



# Request for Proposal 09-X-20779

## For: Actuarial Services: Contracted Actuarial Consulting Firms

Event	Date	Time
<b>Bidder's Electronic Question Due Date</b> (Refer to <a href="#">RFP Section 1.3.1</a> for more information.)	April 24, 2009	5:00 PM
<b>Mandatory Pre-bid Conference</b>	NA	NA
<b>Mandatory Site Visit</b>	NA	NA
<b>Bid Submission Due Date</b> (Refer to <a href="#">RFP Section 1.3.2</a> for more information.)	May 29, 2009	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

<b>Small Business Set-Aside</b> (Refer to <a href="#">RFP Section 4.4.2.2</a> for more information.)	<b>Status</b> <input type="checkbox"/> Not Applicable	<b>Category</b> <input checked="" type="checkbox"/> I
	<input type="checkbox"/> Entire Contract	<input checked="" type="checkbox"/> II
	<input checked="" type="checkbox"/> Partial Contract	<input checked="" type="checkbox"/> III
	<input type="checkbox"/> Subcontracting Only	

RFP Issued By

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey  
Division of Pensions and Benefits  
Trenton, New Jersey 08625

Date: April 13, 2009

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November 12, 2008

**IMPORTANT NOTICE -  
NEW "PAY-TO-PLAY" RESTRICTIONS TO TAKE EFFECT NOVEMBER 15, 2008**

**Note: This is for informational purposes only. Certification is to be completed upon award.**

Governor Jon S. Corzine recently signed Executive Order No. 117, which is designed to enhance New Jersey's efforts to protect the integrity of government contractual decisions and increase the public's confidence in government. The Executive Order builds on the provisions of P.L. 2005, c. 51 ("Chapter 51"), which limits contributions to certain political candidates and committees by for-profit business entities that are, or seek to become, State government vendors.

Executive Order No. 117 extends the provisions of Chapter 51 in two ways:

1. The definition of "business entity" is revised and expanded so that contributions by the following individuals also are considered contributions attributable to the business entity:
  - Officers of corporations and professional services corporations, with the term "officer" being defined in the same manner as in the regulations of the Election Law Enforcement Commission regarding vendor disclosure requirements (N.J.A.C. 19:25-26.1), with the exception of officers of non-profit entities;
  - Partners of general partnerships, limited partnerships, and limited liability partnerships and members of limited liability companies (LLCs), with the term "partner" being defined in the same manner as in the regulations of the Election Law Enforcement Commission regarding vendor disclosure requirements (N.J.A.C. 19:25-26.1); and
  - Spouses, civil union partners, and resident children of officers, partners, LLC members and persons owning or controlling 10% or more of a corporation's stock are included within the new definition, except for contributions by spouses, civil union partners, or resident children to a candidate for whom the contributor is eligible to vote or to a political party committee within whose jurisdiction the contributor resides.
2. Reportable contributions (those over \$300.00 in the aggregate) to legislative leadership committees, municipal political party committees, and candidate committees or election funds for Lieutenant Governor are disqualifying contributions in the same manner as reportable contributions to State and county political party committees and candidate committees or election funds for Governor have been disqualifying contributions under Chapter 51.

***Executive Order No. 117 applies only to contributions made on or after November 15, 2008, and to contracts executed on or after November 15, 2008.***

Updated forms and materials are currently being developed and will be made available on the website as soon as they are available. In the meantime, beginning November 15, 2008, prospective vendors will be required to submit, in addition to the currently required Chapter 51 and Chapter 271 forms, the Certification of Compliance with Executive Order No. 117. The Certification of Compliance form for Executive Order No. 117 can be found here:

[http://www.state.nj.us/treasury/purchase/forms/EO\\_117\\_NOTICE.doc](http://www.state.nj.us/treasury/purchase/forms/EO_117_NOTICE.doc)

## **1.0 INFORMATION FOR BIDDERS**

### **1.1 PURPOSE AND INTENT**

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Division of Pensions and Benefits (DPB). The purpose of this RFP is to solicit bid proposals from actuarial firms to perform actuarial consulting services and to prepare actuarial reports over a five (5) year period for the Division of Pensions and Benefits (DPB). It is the intent of this RFP to award a total of six (6) contracts to perform actuarial services. These contracts shall essentially function as a prequalification. All firms that are pre-qualified will be eligible to be engaged in pension or non-pension fund related actuarial projects as projects arise. In addition to pre-qualifying six (6) firms, it is the intent of this RFP to replace three (3) existing contracts that currently expire on June 30, 2009. These contracts and contractors are:

T0989	Actuarial Services – Public Employees Retirement System (PERS) Contract Number – A51665 Contractor – Buck Consultants
T0990	Actuarial Services – Teachers Pension & Annuity Fund (TPAF) Contract Number – A51666 Contractor - Milliman, Inc.
T0991	Actuarial Services – Certain Public Retirement Systems Contract Number – A51667 Contractor – Buck Consultants

The above are the three (3) contracts that will be awarded as part of this RFP. Information related to these contracts is available at the following websites:

<http://www.state.nj.us/treasury/purchase/noa/contracts/t0989.shtml>  
<http://www.state.nj.us/treasury/purchase/noa/contracts/t0990.shtml>  
<http://www.state.nj.us/treasury/purchase/noa/contracts/t0991.shtml>

It is important to note that there are multiple pensions systems within the Certain Public Retirement System Contract, and they are as follows:

Police and Firemen's Retirement System (PFRS)  
State Police Retirement System (SPRS)  
Judicial Retirement System (JRS)  
Consolidated Police and Firemen's Retirement Fund (CPFPPF)  
Prison Officers' Pension Fund (POPF)  
Supplemental Annuity Collective Trust (SACT)

Bidders must submit a proposal to perform actuarial services for at least one (1) of the above projects (T0989, T0990 or T0991), to be considered for award for one (1) of the six (6) prequalification contracts as well as for consideration for the project for which the proposal is submitted. Although any one (1) bidder may submit proposals for all three (3) projects contained in the Scope of Work, Section 3.0, the State does not intend to award all three (3) projects to a single bidder. In addition to "pre-qualifying" six (6) firms to perform actuarial services under this consolidated RFP it is the intent of the State to select the contractors that will perform the actuarial services previously provided under T0989, T0990 and T0991 based upon the proposals submitted in response to this RFP. Bidders awarded the above three (3) projects will be also eligible to bid on additional projects as they become available.

The intent of this RFP is to award contracts to those responsible bidders whose bid proposals, conforming to this RFP are most advantageous to the State, price and other factors considered. However, the State reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State's best interest.

The NJ Standard Terms & Conditions version 07/27/07 will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

## **1.2 BACKGROUND**

### **1.2.1 THE DIVISION OF PENSIONS AND BENEFITS (DPB)**

DPB is responsible for all administrative functions (other than investment) of the various State pension systems. DPB administers the laws governing the employee benefit plans subject to regulations and decisions of the respective Boards of trustees and commissions of these systems, court rulings, and opinions of the State Attorney General (AG).

### **1.2.2 THE BENEFIT PROGRAMS**

**PERS** - was established by Chapter 84, P.L. 1954, replacing the former State Employees' Retirement System. This system is maintained on an actuarial reserve basis. Under the terms of Chapter 71, P.L. 1966, all public employees in New Jersey who are not required to become members of another contributory retirement program are normally required to enroll. Consequently, PERS has a State and local component. In addition to the State, 1,698 local employers currently participate in PERS.

The Board of Trustees consists of six employee representatives, two persons appointed by the Governor, and the State Treasurer. The laws governing the PERS can be found in the New Jersey Statutes Annotated, Title 43, Chapter 15a. The regulations governing the operation and administration of this fund can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 2.

**TPAF** - was established in 1919 and completely reorganized in 1955 and is maintained on an actuarial reserve basis. There are currently 667 school districts and other employers participating in the TPAF, however, the regular pension contributions due this system are the obligation of the State.

The TPAF Board of Trustees has the responsibility for the proper operation of the retirement system. The Board consists of three active or retired members of TPAF, one individual appointed by the other trustees, the State Treasurer and two individuals appointed by the Governor with the advice and consent of the Senate. The laws governing the TPAF can be found in the New Jersey Statutes Annotated, Title 18A, Chapter 66. The regulations governing the operation and administration of this fund can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 3.

**PFRS** - was established by Chapter 255, P.L. 1944. All otherwise eligible police and firemen are required to become members of this pension fund.. Participating employers include municipalities where local police and firemen pension funds existed prior to June 1944 or where this system was adopted by referendum or resolution, and municipalities and counties that were required to participate pursuant to Chapter 247, P.L. 1993. Also covered are certain State employees. In

addition to the State, 588 local employers currently participate in this fund. Employer obligations are paid by the local employers and the State.

The Board consists of 11 representatives; two police, two firemen, one retiree, one State Treasurer appointment, and five Gubernatorial appointments. The laws governing the PFRS can be found in the New Jersey Statutes Annotated, Title 43, Chapter 16a. The regulations governing the operation and administration of this fund can be found in Title 17, Chapters 1 and 4 of the New Jersey Administrative Code.

**SACT** - was established by Chapter 123, P.L. 1963. This program includes active members of the several State-administered retirement systems who agree to make voluntary, additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic systems, or whose employers agree to purchase tax-sheltered annuities for the same purpose.

The council consists of the Commissioner, Department of Insurance, the State Budget Director, and the State Treasurer. The laws governing SACT can be found in the New Jersey Statutes Annotated, Title 52, Chapter 18a, Sections 107-124. The regulations governing the operation and administration of the trust can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 8.

**CPFPF** - was established by Chapter 358, P.L. 1952, to place 213 local police and firemen pension funds on an actuarial funded basis. The membership of this fund consists of police and firemen appointed prior to July 1, 1944, and members of locally-administered pension funds established pursuant to a 1920 enactment. The liabilities of these local funds were shared on the basis of two-thirds payment by the participating municipalities and one-third payment by the State. The municipalities have completed their funding of the liability. The remaining obligation of this fund is the obligation of the State. This fund is closed and has no active members.

The Board consists of two police representatives, two firemen representatives, four persons appointed by the Governor and the State Treasurer. The statute can be found in the New Jersey Statutes Annotated, Title 43, Chapter 16. The regulations governing the operation and administration of this fund can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 6.

**SPRS** - system was created by Chapter 89, P.L. 1965 as the successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police, New Jersey Department of Law and Public Safety are required to be members of this system. This system is maintained on an actuarial reserve basis.

The Board of this system consists of five representatives; two active or retired members appointed by the Superintendent of State police, two appointed by the Governor and one by the State Treasurer. The laws governing the SPRS can be found in the New Jersey Statutes Annotated, Title 53, Chapter 5a. The regulations governing the operation and administration of this fund can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 5.

**JRS** - was established by Chapter 140, P.L. 1973. All members of the State Judiciary are required to be members of this system. This system is maintained on an actuarial reserve basis. The State House Commission serves as the Board of trustees of this system. The laws governing the JRS can be found in the New Jersey Statutes Annotated, Title 43, Chapter 6a. The regulations governing the operation and administration this fund can be found in the New Jersey Administrative Code, Title 17, Chapters 1 and 10.

**POPF** - was established by Chapter 220, P.L. 1941. It is maintained on an actuarial reserve basis and was closed to new employees as of January 1960.

The Board of this fund consists of three member representatives, the State Treasurer, a Commissioner appointed by the Governor and a Commissioner appointed by the other members. The laws governing the POPF can be found in the New Jersey Statutes Annotated, Title 43, Chapter 7. The regulations governing the operation and administration of this fund can be found in the New Jersey Administrative Code, Title 17, Chapter 1.

### **1.2.3 THE BOARD OF TRUSTEES**

There are Boards and Commissions that provide oversight and direction to the retirement systems. There is a Board of Trustees for each retirement system including:

- (a) Public Employees' Retirement System
- (b) Teachers' Pension and Annuity Fund
- (c) Police and Firemen's Retirement System
- (d) State Police Retirement System
- (e) Consolidated Police and Fireman's Pension Fund
- (f) State House Commission for the Judicial Retirement System
- (g) Supplemental Annuity Collective Trust
- (h) Prison Officers Pension Commission

The Board of Trustees (Board) for each of these retirement systems provides oversight and direction to the retirement system. The duties of the Board are partly ministerial and partly based on its authority to adjudicate claims. On the ministerial side, the Board adopts rules and regulations to provide for the payment of benefits and for the collection of moneys as required by the statute. On the quasi-judicial side, the Board must resolve individual questions on the merits of each case in terms of the statutes, opinions of the Attorney General (AG), the advice of the actuary, and cases cited by counsel as deliberated by the courts.

The Board adopts rules and regulations to provide for the payment of benefits and for the collection of moneys as required by the statute. It also resolves individual questions on the merits of each case in terms of the statutes, opinions of the AG, the advice of the actuary, and cases cited by counsel as deliberated by the courts. The Board establishes rules and regulations subject to the limitations contained in the statute and in accordance with the opinions of the courts and the AG. Rules are primarily designed to prevent injustices and inequities which might otherwise arise in the operation of the program.

The Board has various agents such as the secretary, an officer in the office of secretarial services, who aid in its work. The Board establishes rules and regulations subject to the limitations contained in the statute, and in accordance with the opinions of the courts and the AG. Such rules are primarily designed to prevent injustices and inequities, which might otherwise arise in the operation of the program. Such rules are filed with the Office of Administrative Law (OAL), and must be consistent with those adopted by the other Boards in order to permit the most economical and uniform administration of all systems.

Where issues of fact are involved in individual cases, the Board may grant hearings to members who disagree with its initial decisions. Such appeals are heard by the judges of the OAL. The Board will receive the judge's decision along with exceptions of counsel and render a determination following such hearings. Where individual cases involve only issues of law or members disagree with the Board's determination following an OAL hearing, cases may be appealed to the Appellate Division of Superior Court.

The Boards approve annual reports prepared by the Division of Pension and Benefits that set forth such data as assets and liabilities, income and disbursements, and a statistical summarization of the membership. Such reports are filed with the State library. The Board maintains a record of all of its proceedings and holds regular meetings where such are deemed necessary.

#### **1.2.4 ADVISORS TO THE BOARD**

The actuaries awarded a specific contract as a result of this RFP serve as the technical advisor to the Board(s), establish the several tables required for the operation of the system, determine the annual appropriation required of the employers, and conduct annual and other periodic examinations of the system's financial and actuarial position and required in Section 3.8.1 (i) of the Scope of Work.

The AG is the legal advisor for all of the pension funds and other employee benefit programs.

All pension funds are served by a medical Board composed of three physicians. They review all claims for disability as submitted by the disability review section to determine the medical specialty, and who in turn review the reports of the medical examiners and make their recommendations on the medical aspects of every claim.

The Director, DPB, is required to annually communicate to each pension Board the relevant factors used in calculating the State's contributions to that system's accrued liability. Further, the Boards shall have access to all relevant actuarial information relating to any actuarial matter under consideration by the Boards, subject to financial restraints imposed by the contract agreement.

Further, the Boards shall have access to all relevant actuarial information relating to any actuarial matter under consideration by the Boards, subject to financial restraints imposed by the contract agreement.

#### **1.2.5 RELATED STATE AGENCIES**

DPB has many specific and direct relationships with several other State agencies. All employee benefit and administrative budgets are reviewed by the State Treasurer and, in turn, submitted to the Office of Management and of Budget for consideration in the preparation of the State's budget for the following fiscal year. The State Auditor and a public accounting firm audit the financial statements of the pension funds annually.

The most important and direct relationship, maintained on a daily basis, is with the Division of Investment, Department of the Treasury since all investment transactions on behalf of the several programs are recommended and transacted by this Division.

