration on behalf of the Proposer. Failure to submit this form will cause the Proposal to be rejected.

6. CalPERS Contract-Related Disclosure Form

Proposers must complete and return the CalPERS Contract-Related Disclosure Form, Attachment E. This form must be signed by an individual who is authorized to bind the Proposer contractually. Failure to submit this form will cause the Proposal to be rejected.

7. Proposal Questionnaire

Proposers must submit responses and documentation as requested on the Proposal Questionnaire, Attachment F. The information requested must be provided in the prescribed format. Responses that deviate materially from the prescribed format may lead to the rejection of the Proposal. Failure to submit a response to the Proposal Questionnaire will cause the Proposal to be rejected.

8. Disabled Veteran Business Enterprise Contract Participation & Incentive

In accordance with Public Contract Code section 10115, et. seq., and California Military and Veterans Code section 999, et. seq., every Proposer must comply with the Disabled Veteran Business

Enterprise (DVBE) contract participation requirements, unless the Proposer is a California Certified Micro Business because California Certified Micro Businesses are exempt from the DVBE participation percentage (goal).

This solicitation requires a minimum 3% DVBE participation percentage (goal). Information and instructions with which each Proposer must comply in order to achieve the 3% participation goal can be found in Disabled Veteran Business Enterprise Contract Participation, Attachment G. **Proposers must complete and return the exhibits and documentation as required in Attachment G to show compliance with the 3% participation goal.**

Failure to submit a completed Attachment G, Exhibit 1 form to demonstrate Proposer's compliance with the 3% DVBE participation goal may result in rejection of the Proposal. Final determination of a Proposer's DVBE participation shall be at the sole discretion of CalPERS.

In addition to the 3% DVBE participation goal, and in accordance with Section 999.5(a) of the Military and Veterans Code, a DVBE Incentive may be given to responsive and responsible Proposers who commit to DVBE participation above the required 3% participation goal. Information regarding this DVBE Incentive program may be obtained at:

<http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>.

Attachment G also contains information and instructions with which each Proposer must comply in order to be awarded DVBE Incentive points. Proposers must complete and return the exhibits and the documentation required in Attachment G with their Proposal if they intend to apply for DVBE incentive points. DVBE Incentive Points will be awarded as described in Section VII.D of the RFP.

CalPERS may contact certified DVBE Businesses with information regarding current or upcoming solicitations for the purpose of implementing and supporting the state program.

9. Subcontractors

Proposers must complete and return the List of Proposed Subcontractors, Attachment H. All subcontractors are subject to final approval by CalPERS and must agree to comply with CalPERS Information Security standards if applicable. Failure to submit this form will cause the Proposal to be rejected.

10. Required Attachments Certification Checklist

Proposers must complete and return the Required Attachments Certification Checklist, Attachment I. Failure to submit this form will cause the Proposal to be rejected.

11. Joint Venture Submittals

In general, a joint venture is an association of two or more persons or companies to carry on a commercial enterprise as co-owners. As applied to this RFP, a joint venture is a partnership between the persons or companies formed for the purpose of submitting a Proposal and of performing the contract if a contract is awarded to the joint venture. If a Proposal is submitted by a joint venture, the Proposal must include the joint venture agreement and supporting documentation required by CalPERS Joint Venture Policy, Exhibit 1.

The Proposal also must include copies of the forms listed below signed by **each** joint venture partner. The forms may be photocopied, but shall not be retyped, altered, or modified in any manner; please note, adding the firm's logo or letterhead to the forms are not considered a modification or alteration of the forms.

- a. Cover Letter;
- b. Minimum Qualifications Certification, Attachment A;
- c. Proposal/Proposer Certification Sheet, Attachment B;
- d. California Taxpayer and Shareholder Protection Act Declaration, Attachment C;
- e. Contracting Act Declarations, Attachment D; and
- f. CalPERS Contract-Related Disclosure Form, Attachment E.

12. Preference Programs

The State of California (State) established the following preference programs to encourage participation in state contracting by various segments of the business community and to stimulate business and employment in geographic areas determined to be economically distressed. Proposers must include the documentation described below if they intend to apply for the Small Business Preference or Target Area Contract Preference Act programs. Applicable Preference points will be awarded as described in Section VII.D of the RFP.

a. Small Business Preference

A five percent (5%) bid preference is available to a certified small business firm. The Small Business preference will be applied to those Proposers declaring their eligibility on the

Proposal/Proposer Certification Sheet, Attachment B. Information regarding this preference program may be obtained at:

<http://www.dgs.ca.gov/pd/programs/osds/sbeligibilitybenefits.aspx>.