#### **1.2.6 ADMINISTRATIVE PROCEEDINGS**

A summary of the essential procedures followed by DPB with respect to enrollment, the certification of payroll deductions, transfers, the reporting and recording of the receipt of contributions and the crediting to individual accounts, the preparation of quarterly reports of contributions and their audit, annual statements issued to the membership, purchases of service credit, loans, the termination of membership, including withdrawal, deaths and retirements are discussed in full in the Public Employees' Pension and Benefits Administration Manual which can be found at the following website:

<http://www.state.nj.us/treasury/pensions/epbam/epbam%20home.htm>

## **1.2.7 PENSION COVERAGE**

### **1.2.7.1 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

There are basically four groups of public employees who are eligible for membership in PERS. The first are all State employees, including State employees who are on county or municipal payrolls but whose positions have been legally defined as those of State employees. Secondly, there are employees who have been permitted to enroll in the State system as a result of a referendum or resolution in the county, municipality, Board of education, or public agency where this is appropriate. In the third group there are employees whose veteran status requires their membership in the state system including those who are employed in entities where non-veteran employees are not eligible for membership. Finally, all employees holding positions covered by the retirement system who are hired after July 1, 1966, must be enrolled in the State system. Within these groups, coverage is possible on a compulsory or optional basis. The specifics concerning coverage as it applies to State employees and local government employees in the PERS, are discussed in the public employees' pension and benefits administration manual. (N.J.S.A. 43:15A, and 43:3C. and the New Jersey Administrative Code, Title 17)

### **1.2.7.2 TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

Coverage extends to every teacher or member of the professional staff, certificated by the State Board of examiners, as they may be employed at the State Department of Education, county vocational schools and every school district, of which there are more than 600, in New Jersey. Generally, noncertificated, professional personnel are not eligible and neither are temporary, seasonal or substitute teachers. Certain employees, such as janitors, firemen, bus drivers, custodians and matrons were once permitted to enroll, but new employees are barred from membership since August 1, 1966. However, nonsubstitute teachers, even if paid on an hourly or per diem basis, have been required to enroll in the system as of the beginning of the 1984 school year. N.J.S.A. 18A:66 and the New Jersey Administrative Code, Title 17 govern the administration of the fund.

### **1.2.7.3 POLICE AND FIREMEN'S RETIREMENT SYSTEM (PFRS)**

A employee hired as a permanent, full-time law enforcement officer or firefighter in an eligible PFRS job title or classification who meets the age and medical criteria for membership must be enrolled in the PFRS. Enrollment in the PFRS is required for permanent, full-time employees appointed to positions in law enforcement or fire fighting in the State of New Jersey. N.J.S.A. 16A and the New Jersey Administrative Code, Title 17 govern the administration of the fund.

### **1.2.7.4 STATE POLICE RETIREMENT SYSTEM (SPRS)**

All members of the State Police Retirement and Benevolent Fund become members of the SPRS in 1965. All individuals who became full-time troopers or commissioned or noncommissioned officers of the Division of State Police after July 1, 1965 must enroll in the SPRS. N.J.S.A. 53:5A and the New Jersey Administrative Code, Title 17 govern the administration of the fund.

### **1.2.7.5 JUDICIAL RETIREMENT SYSTEM (JRS)**

A member of the State Judiciary is required to join the JRS as a condition of employment. The JRS covers the Chief Justice and Associate Justices of the State Supreme Court, as well as all

judges of the Superior Court and Tax Court of the State of New Jersey. N.J.S.A. 43:6A and the New Jersey Administrative Code, Title 17 govern the administration of the fund.

#### **1.2.7.6 CONSOLIDATED POLICE AND FIREMEN'S PENSION FUND (CPFPF)**

The Consolidated Police and Firemen's Pension Fund (the Fund; CPFPF) is a cost-sharing contributory defined benefit plan with a special funding situation which was established as of January 1, 1952, and closed to new members in July, 1944. The Fund is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey. The Fund's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the Fund is limited to county and municipal police and firemen who were appointed prior to July 1, 1944. There are no active vested members and 620 pensioners and beneficiaries are receiving benefits as of June 30, 2007, the date of the most recent actuarial valuation. . The Fund's Board of Trustees is primarily responsible for its administration.. N.J.S.A. 43:16 and the New Jersey Administrative Code, Title 17, govern the administration of the fund.

#### **1.2.7.7 PRISON OFFICERS PENSION FUND (POPF)**

The Prison Officers' Pension Fund of New Jersey (the Fund; POPF) is a single-employer contributory defined benefit plan which was established as of January 1, 1941 and closed to new members in January 1960. The Fund is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey. The Fund's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the Fund is limited to various employees in the state penal institutions who were appointed prior to January 1, 1960. There are no active members and 176 pensioners and beneficiaries are receiving benefits as of July 1, 2007, the date of the most recent actuarial valuation. The Fund's Board of Trustees is primarily responsible for its administration. N.J.S.A. 43:7 and the New Jersey Administrative Code, Title 17, govern the administration of the fund.

#### **1.2.7.8 SUPPLEMENTAL ANNUITY COLLECTIVE TRUST (SACT)**

The Supplemental Annuity Collective Trust (the Trust; SACT), a single-employer defined contribution plan, was established July 1, 1963 and is available to active members of PERS, TPAF, PFRS, SPRS and JRS. The Trust provides specific benefits to supplement the guaranteed benefits that are provided by the basic retirement systems. Upon retirement, a participant receives a monthly annuity or reduced annuity payments with a beneficiary provision based on the value of the participant's account in the month of retirement. As an option, the member may elect to receive a single cash payment at retirement. Upon the death of a participant, the designated beneficiary may elect to receive a lump sum equal to the account value or an annuity under any of the settlement options which a retiree could elect under the Trust. Upon termination of employment and withdrawal from the basic retirement systems, a participant must also withdraw his account under the Trust as a lump-sum settlement.

#### **1.2.8 LIFE INSURANCE COVERAGE**

The members generally have noncontributory and contributory death benefit coverage. The noncontributory contribution that is the obligation of the employer is calculated and included in the annual valuation. In PERS, contributory insurance has been compulsory in the first year of membership for most new members since July 1, 1963. Consequently, contributory insurance will be certified for most newly enrolled members of the system and contributions will be required for this coverage. Coverage may be denied to members of the retirement system who cannot supply evidence of insurability in those situations where such proof is required. Any member who cannot be eligible for noncontributory death benefit coverage shall also be ineligible for contributory

insurance coverage. Effective July 1, 1994, a member may waive noncontributory life insurance coverage in excess of \$50,000.

### **1.2.9 414 (H) TAX CONSIDERATION**

Chapter 188, P.L. 1986 permits section 414 (h) treatment of employee contributions to the major State-administered retirement systems in such a manner that such contributions are exempt from federal income taxation until such contributions are withdrawn or utilized in the payment of retirement benefits.

This was approved on December 16, 1986 and became effective on January 1, 1987 and includes the deductions taken for members of the TPAF.

### **1.2.10 OTHER CONSIDERATIONS**

In addition to coverage, there are other matters involving the employee benefit plans that will impact upon the work of the actuary.

#### **1.2.10.1 TRANSFERS**

Intrafund and interfund transfers apply to the New Jersey programs. A member of a State retirement system who changes employment during the course of his membership may transfer his participation to another covered employer as long as his membership has not terminated before the transfer.

The statutes also permit any member of a contributory pension fund to transfer membership to another retirement system, likewise administered by the State, if there is a change in his position, which would prohibit continued membership in the first plan.

Legislation may also permit such transfers where positions once covered by one system are now covered by another program. There are normally transfers from the Teachers' Pension and Annuity Fund and the Police and Firemen's Retirement System to the Public Employees' Retirement System, where teachers and police and firemen have changed their career employment to do other work.

The following is an average number of interfund transfers per pension system per year:

PERS to TPAF	1,426
PERS to PFRS	314
PERS to SPRS	6
TPAF to PERS	225
TPAF to PFRS	1
TPAF to SPRS	2
PFRS to PERS	14
PFRS to TPAF	3
PFRS to SPRS	<u>1</u>
TOTAL	1,992

Employee contributions are normally transferred under such circumstances and there is a transfer of the present value of the employer's contribution related to the years of service established in the first system, limited by the liability of the second system.

### **1.2.10.2 LEAVE OF ABSENCE**

Leaves of absences are detailed in the summary of each of the pension plan (PERS, TPAF and PFRS).

### **1.2.10.3 PURCHASES**

Active members of the State retirement programs may purchase different types of service. This includes most out-of-state public service for periods of as much as ten years, U.S. government service, previous membership service, temporary service rendered just prior to enrollment, and leaves of absence involving personal illness for up to two years or a leave for personal reasons for less than three months.

There are specific provisions permitting members of PERS, TPAF and PFRS to purchase certain military service rendered before enrollment and peacetime military service where the employee was enrolled at the time of entry into the military. Members of PERS may also process a change in membership status from class A to class B service.

The purchase terms may differ but usually they follow two methods: (1) the cost to the employee is one-half (1/2) the cost developed on the basis of an actuarial factor which divides the cost between the employee and the employer at the time of purchase. This generally applies to most optional purchases made at any time prior to retirement, and (2) with a cost to the employee involving both the employer's and the employee's share of the cost as determined by the actuarial factor and which may involve additional cost to the member at the time of retirement.

### **1.2.10.4 RETIREMENT**

Employers are requested to certify final salary and service credit when a retirement application is filed. No list of applications is presented to the Board for approval until it is complete in every detail. Because the Board meets once a month, some of its work involves requests for retroactive effective dates.

Once the application has been approved, the retirement bureau advises the agency administering the SACT if applicable. It also notifies the Health Benefits Bureau, who will advise the eligible covered employee of his opportunity to continue coverage into retirement, either paid for by his employer or by deductions from his monthly pension.

Individuals who have outstanding loans at the time of retirement may carry the loan into retirement or may decide to pay off the loan in full.

They are also advised of a pension adjustment increase after 24 months of retirement.

### **1.2.10.5 CLAIMS**

In addition to the return of contributions, group life insurance is payable to beneficiaries of covered members where death occurs before retirement, and provision is also made for somewhat lesser amounts where death occurs after retirement. The life insurance payments are made by the DPB on drafts written upon the carrier.

The return of contributions is also paid in the event of a termination of service. As in the case of retirements, this involves a proper application and a certification by the employer of the lag information.

One of the major activities of the retirement system involves loans where members may borrow up to 50% of the value of their contributions up to \$50,000 whichever is less after 3 years of contributing membership. In accordance with recently enacted legislation (C 92, PL 2007), the loan interest rate is adjusted annually based on a commercially reasonable rate.

### **1.2.11 EMPLOYER REPORTING**

Based on certification from DPB, the employer deducts the pension payments including the regular pension, loan, purchase or contributory insurance. There are also deductions to be reported for those who are in SACT. These moneys are transmitted monthly and credited to the appropriate accounts. At the end of each calendar quarter, DPB will send the employer a detailed listing of members and contributions due for the calendar quarter and such reflects the changes made in the previous quarter by both the employer and DPB, allowing for additions and deletions. The total transmittal for the quarter must agree with the three monthly transmittals for the same period.

It is on the basis of the audited report of contributions that the member's account will be updated and reflected on the member record. Any adjustment required by the audit will result in overage or shortage statements.

### **1.2.12 SECURE FILE TRANSFER**

The State has implemented Secure File Transfer (SFT) to send and receive files utilizing advanced data encryption technologies. SFT is a manual interface through the myNewJersey portal Secure File Transfer Channel. A user connects through an Internet Browser, authenticates to the portal, selects the file they need to send, receive or browse, and selects the source or destination of that file. The transfer occurs using a secure socket layer (SSL) connection and the user is advised of the success of that transfer. The State is also exploring the use of third party file transfer products and may require the use of this product during the course of this actuarial services contract. The State also uses Connect:Direct to transfer data over dedicated lines within the Garden State network (GSN) or to private entities.

### **1.2.13 OTHER DATA**

In addition to this information, documents or files (depending on the volume) are forwarded representing other changes in individual accounts, such as the following:

- (a) Pensioners who resumed service
- (b) Public employers who will be valued for the first time
- (c) Public employers who terminated and were dissolved
- (d) Changes in the names of specific employers and location codes
- (e) Accounts previously reported as terminated and reactivated
- (f) Active vested cases
- (g) Vested cases where the vesting was terminated and the member was re-employed or the contributions returned

### **1.2.14 FINANCING ARRANGEMENTS**

#### **1.2.14.1 GENERAL**

The State and local governmental employers have distinct obligations under terms of several statutes pertaining to the respective employee benefit programs. Such obligations are indicated below as they apply to the several systems, distinguishing between the obligation payable by the State and those payable by local employers.

All of the retirement systems provide for the accrual of interest charges where employer payments are delinquent, and some likewise provide for the payment of penalties by the employer who does not remit the employees contributions in a timely manner. Similarly, interest penalties are imposed upon employers who do not remit the contributions deducted from the compensation of participation employees.

An additional obligation imposed upon all employers is the filing of an enrollment application in a timely manner by those individuals who are required to enroll the in retirement systems. In PERS the employer will be liable for one-half of the employee's obligation in addition to the employer's obligation to the pension fund if an enrollment application is processed more than one year after the compulsory enrollment date. When an employer is confronted with an employee who refuses to sign an enrollment application, the employer must advise the employee that it is a condition of employment. The employer is then required to complete an enrollment application to the extent of the available information; on the basis of such incomplete information, the enrollment application will be processed and pension deductions certified.

### **1.2.15 EMPLOYER PENSION CONTRIBUTION**

#### **1.2.15.1 STATE CONTRIBUTION**

The funding methods applicable to the State-administered retirement systems are governed by the State laws pertaining to each specific plan.

The State pays annually a normal contribution to the plans. This contribution is determined each year on the basis of the annual valuation as the percentage of the compensation of members which will support the pension allowances with cost-of-living adjustments (COLA), and death benefits.

The normal contributions for active State members COLA are being phased-in based on the provisions of Chapter 62, P.L. 1994 for the PERS and TPAF.

The State will also pay contributions to cover any unfunded accrued liability. The financing of this obligations of PERS was changed in accordance with Chapter 115, P.L. 1997, resulting in the resetting of each system's accrued liability to a maximum of 30 years.

Experience gains or losses are recognized in the accrued liability contributions.

Since the CPFPF and POPF are closed systems with no active members, no normal contributions are required.

As a result of the enactment of Chapter 385, P.L. 1987, there was a substantial increase in the liability confronting State and local governments because the pension adjustment benefits for pensioners and beneficiaries of PERS, are to be paid by the system and funded as employer obligations. Thus, the State has assumed the pension adjustment benefits in the financing of the system and, the liability for such pension adjustment benefits were included in the liability of the system as of April 1, 1988. Pension adjustment benefits provided under the act for pensioners and beneficiaries of the system are to be paid by the system.

#### **1.2.15.2 LOCAL GOVERNMENTS CONTRIBUTIONS**

Local governments, i.e., participating counties, municipalities, and public agencies, also pay annually a normal contribution and an accrued liability payment computed in the same manner and amortized in the same period as described for the State obligation. Local employer

participation is limited to the PERS and PFRS. Although local school districts participate in the TPAF, the employer pension contributions for this plan are the obligation of the State, except for any costs resulting from a location's election to participate in an early retirement incentive program as explained below, which becomes an obligation of the electing location.

The normal contribution and accrued liability is to be calculated and paid in the same manner as the State obligation. As with the State obligation, the local employer obligations also include pension adjustment benefits for members and beneficiaries under the Pension Adjustment Act. . Pension adjustment benefits are paid by the system.

Included in the unfunded accrued liability, but to be accounted for separately by the actuary, are the liabilities incurred as a result of a location's participation in the early retirement incentive programs established by Chapters 229, 230, and 231, P.L. 1991, Chapters 138, 181, and 163, P.L. 1993 and Chapters 127, 128, 129 and 130, P.L. 2003. Additionally, Chapter 59, P.L. 1999 and Chapter 126, P.L. 2000 authorized local government entities to provide early retire incentive programs under certain conditions. According to terms of these laws, the actuary shall be required to compute estimates of the additional pension liability resulting from the proposed incentives, and aid in determining cost effectiveness of the program on the local unit. Depending upon the objectives of the local government entity, the proposed incentive programs may apply to one individual or to several hundred individuals. The actuary, at the request of DPB, will provide their services on an "as needed" basis.

### **1.2.15.3 ADMINISTRATIVE FEES**

Each fiscal year a detailed statement for direct and indirect administrative expenses incurred by DPB and pro rata charges of the Division of Investment are prepared. Charges are allocated between State employees and members employed by local employers. The State establishes the administrative appropriation as it does for any other State operation.

\ The administrative fee applicable to the State and local employers are paid by the system and included in the normal cost of future employer contributions.

### **1.2.15.4 ACTUARIAL FEES**

The normal charge for actuarial services performed by the designated actuary of the retirement system is reflected in the normal cost (see Contract Specific Definitions ([Section 2.2](#))).

### **1.2.15.5 INVOICE FORM**

Local employer pension contribution invoices are normally prepared and mailed by December for payment on April 1 of the following year. Any delay in payment of the full bill beyond April 30 results in the accrual of an interest charge at the rate of 10% per annum.

In addition, there may be "unpaid delayed enrollment liability, unpaid pension shortages, interest on delinquencies" for outstanding invoices, and accrued liability for various early retirement programs.