This five percent (5%) bid preference is also available to a non-small business claiming California-certified small business/microbusiness subcontractor participation for at least twenty-five percent (25%) of its bid price. The non-small business preference will be applied to those Proposers declaring their eligibility on the List of Proposed Subcontractors, Attachment H.

b. Target Area Contract Preference Act

Information regarding this preference program may be obtained at:

<http://www.documents.dgs.ca.gov/pd/poliproc/tacpaprocedure.pdf>

Proposers seeking to obtain a Target Area Contract Preference Act (TACPA) preference must complete and submit the Target Area Contract Preference Act Preference Request, STD. 830, with their Proposal. This form is available to download at the link provided above.

B. Fee Proposal

In addition to the Technical Proposal, Proposer must submit a Fee Proposal in the format prescribed in Attachment J.

VI. Submission of Proposals

A. Proposals must be submitted as set forth below. Each Proposal must include two parts: (1) the Technical Proposal; and (2) the Fee Proposal.

1. The Technical Proposal

Submit a total of seven (7) copies of the Technical Proposal in a hard copy format and two (2) copies on compact disc (CD) in Microsoft Word. All electronic media submitted by the Proposer to CalPERS must be free of viruses, malware, and disablers; failure to comply will cause the Proposal to be rejected. If resumes are provided on the CD's as part of the Technical Proposal, please provide resumes that are plain text that do not have any special formatting.

- One CD must contain a complete Technical Proposal labeled, **“Master Copy”**. The Technical Proposal includes the cover

letter, attachments, and all other required documentation, **except** the Fee Proposal.

- One CD must contain a complete Technical Proposal labeled, **“Reproduction Copy”**. No proprietary information should be included on this CD. The Technical Proposal includes the cover letter, attachments, and all other required documentation, **except** the Fee Proposal.
- Two (2) copies of the Technical Proposal must be **unbound**, (i.e., no binder covers, comb bindings, etc.) and submitted as follows:
 - (i) One unbound copy containing original signatures must be marked **“Master Copy”**, and
 - (ii) The second unbound copy must be marked **“Reproduction Copy.”** All pages containing proprietary information should be removed and a cover sheet must be included which provides:
 1. the firm’s name;
 2. total number of pages; and
 3. identification of all pages removed due to proprietary information.
- The remaining five (5) copies must be **bound** and organized in a manner to facilitate ease of review by the evaluators.

2. Fee Proposal

Submit six (6) hard copies and two (2) CD(s) labeled Fee Proposal, Attachment J, and place in a separate, sealed envelope in the Proposal package. Clearly label the envelope as **“FEE PROPOSAL FOR RFP NO. 2017-8368, submitted by [Company Name].”**

- B. The Proposal package(s) must be sealed and clearly marked on the outside as **“RESPONSE TO REQUEST FOR PROPOSAL NO. 2017-8368, DO NOT OPEN, submitted by [Company Name].”** Please ensure that the Proposer’s return address is clearly provided on the outside of the package.

Failure to clearly identify the Proposal on the outside of the package may result in the rejection of the Proposal. CalPERS is not responsible for receipt of any Proposal that is improperly labeled and accepts no responsibility for lost and/or late delivery of Proposals.

Proposers may submit the Proposal package (Technical and Fee Proposal) in one box, but the Fee Proposal envelope must be clearly labeled.

- C. The Proposal package must be received no later than as specified in the Schedule of Events. For all methods of delivery including U.S. Mail,

Personal Delivery or Commercial Delivery Services, the Proposal package must be addressed as follows:

Contracts Officer
California Public Employees' Retirement System
Lincoln Plaza West
400 Q Street, Room W1570
Sacramento, CA 95811

All Proposal packages will be date and time-stamped upon receipt in Room W1570. Proposals delivered in person must be received by a CalPERS employee. CalPERS is not responsible for proposal packages left on the counter in Room W1570 regardless of the time of delivery. Proposals received by CalPERS after the final filing date and time will be rejected and the Proposal package will not be opened.

Important: For all methods of delivery, and in particular for Proposals submitted via U.S. Mail, please allow sufficient time for the mailing/delivery processes mentioned above to ensure that the Proposal package will arrive to CalPERS by the final filing date and time.

- D. Prior to the final filing date, a Proposer may withdraw a Proposal already submitted to CalPERS in order to correct, modify, or complete it. The Proposal may be withdrawn by written notification to CalPERS Contracts Officer, signed by an authorized agent. The Proposal may be resubmitted thereafter, but will not be accepted after the final filing date and time.
- E. Upon submission, all Proposals become the property of CalPERS and will be regarded as public records and may be subject to public review to the extent provided in the California Public Records Act (Government Code section 6250 et. seq.) If the Proposer seeks to exempt certain pages or items from public inspection, Proposer should clearly mark them as "PROPRIETARY INFORMATION." CalPERS will use reasonable efforts to exempt such pages or items from public disclosure, but makes no representations or warranties that such efforts will be successful. **Please note that the entire Proposal cannot be identified as proprietary information.**
- F. Except as specifically requested by CalPERS, submission of a Proposal or any portion thereof via facsimile transmission, electronic, or magnetic media is not allowed. CalPERS will not accept or consider any Proposal material submitted in this manner.
- G. CalPERS may reject all Proposals if, based on its exclusive discretion, the Proposals do not meet CalPERS need.
- H. Only one Proposal from an individual, firm, partnership, corporation or combination thereof, will be considered. Multiple Proposals submitted by a Proposer under more than one name will be cause for rejection of all Proposals submitted by the Proposer.

VII. Evaluation Process

All Proposals received on or before the final filing date and time as specified in the Schedule of Events will be evaluated as outlined below. CalPERS may request clarifications from Proposers at any phase of the evaluation process for the purpose of clarifying ambiguities in the information presented in the Proposal. Section VIII, General Information, provides the detailed clarification process.

CalPERS, in the exercise of its exclusive discretion, may permit the Proposer to correct any error, omission, deviation, or other defect (see Section VIII, General Information). Alternatively, CalPERS may waive such error, omission, deviation, or other defect. However, such waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP requirements.

A. Preliminary Review

First, the Technical Proposal will be reviewed to determine completeness of required documentation and compliance with DVBE requirements, as prescribed in Sections V and VI. CalPERS staff will use the Required Attachments Certification Checklist, Attachment I, submitted by the Proposer to confirm receipt of all required documents. CalPERS may reject any or all Proposals that fail to meet these requirements.

B. Technical Proposal Evaluation

After CalPERS has ascertained that the Proposer meets the Minimum Qualifications, the Technical Proposal will be scored by a team of CalPERS Staff.

Each team member will independently evaluate the Proposer's Technical Proposal, using the Proposal Evaluation Sheet, Exhibit 2. A single score for each service category will be reached by consensus of the evaluation team, with a maximum of 700 points.

C. Fee Proposal Evaluation

Proposers that meet the technical requirement will have their Fee Proposal opened. The lowest average hourly rate over the five (5) year term for the Lead Project Consultant will receive the maximum score of 300 points. All other Fee Proposals will be rated proportionately as follows:

$$\frac{\text{Lowest Total Average Hourly Fee}}{\text{Proposer's Total Average Hourly Fee}} \times 300 = \text{Proposer Fee Score per service category}$$

Each Proposal's Technical Proposal Score will be combined with the Proposer's Fee Proposal Score. The Proposals will be ranked from highest to lowest, with a maximum of 1,000 total points (plus any applicable preference or incentive points) per service category. The highest scoring service category(-ies) in the Proposals, as determined by CalPERS, will be Finalists and continue in the evaluation process.

D. Applicable Preference and/or Incentive Points

Preference and/or Incentive Points may be awarded to Proposers based on the applicable requirements and if all required documentation is submitted. The Preference and/or Incentive Points are in addition to the maximum available points, thus, it is possible for a Proposer's total Proposal score (including the applicable Preference and/or Incentive points) to exceed the maximum available points. However, the Preference and Incentive points cannot be used to help a Proposer satisfy a minimum point requirement.

1. Small Business Preference

A five percent (5%) bid preference is available to certified Small Businesses or non-small businesses claiming California-certified small business/microbusiness subcontractor participation for at least twenty-five percent (25%) of its bid. If applicable, based on the preference requirements, a preference of five percent (5%) of the total overall points awarded to the highest scored non-small business proposer will be added to the responsive and responsible Proposer's score.

2. Target Area Contract Preference Act

If Proposer has submitted a completed a Target Area Contract Preference Act (TACPA) Request form (STD. 830) with its Proposal, and all requirements are met, a preference of five percent (5%) of the maximum points available for this RFP will be added to the responsive and responsible Proposer's score.

3. Disabled Veteran Business Enterprise (DVBE) Incentive

If Proposer has submitted information on or with Attachment G regarding the DVBE Program Incentive, the applicable DVBE Incentive points (based on the confirmed DVBE participation percentage as provided in the table below) will be added to the responsive and responsible Proposer's score. (See Exhibit 2, Proposal Evaluation Sheet.)