The actuary will be responsible for providing DPB with a file of the information needed to prepare these invoices (see [Section 3.8.1 \(j\)](#)).

## **1.2.16 PENSION ADJUSTMENT PROGRAM**

### **1.2.16.1 COST OF LIVING ADJUSTMENT (COLA)**

The Pension Adjustment Program (N.J.S.A. 43:3b-1 et seq.) provides increases in the retirement allowance or pensions of certain retired public employees and certain beneficiaries of active and retired members. The pensioner or the eligible survivor is assured that at least 60 % of any change in the cost of living, as reflected in the change in the consumer price index, will be paid in a subsequent calendar year. This adjustment in pensions is available to all retirants and eligible survivors, 24 months after the member's retirement or death.

### **1.2.14.2 STATE EMPLOYER CONTRIBUTIONS**

Under terms of the Pension Adjustment Act, the State annually appropriates an amount sufficient to provide COLA to eligible retired State employees and their beneficiaries. In PERS, TPAF, PFRS, SPRFS and JRS, pension adjustment contributions are included in the annual State pension appropriation and funded by the retirement systems. In the remaining systems, COLA's are funded through the pension adjustment program on a pay-as-you-go basis.

### **1.2.16.2 LOCAL EMPLOYER CONTRIBUTIONS**

Local public employers are liable for the cost of providing COLA's to their former employees and their beneficiaries who are receiving a pension from PERS, PFRS and CPFPPF. In PERS and PFRS, COLA is included in the certified appropriation amount for the retirement system.

### **1.2.16.3 PENSION ADJUSTMENT PROGRAM**

The Pension Adjustment Program (N.J.S.A. 43:3b-1 et seq.) provides increases in the retirement allowance or pensions of certain retired public employees and certain beneficiaries of active and retired members. It applies only to State-administered retirement programs. The pensioner or the eligible survivor is assured that at least 60 % of any change in the cost of living, as reflected in the change in the consumer price index, will be paid in a subsequent calendar year. This adjustment in pensions is available to all retirants and eligible survivors, 24 months after the member's retirement or death.

The State is responsible for COLA to retired State PERS employees and beneficiaries of the State-administered retirement system.

## **1.2.17 SPECIAL FINANCING CONSIDERATIONS**

The State's contributions to the PERS, as indicated, are comprised of two separate portions – a normal cost and accrued liability payments. The liabilities also reflect class A and class B service as credited to individual accounts. State and local employer PERS liabilities also reflect Class B, Class D and Class E service. These separate classes of membership represent different tiers of benefits based upon legislative changes to the benefits available to PER'S members.

Similarly, the TPAF also contains differing tiers of benefits available to its members. Recent legislation having the most impact on the benefits payable from the PERS and TPAF for prospective new members include Chapter 103, P.L. 2007 and Chapter 89, P.L. 2008.

In addition to the State, local employers are required to participate in the PFRS for their otherwise eligible police and fire personnel. State and local employer contributions to the PFRS are also comprised of a normal cost and an unfunded liability payment. Historically, there have been

benefit improvements to the PFRS authorized by legislation that has made the increased pension costs resulting to local employers participating in this plan a liability of the State.

Assets of the plan are valued by using a market related asset valuation as specified in the pension laws relating to each of the retirement systems.

The reports must provide all information and reporting disclosures required by the current Government Accounting Standards Board (GASB) and other governing bodies. An example is the information and disclosure requirements required by GASB 25 and 27, and by GASB 43 and 45 (see [Section 3.8.1](#) (a)).

Effective July 1, 1996, all members contributed at a flat rate of 5%. However, Chapter 115, P.L. 1997 reduced the rate to a flat 4.5% depending upon the availability of surplus valuation assets. Chapter 415, P.L. 1999 further modified this, reducing the employee rate to a flat 3% from 1/1/00 to 6/30/04. Effective 7/1/04, the employee rate reverted back to 5% (1/1/05 for local PERS employees) due to the elimination of excess assets. In accordance with Chapter 103, P.L. 2007, the employee rate increased to 5.5%.

### **1.2.18 ENGAGEMENT PROCESS**

The scope of work and request for competitive price quotes for each actuarial engagement shall be developed on an individual basis by the engagement entity. The request shall be sent from the engagement entity to all of the prequalified contractors and shall specify the nature, scope and goals of the actuarial work.

One (1) contractor from the six (6) prequalified contractors shall be engaged in accordance with the engagement entity's needs and the following process:

If a contractor is not able to participate in a specific actuarial engagement due to a conflict of interest or scheduling, it shall decline the request for a competitive quote in writing to the requester.

For each request, each contractor that does not have a conflict of interest or scheduling problem shall respond within ten (10) business days with a comprehensive work plan, which shall include, but not limited to, the following:

- A detailed proposal or Work Plan to perform the scope of work reflecting the requirements of the engagement for competitive price quotes in accordance with the audit specific requirements of section 3.0 of this RFP.
- A contract schedule that shall identify the associated deliverable items to be submitted as evidence of completion of each task and/or sub-task
- The contract authorized all inclusive hourly rates in addition to person-hour and/or labor category mix: A comprehensive chart showing the person-hours proposed to meet the requirements of the request for competitive quotes. The chart shall be designed to reflect the tasks, sub-tasks, or other work elements required by the request for competitive quote. The chart shall set forth, for each task, sub-task or other work element, the total number of person-hours, by labor category, proposed to complete the engagement. The hourly rates used for each labor category shall be the all-inclusive hourly rates specified in the contract.
- A firm fixed price for the engagement based on the contract hourly rates and chart detailed above.

Subsequent to receipt of the bid proposals, an evaluation committee (Committee), composed of members from the requester, will convene and evaluate the proposals. The Committee will

determine if the aforementioned technical requirements have been met and will rank the proposals accordingly. The evaluation of the proposals and the selection of the awardee will be based on price and other factors. All respondents will be notified of a decision by the Committee via facsimile.

### **1.3 KEY EVENTS**

#### **1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD**

The Purchase Bureau will accept questions and inquiries from all potential bidders electronically via web form. To submit a question, please go to Current Bid Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>

Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders are not to contact the Using Agency directly, in person, by telephone or by email, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date (see Section 1.4.1. of this RFP for further information.)

#### **1.3.2 SUBMISSION OF BID PROPOSAL**

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME IS INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

BID RECEIVING ROOM - 9TH FLOOR  
PURCHASE BUREAU  
DIVISION OF PURCHASE AND PROPERTY  
DEPARTMENT OF THE TREASURY  
33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NJ 08625-0230

**Directions to the Purchase Bureau can be found at the following web address:**  
<http://www.state.nj.us/treasury/purchase/directions.htm>.

Note: Bidders using USPS Regular or Express mail services should allow additional time since USPS mail deliveries are not delivered directly to the Purchase Bureau.

Procedural inquiries on this RFP may be directed to [RFP.procedures@treas.state.nj.us](mailto:RFP.procedures@treas.state.nj.us). This e-mail address may also be used to submit requests to review bid documents. The State will not respond to substantive questions related to the RFP or any other contract via this e-mail address.

To submit an RFP or contract related question, go to the Current Bidding Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>.

## **1.4 ADDITIONAL INFORMATION**

### **1.4.1 ADDENDA: REVISIONS TO THIS RFP**

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, SELECT THE BID NUMBER ON THE BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

<http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml>.

There are no designated dates for release of addenda. Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

### **1.4.2 BIDDER RESPONSIBILITY**

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

### **1.4.3 COST LIABILITY**

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

### **1.4.4 CONTENTS OF BID PROPOSAL**

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, bid proposals will not be made public until the Letter of Intent to Award is issued.

A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.**

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

#### **1.4.5 BID OPENING**

On the date and time bid proposals are due under the RFP, only the names of the bidders submitting bid proposals will be publicly announced. The contents of the bid proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.

#### **1.4.6 PRICE ALTERATION**

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

#### **1.4.7 BID ERRORS**

In accordance with N.J.A.C. 17:12-1.22, "Bid Errors," a bidder may withdraw its bid as follows:

A bidder may request that its bid be withdrawn prior to bid opening. Such request must be made, in writing, to the Supervisor of the Business Unit. If the request is granted, the bidder may submit a revised bid as long as the bid is received prior to the announced date and time for bid opening and at the place specified.

If, after bid opening but before contract award, a bidder discovers an error in its proposal, the bidder may make written request to the Supervisor of the Business Unit for authorization to withdraw its proposal from consideration for award. Evidence of the bidder's good faith in making this request shall be used in making the determination. The factors that will be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. Note: a PB-36 complaint form may be filed and forwarded to the Division's Contract Compliance and Audit Unit (CCAU) for handling. A record of the complaint will also be maintained in the Division's vendor performance file for evaluation of future bids submitted.

All bid withdrawal requests must include the bid identification number and the final bid opening date and sent to the following address:

Department of the Treasury  
Purchase Bureau, PO Box 230  
33 West State Street – 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0230  
Attention: Supervisor, Business Unit

If during a bid evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the bidder. The bidder will have five days after receipt of the notice to confirm its pricing. If the vendor fails to respond, its bid shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other

than a disparity between the unit price and extended price and the bidder's intention is not readily discernible from other parts of the bid proposal, the Director may seek clarification from the bidder to ascertain the true intent of the bid.

#### **1.4.8 JOINT VENTURE**

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

## **2.0 DEFINITIONS**

### **2.1 GENERAL DEFINITIONS**

The following definitions will be part of any contract awarded or order placed as result of this RFP.

**Addendum** – Written clarification or revision to this RFP issued by the Purchase Bureau.

**All-Inclusive Hourly Rate** – An hourly rate comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

**Amendment** – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

**Bidder** – An individual or business entity submitting a bid proposal in response to this RFP.

**Contract** – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

**Contractor** – The bidder awarded a contract resulting from this RFP. Also referred to as the Implementation Contractor.

**Director** – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

**Division** – The Division of Purchase and Property

**Engagement Entity** – The entity or State agency that is requesting and utilizing the actuarial services.

**Evaluation Committee** – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

**Firm Fixed Price** – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**Joint Venture** – A business undertaking by two or more entities to share risk and responsibility for a specific project.

**May** – Denotes that which is permissible, not mandatory.

**Project** – The undertaking or services that are the subject of this RFP.

**Request for Proposal (RFP)** – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

**Should** – Denotes that which is recommended, not mandatory.

**State Contract Manager** – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Sections 8.1, 8.1.1 and 8.1.2.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**State** – State of New Jersey.

**Subcontractor** – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Task** – A discrete unit of work to be performed.

**Using Agency[ies]** – The entity[ies] for which the Division has issued this RFP and will enter into a contract.

## **2.2 CONTRACT SPECIFIC DEFINITIONS**

**CPFPF** - Consolidated Police and Fireman's Pension Fund - Refer to Sections 1.2.2 and 1.2.7.6 for additional information.

**JRS** - Judicial Retirement System - Refer to Sections 1.2.2 and 1.2.7.5 for additional information.

**Normal Cost** - The valuation report generates an employer contribution requirement for the year that consists of a **normal cost** payment, and possibly, an **unfunded actuarial accrued liability** contribution. The normal cost payment is the amount required to fund the additional pension benefit earned by the active plan participants during the plan year, less employee contributions made to the plan for the year. If plan liabilities exceed plan assets, an unfunded actuarial accrued liability exists. State pension law allows unfunded actuarial accrued liabilities to be amortized over a thirty year period. The normal cost payment and the amortized unfunded actuarial accrued liability contribution comprise the total employer pension contribution requirement for the plan year.

**PERS** - Public Employees' Retirement System - Refer to Sections 1.2.2 and 1.2.7.1 for additional information.

**PFRS** - Police and Firemen's Retirement System - Refer to Sections 1.2.2 and 1.2.7.3 for additional information.

**POPF** - Prison Officer's Pension Fund - Refer to Sections 1.2.2 and 1.2.7.7 for additional information.

**SACT** - Supplemental Annuity Collective Trust - Refer to Sections 1.2.2 and 1.2.7.8 for additional information.

**SPRS** - State Police Retirement System - Refer to Sections 1.2.2 and 1.2.7.4 for additional information.

**TPAF** - Teachers' Pension and Annuity Fund - Refer to Sections 1.2.2 and 1.2.7.2 for additional information.

### **3.0 SCOPE OF WORK**

#### **3.1 GENERAL INFORMATION**

This Scope of Work (Section 3.0) pertains to the following pension systems with the exception of some minor variations that are indicated below. The eight (8) pension systems are organized into three (3) groups as follows:

- 1) Public Employees' Retirement System;
- 2) Teachers' Pension and Annuity Fund;
- 3) Certain Public Retirement System;
  - a) Police and Firemen's Retirement System;
  - b) State Police Retirement System;
  - c) Judicial Retirement System;
  - d) Consolidated Police and Fireman's Pension Fund
  - e) Prison Officer's Pension Fund and
  - f) Supplemental Annuity Collective Trust.

The three (3) pension systems listed above, Public Employees' Retirement System (PERS), Teachers' pension and Annuity Fund (TPAF) and Certain Public Retirement System (CPRS), are the three (3) projects that shall be bid on to perform the previously provided services under T0989, T0990 and T0991 and to be "pre-qualified" for additional projects.

#### **3.2 INFORMATION SUPPLIED TO THE CONTRACTOR**

The contractor shall accept the actuarial data supplied by DPB.

The following data will be supplied to the contractor for each retirement system:

##### **3.2.1 CENSUS DATA**

Data furnished to the contractor shall normally be used for the following purposes:

- (a) the annual actuarial valuation of the retirement system; and,
- (b) the 3-year actuarial investigation of the system's experience with respect to member' withdrawal from service, age and service requirements, disability retirements, rates of pay increase, interest rate assumption and mortality, as they relate to the assumptions used in the past and to be used in the future in determining the changing cost of the system.

##### **3.2.2 PENSIONERS**

The following information is maintained by DPB and is attached as Appendix A (Retired Actuarial CPI File Layout) and B (Retired Actuarial Master File Layout) for the reasons indicated in [Section 3.2.1](#) (a) and (b). This information is as follows:

- (a) retirement number of the person who is to receive the benefit;
- (b) the person's date of birth;
- (c) the person's sex;
- (d) date benefit is to begin;
- (e) type of benefit: for instance, age and service retirement, service-connected or non-service retirement, service-connected or non-service-connected disability retirement, service-connected or non-service-connected death benefit;
- (f) date of retirement; employer identification number;
- (g) period of credited service; veteran or non-veteran status; multiple memberships;

- (h) member's contributions to the date the benefit is to begin;
- (i) together with accumulated interest if interest is credited; transfer from employer reserve account; Member's final average salary, computed in accordance with the provisions of the system; (j) Optional retirement benefit, if any, selected by the member. If the optional benefit involves payment of benefits to a survivor, or if the system provides for the automatic continuation of benefits to a survivor, the date of birth and sex of the person who will be entitled to receive such benefits is required; termination cause;
- (j) Pension adjustment data under separate tape;
- (k) Early retirement incentive (ERI codes);
- (l) Chapter 247 Codes for PERS billing; and
- (m) Chapter 247 Codes for PFRS billing.

Completion of the benefit form by the retirement or Claims Bureau of DPB results in input data which is stored for annual submission to the contractor, while a benefit estimate or award letter is directed to the prospective retiree. When the contractor receives the information regarding new pensioners, it shall include the assigned identification number of the individual and the former employer.

### **3.2.3 ACTIVE MEMBERS**

The following information is maintained by DPB and is attached as Appendix C (Active Actuarial Master File Layout), Appendix D (Active Deferred Retirement Actuarial File Layout), Appendix E (Active Location File Layout) and Appendix F (WRD Actuarial Master File Layout) for the reasons indicated in [Section 3.2.1](#) (a) and (b). This information is as follows:

#### (a) Active members

1. Member's and employer's identification numbers;
2. Date of birth: only month and year of birth;
3. Member's sex;
4. Date of enrollment;
5. Period of credited service split, if required by the benefit formula of the system, between prior (or past) service and membership (or current) service;
6. Member's classification. This is used for systems that provide different retirement conditions and benefits for different classes of members, or which are composed of more than one participating employer, (multiple membership);
7. Member's current rate of pay;
8. Member's total contributions to the valuation date, together with accumulated interest, if credited;
9. Member's age at entry into system; and,
10. Member's rate of contribution.

#### (b) Inactive Members

1. 1-6 Items 1 through 6 are the same as items 1 through 6 for active members;
2. 7 Member's final salary or equivalent; and,
3. Items 8 and 9 are the same as items 8 and 9 for active members.

#### (c) Withdrawals, deaths and vested cases which terminated in the year.

### **3.3 FINANCIAL INFORMATION**

Financial Statements as of the close of the fiscal year, June 30, 2009, for each retirement system will be provided by DPB. The DPB will provide the same financial information for the subsequent fiscal years. The contractor shall accept the financial statements as submitted, since the system's fiscal affairs are subject to audit by professional accountants and the State auditor.

Upon the submission of the financial statements by the DPB to the contractor, the contractor shall provide a draft of the actuarial valuation report (see Section 3.5 of this Scope of Work) within a fifteen (15) business day period to the State Contract Manager.

### **3.4 THE VALUATION**

The contractor shall produce the annual valuation using the valuation methods prescribed by pension law. The liabilities of the plan are determined on the basis of the census data provided by the system and this should cover all active and retired employees and beneficiaries.

Samples of annual valuation reports can be found at the following website:

<http://www.state.nj.us/treasury/pensions/actuarial-rpts.htm>

### **3.5 THE ACTUARIAL VALUATION REPORT**

The contractor shall provide a clear recommendation of possible courses of future action in the actuarial valuation report in addition to a statement of the plan's current condition. The contractor shall not stop with a presentation of the static circumstances of the plan's finances. Rather, it shall point to existing or prospective plan problems and outline recommended steps to solve the problems. If further analyses or studies are required, the contractor shall state so in the report. In other words, an actuarial valuation report shall present results that show the current financial status, and, if possible, projections that give an insight into the future. Also, it shall include thoughtful and convincing recommendations for timely action whenever they are needed. The contractor shall provide the actuarial valuation report in hardcopy and electronic version.

#### **3.5.1 PROVISIONS OF THE REPORT**

The actuarial valuation report shall include, but not limited to:

- (a) An explanation of the purpose of the report;
- (b) A summary of the principal financial results of the actuarial valuation;
- (c) Current financial experience;
- (d) A description of census data employed in the valuation and an explanation of any special assumptions made;
- (e) A summary of statistics of the plan participants and the development of the actuarial value of assets, as well as the audited financial asset information on which such value is based;
- (f) A summary of the basic actuarial valuation results with a suitable statement of the adequacy of the expected employer contributions;
- (g) A statement of actuarial assumptions and method;
- (h) Information concerning the funding standards maintained for the plan;
- (i) An outline of plan benefits; and,
- (j) Calculation of normal and accrued liability contribution rates and amounts.

Finally, the actuarial valuation report shall contain, where appropriate, an appraisal of the suitability of assumptions made and reference to factors which were not considered. Changes in assumptions from those used in previous reports shall be pointed out and their effects noted. The actuary's appraised statement shall not merely list the explicit assumptions but shall also mention the presence or absence of other factors which the actuary believes significant in the valuation of future costs or the incidence of future costs. Such factors could include inflation, margins for fluctuations in experience, a change in economic conditions, and the effect of possible employer terminations.

The actuarial valuation report shall be transmitted by a letter, calling attention to the important deviations of actual experience from actuarial assumptions, the progress in financing the obligations and any operational trends. The contractor shall provide a valuation balance sheet to summarize the deferred obligations of employers and the unfunded accrued liabilities. The contractor shall also comment concerning the suitability of the assumptions, given changes in the experience or legislation, which could be recommended for adoption immediately or for deferment until the three-year experience studies. The contractor shall take care not to communicate the results of its work in such technical terms that the trustees are not in the position to understand the information which is being presented. In order to be meaningful, the past history of the funding of the plan shall be recalled where appropriate.

There are a number of terms and calculations reflected in the actuarial valuation report, which are prescribed by the statute or can be adopted by the trustees, at their option, on the recommendation of the actuary. The contractor shall report these terms and calculations to the Board and explain their significance as they modify the valuation results. Such matters include:

- (a) asset valuation methods and the effort to smooth the effect of market value adjustments over time;
- (b) the difference between the actuarial value of assets from the value assigned by the plan's accountant;
- (c) the different types of unfunded actuarial values;
- (d) the effect of the designated cost method on the level of funding;
- (e) the influence of the unfunded portion of the actuarial value of vested benefits as a measure of the relative funding status;
- (f) the influence of the unfunded portion of the actuarial present value of earned benefits in the same context; and
- (g) the principal sources of actuarial gains and losses.

### **3.5.2 FUNDING STANDARDS**

The actuarial report shall provide information regarding current level of funding and contribution information as required by GASB and other standards that would allow the reader to understand the funding level of the system.

### **3.6 MUTUAL DELIVERY DEADLINES**

The valuation data in the system are as of June 30. DPB will provide the contractor with data and financial statements as of June 30. The contractor shall draft the actuarial valuation report and forward it to the State Contract Manager within fifteen (15) days of the receipt of financial statements from DPB.

### **3.7 EXPERIENCE INVESTIGATION**

The contractor shall provide for the reasonableness of the assumptions. An actuarial experience investigation of all the pension systems shall be performed every three (3) years (see [Section 3.8.1](#) for experience studies that will occur during this five (5) year contract term). The actuarial valuation report shall include a gain and loss analysis and a discussion of the effects of the current gains and losses on the financial status of the plan.

The actuarial experience investigation shall include all of the material normally involved in an annual valuation but the comments and the statistical data shall be expanded to cover the survey of operating experience for the period involved. The experience investigation shall include recommendations for changes in actuarial assumptions and as a result changes in the tables used in determining benefits and in calculating accrued liabilities. Samples of actuarial experience investigations/studies can be found at the following website:

### **3.8 SERVICES TO BE PROVIDED**

The contractor shall act as consulting actuary providing regular (recurring) and special (non-recurring) services to the State.

#### **3.8.1 RECURRING SERVICES**

Regular services shall include the following:

- (a) checking the basic tables against the experience of the system, and every 3 years, if still under contract, and as specifically required by the retirement statute, investigating the experience of the system, and the making of recommendations, all in accordance with State and federal laws and usages common to public retirement systems. In connection with the annual valuation, the contractor shall prepare the calculation necessary to comply with the requirements of GASB statements #25 and 27 or successor standards ([see Section 1.2.17, Special Financing Consideration](#));
- (b) preparation of the annual valuation report determining the payments to be made by the state and participating local employers. In connection with the annual valuation report, the contractor shall prepare the calculation necessary to comply with the requirements of GASB statements #25 and #27 or successor standards. The State's and local (if applicable) calculation will include the normal cost and the accrued liability cost, and any early retirement incentive costs for programs offered in the past. The detailed local employer PERS (Appendix G (Appropriation for Fiscal Year Beginning July 1, 2008 PERS)) and PFRS (Appendix H (Appropriation for Fiscal Year Beginning July 1, 2008 PFRS)) billing requirements shall also include a listing by employer that will consist of the employer location number; name, payroll, normal cost, accrued liability, and early retirement incentive accrued liability costs (PERS, PFRS & TPAF). This information shall be produced on hard copy and electronic file per the requirements of DPB. A separate listing must be produced of individuals who elected to retire under the early retirement incentive programs. Year to year comparison and detailed listings per local employer are also required. See Appendix I, (Appropriations File Record Layout), for sample reports. Samples of all required reports are attached. Final form and contents of reports will be determined after the contract has been awarded.
- (c) retirement number and the amount of the retirees yearly accrued liability. This listing will be provided on hard copy and electronic media. Also, a detailed listing for the normal contribution amount must be included. For the ERI, a breakdown of principal and interest must be included;
- (d) preparation of unisex tables of actuarial equivalent factors for the calculation of optional retirement allowances in accordance with assumptions recommended by the actuary;
- (e) preparation of the Annual Consolidated Financial Report Actuarial Section in accordance with the requirements of the Government Finance officers Association;
- (f) a twenty-year projection of employer costs. The projection shall include asset (actuarial and market), liability and contribution numbers and shall provide the ability to vary investment return, employee contribution rate, and other valuation factors. The projection shall also be able to vary the liabilities of the system based upon some proposed changes in benefit design or other factors that may affect the liabilities. See Appendices J (PFRS07ProjctnVersion1), K (PERS07Version01) and L (Teachers' Pension Annuity Fund – Summary of Results) for sample reports. The final contents and form of the projection report will be determined after the contract has been awarded;
- (g) regular services include others of a consulting nature, such as conferences, attendance at Board meetings, testimony before public bodies, etc;

- (h) all regular services listed above shall be compensated by the payment of the regular (recurring) annual fee. Therefore the regular recurring annual fee shall include all the aforementioned requirements and will be fixed for the year;
- (i) be the technical advisor to the Board, establish the several tables required for the operation of the system, determine the annual appropriation required of the employers and conduct annual and other periodic examinations of the system's financial and actuarial position; and
- (j) provide DPB with a file transmission needed to prepare these invoices local employer pension contribution invoices (See [Section 1.2.15.5, Invoice Form](#)).

A substantial portion of the work with the State systems is more data-related than direct actuarial work. This is necessary because of the need for absolute accuracy in allocating costs in multi-employer plans.

However, whether the system is a multi-employer plan or that of a single employer, data edits performed prior to annual valuations are necessary. In the case of some of the larger systems, these are very complicated. This is particularly true in the case of multiple members, where the employee may not only be reported by two communities, but by many others during the course of a career. Thus, in calculating the charge for regular services, the cost for data manipulation shall be included.

The contractor shall also retain the statistics appropriate to all valuations of the prior seven-year period and also be in a position to undertake the triennial investigation of each system. The next experience studies to be completed under the upcoming contract shall be for the following pension systems and periods ending dates:

PERS: June 30, 2011  
 TPAF: June 30, 2009  
 PFRS: June 30, 2010  
 SPRS: June 30, 2011  
 JRS: June 30, 2011  
 TPAF: June 30, 2014

The contractor shall be paid for the triennial study based on the separate price provided on the Price Schedule.

### **3.8.2 OTHER RECURRING SERVICES – INTERFUND TRANSFER**

The contractor shall, when requested, make calculation of the reserves to be transferred between systems in the case of interfund transfers (see [Section 1.2.10.1](#)).

### **3.8.3 NON RECURRING SERVICES**

The contractor shall perform non-recurring services including special services as requested by DPB, such as review of proposed legislation, studies involving proposals to alter the benefit and contribution schedules of the system, ad hoc reports and impact analyses of changes in federal and state law. These services shall be compensated on a time cost basis and as detailed for payment.

In the case of Non Recurring Services, the bidder shall provide [All Inclusive Hourly Rates](#), limited to the eight (8) Non Recurring Service categories provided (Principal, Consulting Actuary - Associate Principal, Consulting Actuary – Associate Principal, Retirement Actuary – Senior Consultant, Actuary - Consultant, Actuary – Senior Associate – Associate – General Support Staff) for the three (3) price schedules for all five (5) years of the term contract.

These Non Recurring Services and the All Inclusive Hourly Rates that will accompany the Non Recurring Services in the Price Schedule (Price Lines 1 – 50) shall also apply to services related to projects that are awarded to bidders that were pre-qualified but were not awarded the projects to replace T0989, T0990 or T0991.

The contractor shall have the resources to provide the non-recurring services on a timely basis as established by DPB. The completion of these services are to have no impact on completion of the recurring services within the timeframes established by this contract.

### **3.9 OTHER CONTRACTUAL MATTERS**

The DPB will furnish the data requested by the contractor in the form of electronic media to be used in the preparation of the valuations. It will supply all financial statements, investment and group claim and retention data as the contractor may require.

The status of the contractor shall be that of an independent principal and not as agent or employee of the state. The contractor agrees not to enter into any agreement or commitment on the State's behalf.

The contractor shall agree that in the performance of the contract, it will obey, abide, and comply with applicable federal and state laws and regulations.

The contractor shall agree not to assign this agreement, or any moneys due thereunder without the prior written approval of the State Contract Manager.

The contractor shall execute a power of attorney that is attached thereto and made a part of the agreement designating the State Treasurer as his true and lawful attorney to receive process in any civil action which may arise out of the performance under the contract. The appointment of the State Treasurer shall be irrevocable and binding upon the contractor, his heirs, executors, administrators, successors or assigns.

The contractor shall maintain accounting records and other evidence pertaining to the cost incurred on the contract and shall make records available to the DPB at all reasonable times, as determined by the State Contract Manager, during the contract period and for three (3) full years from the date of final payment. These records are subject to audit by the State.

### **3.10 RELATED MATTERS**

There are a number of other obligations which the contractor may be called upon to perform and which amplify special services:

#### **3.10.1 LEGAL AND LEGISLATIVE**

While the AG's office is the legal advisor of the system, the contractor may be called upon to assist in the resolution of legal problems. This may involve the complications of the federal internal revenue code and other federal legislation and regulations. It may also involve the application of proper actuarial costs to proposed and adopted legislation. The contractor shall be able to respond quickly to requests for estimate costs related to benefit and contribution changes.

The contractor shall provide an hourly rate in the Price Schedule below related to Litigation / Legal Support.

### **3.10.2 PROJECTIONS**

The contractor may be called upon to prepare projections where all of the present assumptions are realized or where a change in such assumptions of one kind or the other may be evaluated and its results considered.

Normally, the contractor assumes that the plan's annual normal cost and the covered population shall not change over time and that the plan shall continue indefinitely. These assumptions are the basis for the funding policy and the investment strategy. However, if the population declines, such assumptions will prove invalid and the cash flow and related investments will be affected. The contractor, therefore, may be called upon to prepare projections where all of the present assumptions are realized or where a change in such assumptions of one kind or the other may be evaluated and its results considered (see [Section 3.8.1](#) (f)).

### **3.10.3 COMMUNICATIONS**

The contractor shall be able to express the results of a valuation in a manner that can be understood by the system's staff and Board.

The contractor shall communicate with the State Contract Manager and shall receive feedback from the State Contract Manager in checking the appropriateness of the assumptions the contractor regularly uses and in making estimates of the changes in the assumptions it regularly uses and in making estimates of the changes in the assumptions which would follow in any change in benefits or in the covered population. The contractor may be called upon to verify the calculation used by the staff in determining benefits.

As pension financing involves substantial periods of time, the layman can often take issue with long-term projections that are not reflected in short-term results. The contractor shall be prepared to defend his estimates and to explain his position in terms that are understandable to laymen.

Finally, the contractor shall be called upon to review the literature drafted by the officers of the Division to assure his understanding of the benefit and contribution schedules and to make any recommendations for changes where the literature could be quoted more properly or where it needs correction.

### **3.10.4 NEGOTIATIONS**

Where any portions of the benefits are provided by an insurance company and not by the trust itself, the contractor shall review the group contracts, the assumptions used by the carriers and the premium arrangement approved by the plan as required by the carriers. The contractor shall take a realistic view and develop a package of assumptions related to the group insurance in order to negotiate charges that the actuary of the insurance company is likely to advance in protecting the interest of the carrier.

### **3.10.5 ADMINISTRATIVE**

When requested, the contractor shall advise the Division on technical problems that arise in the operation of the system. The contractor may be asked to work with the accountant in determining the language of the accountant's report and the annual reports to be issued by the system. The contractor shall determine that the accounting system operated by the retirement plan provides the statistics and financial data required to construct actuarial tables, determine contribution rates, reserve valuations and actuarial liabilities. The contractor shall know if the data is provided so that it can prepare other reports and information to meet the needs of his client. The contractor

shall take the lead in advising the system as to what information must be maintained and in what manner in order to assure that it can comply with the requirements of its contractual obligation. The contractor may be called upon to work with those responsible for the investment of the pension corpus to assure that the investment mix is a proper selection designed to meet the needs of the plan and not one based on current fashion.

### **3.10.6 RECORDKEEPING**

One of the things that a client normally points to in considering the degree of liability of an actuarial firm is the recordkeeping facility. This is especially true of cost projections in response to prospective legislation so that, years later, actuarial estimates can be researched and affirmed. One of the most difficult responses to make to a legislator or lobbying group is to deal with changes in such estimates that may occur over time.

Thus, the contractor shall reflect in each such advice the basis for the projected cost and the implications of such projection for the near future.

The contractor shall maintain the record of each quotation and the ability to retrieve them is a large measure of the firm's reliability.

### **3.10.7 ALL OTHER SERVICES**

The contractor shall be prepared to perform any other service which may be requested by DPB as one might normally expect of any consulting actuary.

### **3.10.8 CONFIDENTIALITY**

In the course of its duties, the contractor shall handle investment, financial, accounting and member and statistical information pertaining to the system. All such information is confidential and unless permitted by the system in writing, the contractor shall not disclose such information, directly or indirectly, or use it in any way, either during the term of the contract or at any time thereafter, except as required to perform his duties under the contract. Any disclosure of information contrary to this provision shall be considered a material breach of the contract.