Final determination of a Proposer's DVBE participation and applicable incentive points shall be at the sole discretion of CalPERS.

<u>Confirmed DVBE Participation of:</u>	<u>DVBE Incentive</u> (percentage of maximum points available)	<u>DVBE Incentive Points</u> (based on 1000 maximum points available)
5% or Over	5%	50
4% to 4.99%	4%	40
3.01% - 3.99%	3%	30
3%	Minimum DVBE Requirement	0

E. Tie Breaker

In case of a tie for two (2) or more Proposers, final scores will be rounded to the nearest one-hundredth decimal.

F. Award of Contract

1. The Contract award(s), if any, will be made to the responsive and responsible Proposer(s) meeting the Minimum Qualifications and having the highest total scores, but are subject to final negotiations and satisfaction of all requirements. None of the firms in the Spring-Fed Pool is guaranteed any engagement or compensation.
2. Notice of CalPERS intent to award to the selected Proposer will be posted in CalPERS Contracts Management Section and at <https://www.calpers.ca.gov/> for five (5) State business days before the award of contract is made.

VIII. General Information**A. eBusiness Alerts**

CalPERS eBusiness Partners registered for this RFP will receive an eBusiness Alert notification with links to the latest documents and information posted on the CalPERS website. This service is an optional communications tool and the eBusiness Partner takes full and independent responsibility for compliance with any notices, policies, procedures, documents, or requirements set forth by the content in this RFP. CalPERS eBusiness Partners are encouraged to access the CalPERS website routinely. CalPERS assumes no responsibility for any failure of the eBusiness Alert tool to provide notification of the respective website changes.

B. Errors and Omissions

If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, the Proposer should immediately notify CalPERS of such error in writing and request clarification or modification of the document. This notification must be submitted pursuant to the procedures described in Section VIII.C., "Questions Regarding the RFP."

Modifications to the RFP will be made by addenda issued pursuant to Section VIII, E., "Addenda." If a Proposer fails to notify CalPERS of a known error prior to the final dates of submission, or an error that reasonably should have been known, the Proposer will assume the risk of proposing. If awarded the contract, the Proposer will not be entitled to additional compensation or time by reason of the error or its later correction.

C. Questions Regarding the RFP

1. Proposers requiring clarification of the intent and content of this RFP may request clarification only by submitting questions via electronic mail to:

osssd_contractsadmin@calpers.ca.gov.

Please reference RFP No. 2017-8368 in the subject line.

To ensure a response, questions must be received by the date and time specified in the Schedule of Events. Responses to questions received by this date will be posted to the CalPERS website, without identifying the source of the query, on or before the date specified in the Schedule of Events.

2. Questions regarding the competitive proposal procedure only (i.e., questions dealing with format, packaging, DVBE, etc.) may be submitted via electronic mail to:

osssd_contractsadmin@calpers.ca.gov.

Please reference RFP No. 2017-8368 in the subject line.

Responses will be directed to the respective Proposer only, unless CalPERS determines a question (and answer) should be posted to the CalPERS website because it would be helpful to all Proposers. CalPERS will use reasonable efforts to respond to questions in a timely manner.

D. CalPERS Restricted Contact Code

Respondents must comply with Government Code section 20153, as it exists and as amended by the Legislature and implemented by the Board of Administration from time to time, concerning restricted contact between CalPERS and proposers during the solicitation period. A copy of the existing code section is attached as Exhibit 3.

E. Addenda

CalPERS may modify any part of the RFP, prior to the date Proposals are due, by issuance of one or more addenda. Addenda issued after the final filing date may occur to correct a discrepancy, omission or other such typographical error within the RFP; however, the modification(s) will not have a material effect on the previously submitted Proposals. Addenda will be numbered consecutively and posted to the CalPERS website.

F. Clarifications

CalPERS may request clarifications from Proposers at any phase of the evaluation process for the purpose of clarifying ambiguities in the information presented in the Proposal. CalPERS will request in writing the Proposers provide the documentation required and the time line for submission. Failure to submit the required documentation by the date and time indicated may cause CalPERS to deem the proposal nonresponsive, or require CalPERS to eliminate the proposal from consideration due to a Proposer's failure to satisfy minimum requirements.

If deemed necessary by CalPERS, at its sole discretion, the following omitted and/or additional information may be collected by mail, facsimile, or other method:

1. Copies of any form submitted without a signature. This provision does not apply to unsigned Cover Letter. (see Section V.A.1.)
2. Data or documentation omitted from any submitted attachment or form.
3. Information and material needed to clarify or confirm certifications or claims made by a Proposer.
4. Information or material needed to correct or remedy an immaterial defect in the Proposal.