## **3.11 SPECIAL REQUIREMENTS**

### **3.11.1 CORRECTIONS**

The error rate for data is about one-half of 1% of all records in the system. These errors must be corrected whether common to many records or individual because of appropriation requirements. They cannot be plugged. All corrections must be accomplished before the valuation can proceed.

### **3.11.2 ACTUARY CHANGES**

The contractor may assume that the actuarial assumptions now in place will continue until the next three-year investigation is prescribed by the statute. Thus, the start-up costs of determining actuarial assumptions are not present in these specifications. However, legislation may be enacted that could change the economic assumptions or valuation methods at any time.

### **3.12 LITIGATION SUPPORT**

The contractor shall provide expert testimony regarding any litigation resulting from work performed in fulfillment of the requirements of this RFP upon request by the State Contract Manager.

## **4.0 BID PROPOSAL PREPARATION AND SUBMISSION**

### **4.1 GENERAL**

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its bid proposal.

Note: Bid proposals shall not contain URLs (Uniform Resource Locators, i.e., the global address of documents and other resources on the world wide web) or web addresses. Inasmuch as the web contains dynamically changing content, inclusion of a URL or web address in a bid response is indicative of potentially changing information. Inclusion of a URL or web address in a bid response implies that the bid's content changes as the referenced web pages change.

### **4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION**

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP signatory page

<http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are ineligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

### **4.3 NUMBER OF BID PROPOSAL COPIES**

The bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. The bidder should submit **ten (10) full, complete and exact copies and one (1) unbound, complete and exact copy** of the original. The copies requested are necessary in the evaluation of the bid proposal. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

### **4.4 BID PROPOSAL CONTENT**

The bid proposal should clearly indicate which project(s) of the three (3) listed in Section 1.1 (Purpose and Intent) the bidder will be bidding on. While the bidder may submit proposals for all three (3) projects, they may receive an award for no more than two (2). The proposals submitted will also be evaluated to select the six (6) prequalified contractors for additional projects that may arise under this consolidated contract.

The bid proposal should include all actuarial experience, not just experience related to the Scope of Work. As indicated in Section 1.1 of the RFP, the State intends to pre-qualify bidders for other actuarial work that may be available to the pre-qualified pool of contractors as those contracts expire. Some of these contracts are as follows:

T1812	Actuarial Services: For Insurance Programs for DOBI
T1337	Actuarial Services: DPB

In order to provide your firm with the best opportunity for award, whether it is related to the DPB work in this RFP or other State agency work as it becomes available, it is recommended that your firm submit a comprehensive list of your firm experience in all areas of actuarial consulting not just as it pertains to the requirements of this RFP..

The bid proposal should be submitted in one volume and that volume divided into four (4) sections with tabs (separators), and the content of the material located behind each tab, as follows:

- Section 1 - Forms (Section 4.4.1 - 4.4.3.)
- Section 2 - Technical Proposal (Section 4.4.4)
- Section 3 - Organizational Support and Experience (Section 4.4.5)
- Section 4 - Cost Proposal (Section 4.4.6)

#### **4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL**

##### **4.4.1.1 SIGNATORY PAGE**

The bidder shall complete and submit the Signatory page provided on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. The Signatory page shall be signed by an authorized representative of the bidder. If the bidder is a limited partnership, the Signatory page must be signed by a general partner. If the bidder is a joint venture, the Signatory page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

##### **4.4.1.2 OWNERSHIP DISCLOSURE FORM**

In the event the bidder is a corporation, partnership or sole proprietorship, the bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

##### **4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER**

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

#### **4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL**

##### **4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE**

FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.

The bidder may go to [www.nj.gov/nibgs](http://www.nj.gov/nibgs) to register with the New Jersey Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to Section 1.1. of the NJ Standard Terms and Conditions version 07/27/07 located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

#### **4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS**

This is a contract with set aside subcontracting goals for Small Businesses. All bidders must include in their bid proposal a completed and signed **Notice of Intent to Subcontract** form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. Bidders intending to utilize subcontractors must also include a completed and signed Subcontractor Utilization Plan form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. Failure to submit the required forms shall result in a determination that the bid is materially non-responsive. Bidders seeking eligible small businesses should contact the New Jersey Commerce, Economic Growth and Tourism Commission at (609) 292-2146.

#### **4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.**

##### **4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION**

The bidder is required to complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract. The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

##### **4.4.3.2 AFFIRMATIVE ACTION**

The bidder is required to submit a copy of Certificate of Employee Information or a copy of Federal Letter of Approval verifying that the bidder is operating under a federally approved or sanctioned Affirmative Action program. If the bidder has neither document of Affirmative Action evidence, then the bidder must complete the attached Affirmative Action Employee Information Report (AA-302). This requirement is a precondition to entering into a State contract. The Affirmative Action Employee Information Report (AA-302) is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

##### **4.4.3.3 SERVICES SOURCE DISCLOSURE FORM**

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed source disclosure form. The Services Source Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. Refer to section 7.1.2 of this RFP.

##### **4.4.3.4 NOTICE OF INTENT TO SUBCONTRACT FORM**

All bidders should complete the attached Notice of Intent to Subcontract Form <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml> to advise the State as to whether or not a subcontractor will be utilized to provide any goods or services under the contract. If this is a Small Business Subcontracting set-aside contract, the bidder must comply

with the Procedures for Small Business Participation as Subcontractors set forth in <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

#### **4.4.3.5 SUBCONTRACTOR UTILIZATION FORM**

If the bidder intends to utilize a subcontractor, the Subcontractor Utilization Form <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml> should be completed and submitted with the bid proposal.

#### **4.4.4 TECHNICAL PROPOSAL**

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

##### **4.4.4.1 MANAGEMENT OVERVIEW**

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

##### **4.4.4.2 CONTRACT MANAGEMENT**

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

##### **4.4.4.3 CONTRACT SCHEDULE**

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

##### **4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN**

Not applicable to this procurement.

#### **4.4.4.5 POTENTIAL PROBLEMS**

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

#### **4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE**

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP.

A bidder shall be an actuarial firm with substantial experience in the field of public pension plans. The bidder shall be capable of plan design and versed in administrative procedures and practices common to large systems. The bidder shall also cooperate and communicate with administrators in DPB and Treasury, with the Board of Trustees, and with other actuaries serving the DPB.

The bidder must have the resources in-house to comply with the data processing requirements of the system, including the development and maintenance of computer and software for data base maintenance and actuarial valuation. The bidder shall be able to demonstrate that it can respond in a timely manner, particularly as it affects inquiries concerning proposed and enacted legislation and regulation is mandatory. The bidder shall demonstrate that it has staff familiar with group coverage such as life and health insurance programs, and a significant number of its staff shall be members of either the Society of Actuaries or the Conference of Actuaries in Public Practice. The bidder shall identify in its proposal the actuaries to perform the essential services under this contract and, at a minimum, these individuals shall be enrolled actuaries under federal law. The bidder shall also be large enough to provide continuity of advice in the event of personnel changes and to convey independence of judgment in the eyes of the public, members and retirees. The bidder shall identify in its proposal an experienced account manager who will be the primary contact between the State and contractor and such additional experienced personnel as may be required to perform the services to be provided.

#### **4.4.5.1 LOCATION**

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the telephone number and name of the individual to contact.

#### **4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)**

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

#### **4.4.5.3 RESUMES**

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

Clearly identify the individual's previous experience in completing similar contracts.

Beginning and ending dates should be given for each similar contract.

A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.

With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

#### **4.4.5.4 BACKUP STAFF**

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

#### **4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM)**

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

#### **4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE**

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

#### **4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER**

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

#### **4.4.5.8 SUBCONTRACTOR(S)**

**All bidders** should complete the **Notice of Intent to Subcontract Form** whether or not they intend to utilize subcontractors in connection with the work set forth in this RFP. If the bidder intends to utilize subcontractor(s), then the **Subcontractor Utilization Plan** should also be submitted with the bid.

N.J.A.C. 17:13-4 and Executive Order 71 mandate that if the bidder proposes to utilize a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, New Jersey Commerce, Economic Growth & Tourism Commission registered small businesses, with a minimum of five (5) percent awarded to each of the three categories set forth below, and the balance of ten (10) percent spread across the three annual gross revenue categories: Category I – \$1 to \$500,000; Category II - \$500,001 to \$5,000,000; Category III - \$5,000,001 to \$12,000,000.

Should the bidder choose to use subcontractors and fail to meet the Small Business Subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its bid proposal or within seven (7) business days upon request.

Should the bidder propose to utilize a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s): (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.

The bidder must provide a detailed description of services to be provided by each subcontractor, referencing the applicable Section or Subsection of this RFP.

The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform.

The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal.

#### **4.4.6 PRICE SCHEDULE**

The bidder must submit its pricing using the format set forth in the State supplied price sheet(s) attached to this RFP. Failure to submit all information required will result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

The bidder must complete at least one (1) of the three (3) price schedules contained in the Price Schedule Section of the RFP and submit it with the proposal to qualify for this project or to be considered as a pre-qualified contractor for future actuarial work. Although a bidder may submit all three (3) price schedules for consideration for award, no bidder will be awarded more than two (2) of the three (3) projects. If a bidder fails to provide a price for each bid item for the contract or contracts for which it is submitting a proposal, the bid will be considered non-responsive. No one (1) bidder will be permitted to bid on all three (3) of the pension fund contracts. These price schedules will be the mechanism for ranking the bidders.

**Those bidders that are selected to perform the actuarial work contained in the Scope of Work (Section 3.0) will be paid for this work based on their Total Firm Fixed Prices contained in the price schedule.**

**The bidder shall submit a budget that supports and explains every Total Firm Fixed Price for each contract year submitted on its price schedule. The budget should include, but not be limited to, staff, estimated hours for each staff person and an All Inclusive Hourly Rate for each staff person. Prices will be ranked using the Unit Price (Total Firm Fixed Price for the Five Year Term Contract) for each of the three (3) projects).**

**Please note that the All Inclusive Hourly Rates proposed shall apply to all five (5) years of the contract (Price Lines 1 – 50) and shall apply to all contractors, including those that were pre-qualified but were not awarded an actuarial contract to replace T0989, T0990 or T0991.**

**The All Inclusive Hourly Rates included in the budget that accompany the price schedule shall be the mechanism for payment to those bidders that are selected in the pre-qualified group of contractors. Therefore, it is essential that the required budget accompany the proposed project pricing. The All Inclusive Hourly Rates included in the bidders' proposals shall apply to all future projects under this consolidated contract if the bidder is selected as one (1) of the six (6) "prequalified" contractors.**

**An All-Inclusive Hourly Rate is comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.**

**A Firm Fixed Price is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.**

## **5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

### **5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

The contract awarded as a result of this RFP shall consist of this RFP, addendum to this RFP, the contractor's bid proposal and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 07/27/07 located on the Advertised Solicitation, Current Bid Opportunities webpage:

<http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 07/27/07, and any Addendum to this RFP, the Addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any Addendum to this RFP, and the bidder's bid proposal, the RFP and/or the Addendum shall govern.

### **5.2 CONTRACT TERM AND EXTENSION OPTION**

The term of the contract shall be for a period of **five (5)** years. The anticipated "Contract Effective Date" is provided on the signatory page of this RFP located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for **two (2)** additional periods of up to one (1) year, by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

### **5.3 CONTRACT TRANSITION**

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than **ninety (90)** days beyond the expiration date of the contract.

### **5.4 CONTRACT AMENDMENT**

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

### **5.5 CONTRACTOR RESPONSIBILITIES**

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided

under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

#### **5.6 SUBSTITUTION OF STAFF**

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor will identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

#### **5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)**

This Subsection serves to supplement but not to supersede Section 3.11 of the NJ Standard Terms and Conditions version 07/27/07 located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

#### **5.8 OWNERSHIP OF MATERIAL**

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents,

regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

### **5.9 DATA CONFIDENTIALITY**

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

### **5.10 NEWS RELEASES**

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

### **5.11 ADVERTISING**

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

### **5.12 LICENSES AND PERMITS**

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

## **5.13 CLAIMS AND REMEDIES**

### **5.13.1 CLAIMS**

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

### **5.13.2 REMEDIES**

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

### **5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS**

In the event that the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

### **5.14 LATE DELIVERY**

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

### **5.15 RETAINAGE**

Not applicable to this procurement.

### **5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK**

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

### **5.17 SUSPENSION OF WORK**

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## **5.18 CHANGE IN LAW**

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## **5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)**

If the Prevailing Wage Act (N.J.S.A. 34:11-56 et seq.) is applicable to the contract, the contractor may apply to the Director, on the anniversary of the effective date of the contract, for a contract price increase. The contract price increase will be available only for an increase in the prevailing wages of trades and occupations covered under this contract during the prior year. The contractor must substantiate with documentation the need for the increase and submit it to the Director for review and determination of the amount, if any, of the requested increase, which shall be available for the upcoming contract year. No retroactive increases will be approved by the Director.

## **5.20 PUBLIC WORKS CONTRACT-ADDITIONAL AFFIRMATIVE ACTION REQUIREMENT**

N.J.S.A. 10:5-33 requires that:

"During the performance of this contract, the contractor agrees as follows:

- a) The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause;
- b) The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;
- c) The contractor or subcontractor where applicable, will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment."

## **5.21 ADDITIONAL WORK AND/OR SPECIAL PROJECTS**

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

## **5.22 FORM OF COMPENSATION AND PAYMENT**

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 07/27/07, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according

to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

#### **5.22.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD**

Not applicable to this procurement.

#### **5.23 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 07/27/07**

NJ Standard Terms and Conditions version 07/27/07 are located on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

#### **5.23.1 PATENT AND COPYRIGHT INDEMNITY**

Section 2.1 of the NJ Standard Terms and Conditions version 07/27/07 is deleted and replaced with the following:

##### **2.1 Patent and Copyright Indemnity**

a) The Contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopied composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of the contract.

b) The State of New Jersey agrees: (1) to promptly notify the Contractor in writing of such claim or suit; (2) that the Contractor shall have control of the defense of settlement of such claim or suit; and (3) to cooperate with the Contractor in the defense of such claim or suit, to the extent that the interests of the Contractor and the State are consistent.

c) In the event of such claim or suit, the Contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

#### **5.23.2 INDEMNIFICATION**

Section 2.2 of the NJ Standard Terms and Conditions version 07/27/07, is deleted and replaced with the following:

##### **2.2 Indemnification**

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;

2. The contractor's breach of its obligations of confidentiality; and,
3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 07/27/07.

The contractor shall not be liable for special, consequential, or incidental damages.

### **5.23.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE**

Section 2.3 of the NJ Standard Terms and Conditions version 07/27/07 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d) Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

### **5.24 CONTRACT ACTIVITY REPORT**

Not applicable to this procurement.

## **6.0 PROPOSAL EVALUATION**

### **6.1 PROPOSAL EVALUATION COMMITTEE**

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

### **6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL**

After the submission of bid proposals, unless requested by the State as noted below, vendor contact with the State is still not permitted.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal.

The Purchase Bureau buyer will be the sole point of contact regarding any request for an oral presentation or clarification.

### **6.3 EVALUATION CRITERIA**

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

#### **6.3.1 TECHNICAL EVALUATION CRITERIA**

- A) The bidder's general approach and plans in meeting the requirements of this RFP.
- B) The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.
- C) The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D) The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.

- E) The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.

### **6.3.2 BIDDER'S PRICE SCHEDULE**

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

### **6.3.3 BID DISCREPANCIES**

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

### **6.3.4 EVALUATION OF THE BID PROPOSALS**

The Evaluation Committee will complete its evaluation and recommend to the Director for award the responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process.

### **6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)**

Following the opening of bid proposals, the State shall, pursuant to N.J.S.A. 52:34-12(f), negotiate one or more of the following contractual issues: the technical services offered, the terms and conditions and/or the price of a proposed contract award with any bidder, and/or solicit a Best and Final Offer (BAFO) from one or more bidders.

Initially, the Evaluation Committee will conduct a review of all the bids and select bidders to contact to negotiate and/or conduct a BAFO based on its evaluation and determination of the bid proposals that best satisfy the evaluation criteria and RFP requirements, and that are most advantageous to the State, price and other factors considered. The Committee may not contact all bidders to negotiate and/or to submit a BAFO.

In response to the State's request to negotiate, bidders must continue to satisfy all mandatory RFP requirements but may improve upon their original technical proposal in any revised technical proposal. However, any revised technical proposal that does not continue to satisfy all mandatory requirements will be rejected as non-responsive and the original technical proposal will be used for any further evaluation purposes in accordance with the following procedure.

In response to the State's request for a BAFO, bidders may submit a revised price proposal that is equal to or lower in price than their original submission, but must continue to satisfy all mandatory requirements. Any revised price proposal that is higher in price than the original will

be rejected as non-responsive and the original bid will be used for any further evaluation purposes.

After receipt of the results of the negotiation and/or the BAFO(s), the Evaluation Committee will complete its evaluation and recommend to the Director for award that responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

All contacts, records of initial evaluations, any correspondence with bidders related to any request for negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

## **7.0 CONTRACT AWARD**

### **7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD**

#### **7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134)**

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 – 25 on March 22, 2005 (the "Legislation"), retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

##### **7.1.1.1 DEFINITIONS**

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act." P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

##### **7.1.1.2 BREACH OF TERMS OF THE LEGISLATION**

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of the Legislation; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

### **7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS**

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State’s request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

### **7.1.1.4 STATE TREASURER REVIEW**

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

### **7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271**

Contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

## **7.1.2 SOURCE DISCLOSURE REQUIREMENTS**

### **7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2**

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

### **7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS**

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/09-x-20779.shtml>.

**FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.**

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

### **7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129**

**A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.**

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 07/27/07 of the RFP, unless previously approved by the Director and the Treasurer.

## **7.2 FINAL CONTRACT AWARD**

Contract award[s] shall be made with reasonable promptness by written notice to that responsible bidder(s), whose bid proposal(s), conforming to this RFP, is(are) most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

## **7.3 INSURANCE CERTIFICATES**

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

## **7.4 PERFORMANCE BOND**

Not applicable to this procurement.

## **8.0 CONTRACT ADMINISTRATION**

### **8.1 CONTRACT MANAGER**

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and email address.

#### **8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES**

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that Purchase Orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person that the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

#### **8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER**

Any contract user that is unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.

**PRICE SCHEDULES:**

Bidder name \_\_\_\_\_

**All Inclusive Hourly Rates Year 1\***

**(Price Lines 1 – 10)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Quantity</b>	<b>Unit</b>	<b>All Inclusive Hourly Rate</b>
	Actuarial Services for Non-Recurring Services and Projects Awarded to Pre-Qualified Contractors ( <a href="#">Section 3.8.3</a> )	NA	NA	NA
1.	Principal, Consulting Actuaries	1	Hour	\$
2.	Associate Principal, Consulting Actuary	1	Hour	\$
3.	Associate Principal, Retirement Actuary	1	Hour	\$
4.	Senior Consultant, Actuary	1	Hour	\$
5.	Consultant, Actuary	1	Hour	\$
6.	Senior Associate	1	Hour	\$
7.	Associate	1	Hour	\$
8.	General Support Staff	1	Hour	\$
9.	Additional Work (other than Non-Recurring Services) (Section 5.21)	1	Hour	\$
10.	Litigation Support (Section 3.12)	1	Hour	\$

**PRICE SCHEDULES:**

**All Inclusive Hourly Rates Year 2\***

**(Price Lines 11 – 20)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Quantity</b>	<b>Unit</b>	<b>All Inclusive Hourly Rate</b>
	Actuarial Services for Non-Recurring Services and Projects Awarded to Pre-Qualified Contractors ( <a href="#">Section 3.8.3</a> )	NA	NA	NA
11.	Principal, Consulting Actuaries	1	Hour	\$
12.	Associate Principal, Consulting Actuary	1	Hour	\$
13.	Associate Principal, Retirement Actuary	1	Hour	\$
14.	Senior Consultant, Actuary	1	Hour	\$
15.	Consultant, Actuary	1	Hour	\$
16.	Senior Associate	1	Hour	\$
17.	Associate	1	Hour	\$
18.	General Support Staff	1	Hour	\$
19.	Additional Work (other than Non-Recurring Services) (Section 5.21)	1	Hour	\$
20.	Litigation Support (Section 3.12)	1	Hour	\$

**PRICE SCHEDULES:**

**All Inclusive Hourly Rates Year 3\***

**(Price Lines 21 – 30)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Quantity</b>	<b>Unit</b>	<b>All Inclusive Hourly Rate</b>
	Actuarial Services for Non-Recurring Services and Projects Awarded to Pre-Qualified Contractors ( <a href="#">Section 3.8.3</a> )	NA	NA	NA
<b>21.</b>	Principal, Consulting Actuaries	1	Hour	\$
<b>22.</b>	Associate Principal, Consulting Actuary	1	Hour	\$
<b>23.</b>	Associate Principal, Retirement Actuary	1	Hour	\$
<b>24.</b>	Senior Consultant, Actuary	1	Hour	\$
<b>25.</b>	Consultant, Actuary	1	Hour	\$
<b>26.</b>	Senior Associate	1	Hour	\$
<b>27.</b>	Associate	1	Hour	\$
<b>28.</b>	General Support Staff	1	Hour	\$
<b>29.</b>	Additional Work (other than Non-Recurring Services) (Section 5.21)	1	Hour	\$
<b>30.</b>	Litigation Support (Section 3.12)	1	Hour	\$

**PRICE SCHEDULES:**

**All Inclusive Hourly Rates Year 4\***

**(Price Lines 31 – 40)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Quantity</b>	<b>Unit</b>	<b>All Inclusive Hourly Rate</b>
	Actuarial Services for Non-Recurring Services and Projects Awarded to Pre-Qualified Contractors ( <a href="#">Section 3.8.3</a> )	NA	NA	NA
<b>31.</b>	Principal, Consulting Actuaries	1	Hour	\$
<b>32.</b>	Associate Principal, Consulting Actuary	1	Hour	\$
<b>33.</b>	Associate Principal, Retirement Actuary	1	Hour	\$
<b>34.</b>	Senior Consultant, Actuary	1	Hour	\$
<b>35.</b>	Consultant, Actuary	1	Hour	\$
<b>36.</b>	Senior Associate	1	Hour	\$
<b>37.</b>	Associate	1	Hour	\$
<b>38.</b>	General Support Staff	1	Hour	\$
<b>39.</b>	Additional Work (other than Non-Recurring Services) (Section 5.21)	1	Hour	\$
<b>40.</b>	Litigation Support (Section 3.12)	1	Hour	\$

**PRICE SCHEDULES:**

**All Inclusive Hourly Rates Year 5\***

**(Price Lines 41 – 50)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Quantity</b>	<b>Unit</b>	<b>All Inclusive Hourly Rate</b>
	Actuarial Services for Non-Recurring Services and Projects Awarded to Pre-Qualified Contractors ( <a href="#">Section 3.8.3</a> )	NA	NA	NA
<b>41.</b>	Principal, Consulting Actuaries	1	Hour	\$
<b>42.</b>	Associate Principal, Consulting Actuary	1	Hour	\$
<b>43.</b>	Associate Principal, Retirement Actuary	1	Hour	\$
<b>44.</b>	Senior Consultant, Actuary	1	Hour	\$
<b>45.</b>	Consultant, Actuary	1	Hour	\$
<b>46.</b>	Senior Associate	1	Hour	\$
<b>47.</b>	Associate	1	Hour	\$
<b>48.</b>	General Support Staff	1	Hour	\$
<b>49.</b>	Additional Work (other than Non-Recurring Services) (Section 5.21)	1	Hour	\$
<b>50.</b>	Litigation Support (Section 3.12)	1	Hour	\$

**\* The proposed All Inclusive Hourly Rates submitted above shall apply to all work related to T0989, T0990 and T0991 if awarded any of those contracts. In addition, the All Inclusive Hourly Rates shall apply to any “pre-qualified” contractors and any additional projects that are awarded under this consolidated effort. Finally, the All Inclusive Hourly Rates shall apply to all years under the contract term.**

**Please note that the All Inclusive Hourly Rates proposed shall apply to all five (5) years of the contract (Price Lines 1 – 50) and shall apply to all contractors, including those that were pre-qualified but were not awarded an actuarial contract to replace T0989, T0990 or T0991.**

**PRICE SCHEDULE A - PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Bid Number 09-X-20779**

**Contract Year 1**  
**Firm Fixed Price (Price Lines 51, 52)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
51.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
52.	Interfund Transfer (Section 3.8.2)	349	Each	\$
<b>Total – Firm Fixed Price (Price Lines 51, 52)</b>				\$

**CONTRACT YEAR 2**  
**Firm Fixed Price (Price Lines 53, 54)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
53.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
54.	Interfund Transfer (Section 3.8.2)	349	Each	\$
<b>Total – Firm Fixed Price (Price Lines 53, 54)</b>				\$

**CONTRACT YEAR 3**  
**Firm Fixed Price (Price Lines 55 - 57)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
55.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
56.	Triennial Experience Study (Section 3.7)	1	Each	\$
57.	Interfund Transfer (Section 3.8.2)	349	Each	\$
<b>Total – Firm Fixed Price (Price Lines 55 – 57)</b>				\$

**CONTRACT YEAR 4  
Firm Fixed Price (Price Lines 58, 59)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
58.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
59.	Interfund Transfer (Section 3.8.2)	349	Each	\$
<b>Total – Firm Fixed Price (Price Lines 58, 59)</b>				\$

**CONTRACT YEAR 5  
Firm Fixed Price (Price Lines 60, 61)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
60.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
61.	Interfund Transfer (Section 3.8.2)	349	Each	\$
<b>Total – Firm Fixed Price (Price Lines 60, 61)</b>				\$

<b>Description of Services</b>	<b>Total Bid Price</b>
<b>Total Firm Fixed Price for Price Schedule A for Years 1 Though 5 (Price Lines 51 through 61 only)</b>	\$

**PRICE SCHEDULE B – TEACHERS’ PENSION AND ANNUITY FUND**  
**Bid Number 09-X-20779**

**Contract Year 1**  
**Firm Fixed Price (Price Lines 62 - 64)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
62.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
63.	Triennial Experience Study (Section 3.7)	1	Each	\$
64.	Interfund Transfer (Section 3.8.2)	46	Each	\$
<b>Total – Firm Fixed Price (Price Lines 62 – 64)</b>				\$

**CONTRACT YEAR 2**  
**Firm Fixed Price (Price Lines 65, 66)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
65.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
66.	Interfund Transfer (Section 3.8.2)	46	Each	\$
<b>Total – Firm Fixed Price (Price Lines 65, 66)</b>				\$

**CONTRACT YEAR 3**  
**Firm Fixed Price (Price Lines 67, 68)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
67.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
68.	Interfund Transfer (Section 3.8.2)	46	Each	\$
<b>Total – Firm Fixed Price (Price Lines 67, 68)</b>				\$

**CONTRACT YEAR 4  
Firm Fixed Price (Price Lines 69 - 71)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
69.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
70.	Triennial Experience Study (Section 3.7)	1	Each	\$
71.	Interfund Transfer (Section 3.8.2)	46	Each	\$
<b>Total – Firm Fixed Price (Price Lines 69 – 71)</b>				\$

**CONTRACT YEAR 5  
Firm Fixed Price (Price Lines 72, 73)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
72.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
73.	Interfund Transfer (Section 3.8.2)	46	Each	\$
<b>Total – Firm Fixed Price (Price Lines 72, 73)</b>				\$

<b>Description of Services</b>	<b>Total Bid Price</b>
<b>Total Firm Fixed Price for Price Schedule B for Years 1 Through 5 (Price Lines 62 through 73 only)</b>	\$

**PRICE SCHEDULE C – CERTAIN PUBLIC RETIREMENT SYSTEMS**  
**Bid Number 09-X-20779**

**Contract Year 1**  
**Firm Fixed Price (Price Lines 74, 75)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
74.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
75.	Interfund Transfer (Section 3.8.2)	4	Each	\$
<b>Total – Firm Fixed Price (Price Lines 74, 75)</b>				\$

**CONTRACT YEAR 2**  
**Firm Fixed Price (Price Lines 76 - 78)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
76.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
77.	Triennial Experience Study (Section 3.7)	1	Each	\$
78.	Interfund Transfer (Section 3.8.2)	4	Each	\$
<b>Total – Firm Fixed Price (Price Lines 76 – 78)</b>				\$

**CONTRACT YEAR 3**  
**Firm Fixed Price (Price Lines 79 - 81)**

Line Item	Description of Work	Est. Qty	Unit	Total Bid Price
79.	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
80.	Triennial Experience Study (Section 3.7)	2	Each	\$
81.	Interfund Transfer (Section 3.8.2)	4	Each	\$
<b>Total – Firm Fixed Price (Price Lines 79 – 81)</b>				\$

**CONTRACT YEAR 4  
Firm Fixed Price (Price Lines 82, 83)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
<b>82.</b>	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
<b>83.</b>	Interfund Transfer (Section 3.8.2)	4	Each	\$
<b>Total – Firm Fixed Price (Price Lines 82, 83)</b>				\$

**CONTRACT YEAR 5  
Firm Fixed Price (Price Lines 84 - 86)**

<b>Line Item</b>	<b>Description of Work</b>	<b>Est. Qty</b>	<b>Unit</b>	<b>Total Bid Price</b>
<b>84.</b>	Actuarial Services for Recurring Services (Section 3.8.1)	1	Each	\$
<b>85.</b>	Triennial Experience Study (Section 3.7)	1	Each	\$
<b>86.</b>	Interfund Transfer (Section 3.8.2)	4	Each	\$
<b>Total – Firm Fixed Price (Price Lines 84 - 86)</b>				\$

<b>Description of Services</b>	<b>Total Bid Price</b>
<b>Total Firm Fixed Price for Price Schedule C for Years 1 Through 5 (Price Lines 74 through 86 only)</b>	\$

**Notes:**

Price Lines 1 - 50 shall not be included as part of the Firm Fixed Price, and therefore, are not included in the overall pricing evaluation.

The bidder must provide a price for each bid item in at least one (1) of the pension fund's five (5) year contracts for the proposal to be considered responsive. In addition, the bidder shall bid on no more than two (2) of the pension fund's five year contract. If a bidder fails to provide a price for each bid item for the contract or contracts for which it is submitting a proposal, the bid will be considered non-responsive. No one (1) bidder will be permitted to bid on all three (3) of the pension fund contracts.

Please note that the All Inclusive Hourly Rates proposed shall apply to all five (5) years of the contract (Price Lines 1 – 50) and shall apply to all contractors, including those that were pre-qualified but were not awarded an actuarial contract to replace T0989, T0990 or T0991.

The bidder shall submit a budget that supports and explains every Total Firm Fixed Price for each contract year submitted on its price schedule. The budget should include, but not be limited to, staff, estimated hours for each staff person and an all inclusive hourly rate for each staff person. Prices will be ranked using the Unit Price (Total Firm Fixed Price for the Five Year Term Contract) for each of the three (3) projects).

In response to Section 5.21 (Additional Work) and Section 3.8.3 (Non Recurring Services), the contractor shall submit hourly rate quotes for Additional Work and Legal and Legislative Services Price Lines.