Other than information requested by CalPERS, no Proposer will be allowed to alter the Proposal or add new information after the final filing date.

G. Protest Procedures

1. Any Proposer who submitted a response to the RFP may file a protest against the awarding of the contract. A Notice of Protest must be filed during the five (5) State business days that CalPERS Notice of Intent to Award Contract is posted. Within five (5) State business days after filing the Notice of Protest, the protesting Proposer shall file with CalPERS a Statement of Grounds for Protest, which will contain a full and complete written statement specifying the grounds for the protest and the facts on which they are based. Protests are limited to the following grounds:

- a. CalPERS failed to follow the procedures stated in the RFP.
 - b. CalPERS failed to apply correctly the standards for reviewing the format requirements or failed to evaluate the Proposals as specified in the RFP.
 - c. CalPERS failed to follow evaluation and rating methods as specified in the RFP.
 - d. CalPERS proposes to award contract to other than the Proposer(s) receiving the highest rating(s) and satisfactorily meeting all requirements of the final contract negotiations.
 - e. CalPERS disqualified the Proposer under the Restricted Contact Code of the California Government Code as implemented by the Board of Administration.
2. The Notice of Protest and Statement of Grounds for Protest shall be signed by an authorized individual and submitted via email to:
- OSSD_ContractsAdmin@Calpers.ca.gov
- Please reference RFP No. 2017-8368 in the subject line.
3. Once a Notice of Protest has been filed, the contract may not be awarded until either the protest is withdrawn or CalPERS has decided the matter. If no Statement of Grounds for Protest is filed within the required time frame, the Notice of Protest will be deemed withdrawn.
4. Following the receipt of a Statement of Grounds for Protest, CalPERS General Counsel will determine whether the protest is to be resolved by written submission of material or decided by a Board-appointed "Protest Review Committee." Parties will be provided the applicable protest procedures and schedule. The decision of the General Counsel and/or Committee is final and all parties will be notified of the decision.
5. There is no basis for protest if all Proposals are rejected based on the best interests of CalPERS.

H. Other Criteria

1. Right to Reject Any or All Proposals

The policy of CalPERS is to solicit Proposals with a bona fide intention to award a contract. This policy will not affect CalPERS right to reject any or all Proposals or to cancel the solicitation at any time.

2. Proposer's Costs

All costs for developing Proposals and attending interviews at CalPERS headquarters are entirely the responsibility of the Proposer and shall not be chargeable to CalPERS.

3. Review of Proposals Subsequent to Contract Award

Written or oral Proposal evaluation debriefings will not be given to unsuccessful Proposers. All Proposals and the final scoring summary sheet are retained by CalPERS as a permanent record, and shall be made available for public inspection.

4. Subcontracting Subsequent to Contract Award

If, at any time during the term of the contract, CalPERS or the Contractor require the previously unanticipated expertise of a specialist(s) to provide services contemplated in this RFP, upon agreement by both parties and under the direction of the Contractor, a subcontractor(s) relationship may be established at CalPERS expense and the fee negotiated at the time the subcontracting relationship is established.

5. Conflict of Interest

Compliance is required with California Public Contract Code Sections 10410 and 10411 relating to employment of current and former state employees.

6. Corporate Qualifications To Do Business In California

The Proposer(s) awarded the contract must be in good standing and must be qualified to do business in California at the time the contract is executed and during the entire term of the contract.

7. Follow-On Contracts

No person, firm, or subsidiary thereof or their officers or directors, who were previously awarded a CalPERS consulting services contract, or a contract which primarily includes a consulting services component, may submit a proposal or be awarded a contract for the provision of services, delivery of goods or supplies, or any other related action that is required, suggested, or otherwise deemed to be an outgrowth of advice or recommendations submitted pursuant to the consulting service contract (Cal. Public Contract Code section 10365.5).

8. Execution of Contract

The contract will be executed on the CalPERS Standard Agreement, Form STD. 213. If the contract is awarded to a joint venture, all joint venture partners will be required to sign the contract. Exhibit 4 sets forth CalPERS minimum contract provisions. CalPERS may modify the contract provisions or incorporate additional provisions if it is in the best interests of CalPERS. Contractors are expected to comply with all applicable contract provisions (as may be amended from time to time).

9. News Releases

News releases pertaining to the award resulting from this RFP shall not be made without prior written approval from the CalPERS Chief Executive Officer or his/her designee.