An All-Inclusive Hourly Rate is comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

A Firm Fixed Price is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**APPENDICES A - L:**



# Retired Actuarial Master File Layout

## APPENDIX B

Division of Pensions and Benefits																							
Retired Actuarial Master and Dropped Member File Layout																							
Field Descriptions and File vs. Field Cross Reference																							
	L e n g t h	S t a r t	E n d	T P A F	P E R S	P F R S	P O P F	C P F P F	J R S	S P R S	S A C T	Picture	COMMENTS										
PENSION FUND	2	1	2	X	X	X	X	X	X	X	X	N(2)	See Code Description Spreadsheet										
MEMBERSHIP NUMBER	7	3	9	X	X	X	X	X	X	X	X	N(7)											
PENSION FUND	2	10	11	X	X	X	X	X	X	X	X	N(2)											
LETTER R	1	12	12	X	X	X	X	X	X	X	X	A(1)											
RETIREMENT NUMBER	6	13	18	X	X	X	X	X	X	X	X	N(6)											
RETIREMENT CODE	2	19	20	X	X	X	X	X	X	X	X	N(2)											
FILLER	2	21	22																				
TALLY CODE	1	23	23	X	X	X	X	X		X		A(1)	1 = Primary record (Field used for counting members). Blank = Location record for members who are retired from more than one location (Multiple)										
MEMBER SEX CODE	1	24	24	X	X	X	X	X	X	X	X	A(1)	M = Male F = Female Primary record only										
VETERAN CODE	1	25	25	X	X							A(1)	V=Member is a veteran for Pension purposes. N or blank=member is not a veteran. Primary record only										
PE/NE CODE	1	26	26	X								A(1)	01=Member has benefits from a pension fund that was a predecessor to the TPAF fund. TPAF pension information does not reflect the predecessor fund benefits. 02 or blank=There is no prior benefit										
MULTIPLE FLAG CODE	1	27	27		X							A(1)	0 for single location retirees 'X'=For members who are retired from more than one location (Multiple), the number of locations that a member retired from. Primary record only										
FILLER	1	28	28																				
RETIREMENT CAUSE CODE	2	29	30	X	X	X	X	X	X	X	X	N(2)	See Code Description Spreadsheet Primary record only										
RETIREMENT OPTION CODE	1	31	31	X	X	X			X			N(1)	See Code Description Spreadsheet Primary record only										
RETIREMENT CLASS CODE	2	32	33	X	X	X	X	X	X	X	X	N(2)	See Code Description Spreadsheet Primary record only										
MEMBER DATE OF BIRTH	8	34	41	X	X	X	X	X	X	X	X	N(8)	YYYYMMDD Primary record only										
RETIREMENT DATE	8	42	49	X	X	X	X	X	X	X	X	N(8)	YYYYMMDD Primary record only										
BENEFICIARY DATE OF BIRTH	8	50	57	X	X	X	X	X	X	X	X	N(8)	YYYYMMDD Primary record only										
BENEFICIARY SEX	1	58	58	X	X	X	X	X		X	X	A(1)	M = Male F = Female Primary record only										
MONTHLY ALLOWANCE	9	59	67	X	X	X	X	X	X	X	X	N(7v2)	Pension Allowance calculated at the time of retirement For Multiples, location record will have applicable allowance. Dollars & Cents										
MULTIPLE LETTER	1	68	68	X	X							A(1)	X'=For members who are retired from more than one location (Multiple), the alphabetic letter given to each location, starting with 'A' for the original location. There will be a record for each location that a member retired from, each with a different letter. There will be missing letters if the member ceased work at the corresponding given location prior to retirement. Location record only										
STATE/LOCAL CODE	1	69	69	X	X							A(1)	S=Member Retired from a State Location. L=Member Retired from a Local Public Employer. For Multiples, location record will have applicable code										
PENSION FUND	2	70	71	X	X	X	X	X	X			N(2)	See Code Description Spreadsheet										
MEMBER LOCATION	5	72	76	X	X	X	X	X	X			N(5)	For Multiples, location record will have applicable location number.										
MEMBER LOCATION BUREAU	2	77	78	X	X	X	X	X	X			N(2)											
BENEFICIARY MONTHLY ALLOWANCE	9	79	87	X	X	X	X	X	X	X		N(7V2)	Dollars & Cents Primary record only										
INSURANCE CODE	1	88	88	X	X	X						A(1)	1=No Insurance 2=Non-Contributory Insurance 3=Both Contributory and Non-Contributory Insurance Primary record only										

# Retired Actuarial Master File Layout

## APPENDIX B

Division of Pensions and Benefits													
Retired Actuarial Master and Dropped Member File Layout													
Field Descriptions and File vs. Field Cross Reference													
	L e n g t h	S t a r t	E n d	T P A F	P E R S	P F R S	P O P F	C P F P F	J R S	S P R S	S A C T	Picture	COMMENTS
FINAL 12 MONTHS SALARY	7	89	95	X	X	X			X	X		N(7)	Dollars Only Primary record only
INSURANCE BENEFICIARY AMOUNT	9	96	104	X	X	X			X	X		N(7V2)	Dollars & Cents Primary record only
ANNUITY CERTAIN PERIOD	3	105	107	X	X						X	N(3)	Number of years that the member's survivor has chosen to receive benefits.
ANNUITY CERTAIN TERM DATE	8	108	115	X	X						X	N(8)	YYYYMMDD Date that the Annuity will be terminated
ASF TO RRF	7	116	122	X	X	X	X		X	X		N(7)	Dollars Only The amount transferred from the Annuity Savings Fund (ASF) to the Retirement Reserve Fund (RRF). This is the combination of the member's contributions over the life of his employment and the interest accrued. Primary record only
CRF TO RRF	7	123	129	X	X	X			X	X		N(7)	Dollars Only The amount transferred from the Contingent Reserve Fund (CRF) to the Retirement Reserve Fund (RRF). This is the employer's part of the RRF which is determined actuarially at the time of retirement and is based upon the Retired Member's age, sex and retirement option. Primary record only
MONTHS OF SERVICE	3	130	132	X	X	X	X		X	X		N(3)	Primary record only
DEATH DATE	8	133	140	X	X	X	X	X	X	X	X	N(8)	YYYYMMDD Primary record only
TERMINATION CAUSE	2	141	142	X	X	X	X	X	X	X	X	N(2)	See Code Description Spreadsheet Primary record only
TERMINATION NUMBER	6	143	148	X	X	X	X	X	X	X	X	N(6)	Primary record only
CRF TO RRF PFRS	7	149	155			X						N(7)	Dollars Only
FILLER	7	156	162										
SACT BENEFIT DATE	8	163	170								X	N(8)	YYYYMMDD
SACT BENEFIT TOTAL UNITS	8	171	178								X	N(4V4)	4 decimal places
FILLER	8	179	186										
SACT TOTAL UNITS PAID	8	187	194								X	N(4V4)	4 decimal places
SACT TOTAL AMOUNT PAID	7	195	201								X	N(7)	Dollars Only
SACT TOTAL PAID CALENDAR YEAR	7	202	208								X	N(7)	Dollars Only
FILLER	8	209	216										
SACT RETIREMENT NUMBER	6	217	222								X	N(6)	
FILLER	7	223	229										
GROUP CODE	1	230	230			X						N(1)	1 and P - Police Officer 2 and F - Firefighter
MAXIMUM ALLOWANCE	9	231	239	X	X							N(7V2)	Dollars & Cents Pension amount if no survivor option was chosen Primary record only
FINAL AVERAGE SALARY	9	240	248	X	X							N(7V2)	Dollars & Cents Salary that pension amount is based on Primary record only

Active Actuarial Master File Layout

APPENDIX C

Division of Pensions and Benefits												
Active Actuarial Master File Layout												
Field Descriptions and File vs. Field Cross Reference												
	L	S	E	L	T	P	P	J	S	S	Picture	COMMENTS
	en	ta	nd	RS	AF	RS	RS	RS	RS	RS		
	g	rt										
	h	t										
PENSION FUND	2	1	2	X	X	X	X	X	X	X	N(2)	See Code Description Spreadsheet
MEMBERSHIP NUMBER	7	3	9	X	X	X	X	X	X	X	N(7)	
PENSION FUND	2	10	11	X	X	X	X	X	X	X	N(2)	
MEMBER LOCATION	5	12	16	X	X	X	X	X	X	X	N(5)	Location that reported member employment at the end of the valuation year. Number assigned to the public employer at the time of the formation of the entity and subsequent participation in the pension fund. For Multiples, location record will have applicable location number.
MEMBER LOCATION BUREAU	2	17	18	X	X	X	X	X	X	X	N(2)	Sub-group within the reporting entity for contributions reporting purposes.
RECORD TYPE	1	19	19	X	X	X	X	X	X		A(1)	1 = Primary record (Field used for counting members). Blank = Location record for members who have worked simultaneously at more than one location (Multiple)
PENSION RATE	4	20	23	X	X	X	X				N(2v2)	Percentage used at the end of the year for deducting pension contributions from member's pensionable salary. For Multiples, location record will have applicable allowance.
DATE OF ENROLLMENT	8	24	31	X	X	X	X		X	X	N(8)	YYYYMMDD For Multiples, location record will have applicable enrollment date.
MEMBER DATE OF BIRTH	8	32	39	X	X	X	X	X	X	X	N(8)	YYYYMMDD Primary record only
MEMBER SEX	1	40	40	X	X	X	X	X	X	X	A(1)	M = Male F = Female Primary record only
CLASS CODE	1	41	41		X	X					A(1)	2 and B = Member has just regular service and a date of enrollment prior to July 1, 2007. C = Member also has class A service from a pension fund that was a predecessor to the TPAF fund D = Member has a date of enrollment after July 1, 2007 and before November 2, 2008 E = Member has a date of enrollment after November 1, 2008 Primary record only
MULTIPLE FLAG CODE	1	42	42		X	X					A(1)	1 = Member is having or has had contributions reported from more than one location in the same pension fund at the same time. Primary record only
MULTIPLE LETTER	1	43	43		X	X					A(1)	X=For members who is/was working in more than one location (Multiple), the alphabetic letter given to each location, starting with 'A' for the original location. There will be a record for each location, each with a different letter. Location record only
VETERAN CODE	1	44	44	X	X	X					A(1)	V=Member is a veteran for Pension purposes. or blank=member is not a veteran. C=assigned veteran in past year (non-vet in prior year)
LOCATION TYPE	1	45	45		X	X	X				N(1)	"0" = Location is a State Location "1" = Location is a local public employer
CONTRIBUTION CODE	1	46	46		X	X	X		X		A(1)	blank = Member is contributing at this location as of the 2nd quarter of the current year "N" = Member is not contributing at this location as of the 2nd quarter of the current year
ENROLLMENT CODE	1	47	47	X	X	X	X				N(1)	"0" = Member enrolled prior to the current year "1" = Member enrolled in the current year "2" = Member is in a new location
FILLER	1	48	48									
INSURANCE CODE	1	49	49	X	X	X		X			N(1)	1=No Insurance 2=Non-Contributory Insurance 3=Both Contributory and Non-Contributory Insurance 7=Contributory Insurance - Member over age 70 (TPAF only)
VESTING CODE	1	50	50		X	X					A(1)	blank = Member is contributing at this location as of the 2nd quarter of the current year "Y" = Member is not contributing and has deferred their retirement
GROUP CODE	1	51	51			X	X			X	N(1)	See Code Description Spreadsheet
SALARY	7	52	58	X	X	X	X	X	X		N(7)	Dollars Only SPRS shows salary for the last pay period
PRIOR SALARY	7	59	65		X	X	X				N(7)	Dollars Only Salary rate at the end of the prior actuarial period

Active Actuarial Master File Layout

APPENDIX C

Division of Pensions and Benefits												
Active Actuarial Master File Layout												
Field Descriptions and File vs. Field Cross Reference												
	L	S	E	L	T	P	P	J	S	S	Picture	COMMENTS
	e	t	n	R	P	P	R	R	P	S		
	n	a	d	A	A	F	S	S	R	A		
	g	r										
	t	t										
	h											
ASF	7	66	72	X	X	X	X	X	X	X	N(7)	Dollars Only (other than JRS) JRS (Dollars and Cents) Contribution balance (Annuity Savings Fund) Primary record only.
PRIOR ASF	7	73	79		X	X	X				N(7)	Dollars Only Contribution balance at the end of the prior actuarial period Primary record only.
MONTHS OF SERVICE	5	80	84	X	X	X	X	X	X		N(5)	The amount of service accrued in the pension fund Primary record only.
SERVICE MONTHS A / NON-JRS SERVICE	5	85	89		X				X		N(5)	The amount of service from a pension fund that was a predecessor to the TPAF fund Contains Non-JRS Service for JRS Members
FILLER	10	90	99									
PFRS CHAPTER 247 CODE	1	100	100				X				A(1)	Optional transfer cases from PERS to PFRS See Code Description Spreadsheet
CHAPTER 113 CODE	1	101	101		X	X	X				A(1)	blank = Member is at a location that has elected to grandfather compensation limits under IRS Section 401(a)17 "Y" = Member is not at a location described above
PROSECUTORS & W COMP 414 ASF	9	102	110			X					N(7v2)	Balance associated with service in the Prosecutor or Workers Compensation Judge sub-groups of the PERS Primary record only.
PROSECUTORS & W COMP NON414 ASF	9	111	119			X					N(7v2)	Balance associated with service in the Prosecutor or Workers Compensation Judge sub-groups of the PERS Primary record only.
PROSECUTORS & W COMP PERIODS	5	120	124			X					N(5)	Specific service in the Prosecutor or Workers Compensation Judge sub-groups of the PERS Primary record only.
PROSECUTORS & W COMP MONTHS	5	125	129			X					N(5)	Specific service in the Prosecutor or Workers Compensation Judge sub-groups of the PERS Primary record only.
FILLER	2	130	131									
PFRS ASF AS OF 6/30/1979	7	132	138				X				N(7)	Dollars Only Contribution balance as of 6/30/1979
SPOUSE DATE OF BIRTH	8	139	146						X		N(8)	YYYYMMDD
10 / 12 CODE	2	147	148	X	X	X	X	X	X		N(2)	10 = employee is not paid in July or August (Monthly) or pay periods 1 thru 5 of the 3rd quarter (biweekly). 12 = member is paid all year round.
JRS MARITAL STATUS	1	149	149						X		N(1)	"1" = Member is married "2" = Member is unmarried
OR												
SPRS MAINTENANCE AMOUNT	7	149	155						X		N(7)	Dollars Only Extra amount paid biweekly
SPRS INSURANCE AMOUNT	7	156	162						X		N(7)	Dollars Only Amount of insurance selected by the member, applying only to members enrolled prior to 7/1/1965 who selected additional insurance
SACT PERCENT	2	163	164							X	N(2)	SACT contribution percentage at the end of the valuation year
SACT CONTRIBUTIONS	7	165	171							X	N(7)	Dollars Only Total SACT Contribution balance at the end of the valuation year
SACT UNITS	9	172	180							X	N(5v4)	4 decimal places
FILLER	16	181	196									
VALUATION YEAR	4	197	200	X	X	X	X	X	X	X	N(4)	
TAPE ID	2	201	202	X	X	X	X	X	X	X	N(2)	"01" = Active Actuarial
ASF BALANCE	9	203	211		X						N(7v2)	Dollars and Cents
LOAN BALANCE	9	212	220		X						N(7v2)	Dollars and Cents
ARREARS BALANCE	9	221	229		X						N(7v2)	Dollars and Cents
BACK DEDUCTION BALANCE	9	230	238		X						N(7v2)	Dollars and Cents
WRD ASF	9	239	247		X						N(7v2)	Dollars and Cents
INTEREST	9	248	256		X						N(7v2)	Dollars and Cents
SERVICE MONTHS A	5	257	261		X						N(5)	
SERVICE MONTHS B	5	262	266		X						N(5)	
SERVICE PERIODS B	5	267	271		X						N(5)	
SERVICE PSVF	5	272	276		X						N(5)	Veteran Free months of service
SALARY EXACT	9	277	285		X						N(7v2)	Dollars and Cents

# Active Deferred Retirement Actuarial File Layout

## APPENDIX D

Division of Pensions and Benefits									
Active Deferred Retirement Actuarial File Layout									
Field Descriptions and File vs. Field Cross Reference									
	L	S	E	T	P	P	S	Picture	COMMENTS
	n	t	n	A	E	F	P		
	g	r	d	R	R	R	R		
	t	t		S	S	S	S		
	h								
PENSION FUND	2	1	2	X	X	X	X	N(2)	1 = TPAF, 2 = PERS, 3 = PFRS, 8 = SPRS
MEMBERSHIP NUMBER	7	3	9	X	X	X	X	N(7)	
PENSION FUND	2	10	11	X	X	X	X	N(2)	1 = TPAF, 2 = PERS, 3 = PFRS, 8 = SPRS
MEMBER LOCATION	5	12	16	X	X	X	X	N(5)	Location that reported member employment at the end of the fiscal year. Number assigned to the public employer at the time of the formation of the entity and subsequent participation in the pension fund.
MEMBER LOCATION BUREAU	2	17	18	X	X	X	X	N(2)	Sub-group within the reporting entity for contributions reporting purposes.
RECORD TYPE	1	19	19	X	X	X	X	A(1)	Tally record for all members except multiples, who will have code 1 on primary record only.
FILLER	12	20	31						
MEMBER DATE OF BIRTH	8	32	39	X	X	X	X	N(9)	YYYYMMDD
MEMBER SEX	1	40	40	X	X	X	X	A(1)	M = Male F = Female
FILLER	3	41	43						
VETERAN CODE	1	44	44	X	X			A(1)	V=Member is a veteran for Pension purposes. N or blank=member is not a veteran. C=assigned veteran in past year (non-vet in prior year)
LOCATION TYPE	1	45	45	X	X	X		N(1)	*0" = Location is a State Location *1" = Location is a local public employer
FILLER	4	46	49						
VESTING CODE	1	50	50	X	X	X	X	A(1)	blank = Member is contributing at this location as of the 2nd quarter of the current year *Y" = Member is not contributing and has deferred their retirement
GROUP CODE	1	51	51			X		N(1)	See Code Description Spreadsheet
FILLER	14	52	65						
ASF	7	66	72	X	X	X	X	N(7)	Dollars Only Contribution balance (Annuity Savings Fund)
FILLER	45	73	117						
VESTING ALLOWANCE	7	118	124	X	X	X	X	N(7)	Dollars Only Calculated Pension Amount
VESTING DEATH BENEFIT	7	125	131	X	X	X	X	N(7)	Dollars Only Calculated Life Insurance Amount
FILLER	49	132	180						
VESTING RETIREMENT DATE	8	181	188	X	X	X	X	N(8)	YYYYMMDD Date associated with 60TH birthday
VESTING DATE	8	189	196	X	X	X	X	N(8)	YYYYMMDD Date associated with deferred retirement application
VALUATION YEAR	4	197	200	X	X	X	X	N(4)	Fiscal Year associated with extracted information
TAPE ID	2	201	202	X	X	X	X	N(2)	*06" = Deferred / Vesting
FILLER (Internal Use only)	48	203	250						

# Active Location File Layout

## APPENDIX E

Division of Pensions and Benefits									
Active Location Actuarial File Layout									
Field Descriptions and File vs. Field Cross Reference									
	L	S		T	P	P			
	e	a	E	P	E	F			
	n	r	n	A	R	R			
	g	t	d	F	S	S	Picture	COMMENTS	
	t	r	F	S	S				
	h	t	d	F	S	S			
PENSION FUND	2	1	2	X	X	X	N(2)	1 = TPAF, 2 = PERS, 3 = PFRS	
LOCATION	5	3	7	X	X	X	N(5)	Location that reported member employment at the end of the fiscal year. Number assigned to the public employer at the time of the formation of the entity and subsequent participation in the pension fund.	
LOCATION BUREAU	2	8	9	X	X	X	N(2)	Sub-group within the reporting entity for contributions reporting purposes.	
LOCATION NAME	21	10	30	X	X	X	A(21)		
FILLER	39	31	69						
LEGISLATIVE DISTRICT	2	70	71	X	X		N(2)		
COUNTY CODE	4	72	73	X	X		N(2)	See Code Description Spreadsheet	
MUNICIPALITY CODE	4	74	75	X	X		N(2)	Number assigned to each municipality within a county	



# WRD Actuarial Master File Layout

## APPENDIX F

<b>WRD DATE</b>	8	110	117	X	X	X	X	N(8)	R and D File only YYYYMMDD Date associated with final active account processing
<b>FILLER</b>	79	118	196						
<b>VALUATION YEAR</b>	4	197	200	X	X	X	X	N(4)	Fiscal Year associated with extracted information
<b>TAPE ID</b>	2	201	202	X	X	X	X	N(2)	"02" = Retired ( R ) file, "03" = Withdrawal (W) file, "04" = Deceased (D) file
<b>FILLER (Internal Use only)</b>	48	203	250						



**Public Employees' Retirement System of New Jersey  
Municipalities and Local Groups  
Comparison of Required Contributions for State Fiscal Years Ending 2009 and 2008**

Location Number	Location Name	Contribution Excluding ERI Liabilities			Total ERI Liability Payments**		
		Fiscal Year Ending 2009 Contribution	Fiscal Year Ending 2008 Contribution*	Increase in Contribution	Fiscal Year Ending 2009 Contribution	Fiscal Year Ending 2008 Contribution	Change in Contribution
10010	BERGEN COUNTY	6,519,486	4,751,970	1,767,516	0	0	0
10011	BERGEN CO BD OF SOC SERV	1,086,425	799,830	286,595	0	0	0
10013	BERGEN CO VOCATIONAL SCHOOL	1,082,148	833,486	248,662	0	0	0
10020	OCEAN COUNTY	6,382,658	4,683,327	1,699,331	0	0	0
10021	OCEAN CO BOARD OF SOC SERV	1,648,588	1,163,470	485,118	0	0	0
10022	OCEAN CO MOSQUITO COMM	81,453	57,631	23,822	10,340	9,942	398
10023	OCEAN COUNTY VOCATIONAL SCHOOL	260,754	185,447	75,307	0	0	0
10030	ATLANTIC COUNTY	3,871,863	2,890,773	981,090	103,237	99,266	3,971
10031	ATLANTIC COUNTY WELFARE BD	614,578	431,493	183,085	31,908	30,681	1,227
10033	ATLANTIC CO VOCATIONAL SCHOOLS	144,245	110,565	33,680	0	0	0
10040	MIDDLESEX COUNTY	5,766,819	4,201,713	1,565,106	0	0	0
10041	MIDDLESEX CO BD OF SOCIAL SRV	1,614,126	1,283,117	331,009	15,824	15,215	609
10042	MIDDLESEX CO MOSQ EXTERM COMM	74,509	47,289	27,220	0	0	0
10043	MIDDLESEX CO VOCATIONAL SCHOOL	383,427	285,024	98,403	0	0	0
10050	SUSSEX COUNTY	2,108,435	1,528,383	580,052	0	0	0
10053	SUSSEX COUNTY VOCATIONAL	154,524	123,878	30,646	0	0	0
10060	MORRIS COUNTY	6,230,027	4,765,656	1,464,371	0	6,282	(6,282)
10063	MORRIS CO VOCATIONAL SCH DIST	170,449	118,408	52,041	7,865	7,563	302
10070	BURLINGTON COUNTY/PAYROLL DEPT	4,886,369	3,660,539	1,225,830	259,209	249,239	9,970
10071	BURLINGTON CO BD OF SOCIAL SERV	996,605	754,284	242,321	55,469	53,335	2,134
10073	BURLINGTON CO INSTITUTE OF TECH	368,828	253,065	115,763	0	0	0
10080	MONMOUTH COUNTY/HALL OF RECORDS	8,392,353	6,140,539	2,251,814	0	0	0
10081	MONMOUTH CO DIV OF SOCIAL SERV I	1,738,184	1,325,081	413,103	0	0	0
10082	MONMOUTH CO MOSQ EXTERM COMM	97,895	70,892	27,003	0	0	0
10083	MONMOUTH CO VOCATIONAL SCHOOLS	269,469	200,370	69,099	0	0	0
10090	SOMERSET COUNTY FINANCE OFFICE	4,542,091	3,300,754	1,241,337	0	0	0
10091	SOMERSET CO BD OF SOCIAL SRVS	559,668	403,994	155,674	0	0	0
10093	SOMERSET CO VOCATIONAL SCHOOL	240,923	173,523	67,400	0	0	0
10098	SOMERSET CO PK COMMISSION	704,469	486,375	218,094	0	0	0
10100	UNION COUNTY	6,871,247	5,322,172	1,549,075	998,054	158,462	839,592
10101	UNION CO BD OF SOCIAL SERVICES	2,213,813	1,599,369	614,444	405,286	25,034	380,252
10103	UNION CO VOCATIONAL SCHOOLS	112,557	87,376	25,181	0	0	0
10110	WARREN CO BD OF CHOSEN FRHLDRS	2,352,139	1,725,389	626,750	83,611	80,395	3,216
10111	WARREN CO WELFARE BOARD	0	0	0	2,795	2,687	108
10112	WARREN CO MOSQ EXTERM COMM	26,904	18,241	8,663	0	0	0
10113	WARREN CO VOCATIONAL SCHOOL	46,951	39,634	7,317	0	0	0
10120	CAPE MAY COUNTY	2,801,804	1,993,762	808,042	0	0	0
10121	CAPE MAY CO BD SOCIAL SERVICES	265,199	183,766	81,433	214,468	214,468	0
10123	CAPE MAY CO TECHNICAL SCH DIST	140,372	82,411	57,961	0	0	0
10130	CAMDEN CO BD OF CHOSEN FRHLDRS	5,369,787	4,244,711	1,125,076	0	0	0
10131	CAMDEN CO BD OF SOCIAL SRV	2,728,698	1,780,326	948,372	0	0	0
10133	CAMDEN COUNTY TECHNICAL SCHOOLS	424,166	339,758	84,408	0	0	0
10140	CUMBERLAND COUNTY	2,421,843	1,620,860	800,983	0	0	0
10141	CUMBERLAND CO BD SOCIAL SERV	840,219	577,045	263,174	383,219	383,219	0
10143	CUMBERLAND CO BD OF VOC ED	100,070	75,262	24,808	0	0	0
10150	SALEM COUNTY	1,192,389	866,662	325,727	0	0	0
10151	SALEM CO BD OF SOCIAL SERVICES	334,868	244,601	90,267	0	0	0
10152	SALEM CO MOSQUITO COMMISSION	24,205	16,332	7,873	0	0	0

APPROPRIATIONS FOR FISCAL YEAR BEGINNING JULY 1, 2008 (FY 2009)  
 BY EMPLOYERS OF THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Appendix H

1 = State 2 = Local	Location	Location Name	Number of Members	Appropriation Payroll	Normal Cost	Accrued Liability	Contributory Group Insurance Premium	Actuarial Fees	ERISA Actuarial Liability Contribution		Total Contribution
									Principal	Interest	
2	20100	RIVER EDGE BOROUGH	21	2,247,686	323,928	224,131	22,536	0	0	0	570,595
2	20200	NETPUNE TOWNSHIP	76	6,787,404	978,172	676,812	68,032	0	0	0	1,723,036
2	20300	BAYTONE CITY	407	4,722,324	4,722,717	3,267,723	328,565	0	0	0	8,340,342
2	20400	SALEM CITY	22	1,293,396	186,399	128,972	12,968	0	0	0	328,339
2	20500	PRINCETON BOROUGH	33	2,830,760	487,957	282,272	28,382	0	0	0	718,611
2	20600	PLAINFIELD CITY	244	18,742,508	2,701,089	1,868,927	187,918	0	0	0	4,757,934
2	20700	OCEAN CITY	125	10,055,408	1,449,142	1,002,684	100,818	0	0	0	2,552,644
2	20800	WESTFIELD TOWN	96	6,908,440	995,615	688,882	69,266	0	0	0	1,755,763
2	20900	PENNSAUKEN TOWNSHIP	106	7,233,120	1,042,406	721,257	72,521	0	0	0	1,836,184
2	21001	ELIZABETH CITY	337	28,692,130	4,134,986	2,861,063	287,676	0	0	0	7,283,725
2	21002	ELIZABETH CITY	231	20,087,972	2,894,992	2,003,091	201,408	0	0	0	5,099,491
2	21101	NEWARK CITY	1,272	97,807,236	14,095,576	9,787,932	980,642	0	0	0	24,829,150
2	21102	NEWARK CITY	484	47,736,720	6,882,492	4,762,106	478,823	0	0	0	12,123,421
2	21201	CAMDEN CITY	401	28,674,480	4,124,186	2,845,706	287,499	0	0	0	7,287,391
2	21202	CAMDEN CITY	217	16,005,695	2,306,671	1,658,734	160,478	0	0	0	4,123,885
2	21300	NORTH PLAINFIELD BOROUGH	69	5,841,012	841,781	582,442	58,564	0	0	0	1,482,787
2	21400	CARTERET BOROUGH	84	6,396,964	921,903	637,879	64,138	0	0	0	1,623,920
2	21500	TEANECK TOWNSHIP	199	17,615,214	2,538,629	1,756,517	176,615	0	0	0	4,471,761
2	21600	SOMERVILLE BOROUGH	29	2,311,544	333,130	230,498	23,176	0	0	0	586,804
2	21700	CARLSTADT BOROUGH	32	2,832,214	406,870	281,519	28,306	0	0	0	716,695
2	21800	ROSELLE BOROUGH	29	7,322,044	1,084,045	750,008	75,418	0	0	0	1,909,531
2	21900	HIGHLAND PARK BOROUGH	86	2,428,031	349,917	242,113	24,344	0	0	0	616,374
2	22000	FREEHOLD BOROUGH	34	2,789,804	402,055	278,188	27,971	0	0	0	708,214
2	22100	EAST RUTHERFORD BOROUGH	33	3,071,196	442,607	306,247	30,795	0	0	0	872,092
2	22200	HADDON TOWNSHIP	30	2,160,300	311,333	215,416	21,660	0	0	0	548,409
2	22300	AYTON BY THE SEA	11	826,680	119,137	82,435	8,289	0	0	0	249,741
2	22400	UNION CITY	176	15,910,502	2,292,924	1,586,311	159,521	0	0	0	4,064,841
2	22501	PASSAIC CITY	189	9,417,444	1,419,444	1,115,412	142,318	0	0	0	3,603,372
2	22502	PASSAIC CITY	117	9,417,940	1,537,273	939,119	94,427	0	0	0	2,390,819
2	22600	MILLVILLE CITY	85	4,891,040	704,876	487,715	49,039	0	0	0	1,241,630
2	22700	WESTVILLE BOROUGH	9	514,160	74,099	51,220	5,135	0	0	0	130,524
2	22800	METUCHEN BOROUGH	27	2,045,480	294,785	203,967	20,509	0	0	0	519,261
2	22900	LAWRENCE TOWNSHIP	70	5,921,044	835,315	590,422	58,566	0	0	0	1,305,105
2	23000	WEST NEW YORK TOWN	124	9,235,742	1,331,016	920,951	92,600	0	0	0	2,344,567
2	23100	LEONIA BOROUGH	19	1,701,212	245,171	17,057	1,866	0	0	0	431,866
2	23200	ORADEL BOROUGH	22	1,833,220	264,196	182,801	18,340	0	0	0	465,377
2	23301	HOBOKEN CITY	149	11,532,538	1,664,902	1,151,972	115,829	0	0	0	2,932,705
2	23302	HOBOKEN CITY	124	11,111,532	1,601,346	1,107,997	111,407	0	0	0	2,820,750
2	23400	AUDUBON BOROUGH	22	1,336,792	192,653	133,299	13,403	0	0	0	339,335
2	23500	RED BANK BOROUGH	41	3,360,716	484,331	333,117	33,696	0	0	0	853,144
2	23600	NEWTOWN TOWN	23	1,746,568	251,707	174,161	17,512	0	0	0	443,340
2	23701	NORTH BERGEN TOWNSHIP	106	8,110,868	1,168,903	808,783	81,332	0	0	0	2,059,008
2	23800	EAST ORANGE CITY	421	3,343,696	415,110	2,872,216	288,797	0	0	0	7,312,119
2	23900	MAPLEWOOD TOWNSHIP	105	8,318,732	1,198,860	829,510	83,406	0	0	0	2,111,276
2	24000	WOODBURY CITY	30	2,121,328	305,717	211,530	21,269	0	0	0	538,516
2	24100	HIGHTSTOWN BOROUGH	14	1,051,212	151,496	104,823	10,340	0	0	0	266,859
2	24200	WEST MILFORD TOWNSHIP	48	4,210,596	606,813	419,864	42,217	0	0	0	1,068,894
2	24300	MONMOUTH BOROUGH	22	2,180,820	314,290	217,463	21,866	0	0	0	551,619
2	24400	SADDLE BROOK TOWNSHIP	34	3,343,696	510,702	353,363	35,530	0	0	0	899,595
2	24500	PERTH AMBOY CITY	181	14,346,418	2,067,544	1,430,566	143,841	0	0	0	3,641,931
2	24600	SEC. ALCUS TOWN	61	5,469,336	788,220	545,382	54,837	0	0	0	1,388,439
2	24700	WEST ORANGE TOWNSHIP	196	13,673,698	2,258,526	1,562,917	157,149	0	0	0	3,978,892
2	24800	LYNDHURST TOWNSHIP	49	4,727,208	681,265	471,378	47,396	0	0	0	1,200,039
2	24900	ORANGE CITY	176	13,259,560	1,908,028	1,320,193	132,744	0	0	0	3,360,967
2	25000	ROSELLE PARK BOROUGH	33	2,337,864	339,805	235,117	23,641	0	0	0	598,563
2	25100	RIVERSIDE TOWNSHIP	14	1,042,612	130,236	103,965	10,434	0	0	0	295,093
2	25200	PRINCETON TOWNSHIP	35	3,238,944	466,782	322,974	32,475	0	0	0	822,321
2	25300	CLIFFSIDE PARK BOROUGH	53	4,131,524	595,417	411,979	41,424	0	0	0	1,048,820
2	25401	CRANFORD TOWNSHIP	31	3,755,416	541,214	374,475	37,653	0	0	0	933,342
2	25402	CRANFORD TOWNSHIP	29	2,287,504	329,665	228,101	22,935	0	0	0	580,701
2	25500	GLEN RIDGE BOROUGH	26	1,952,336	281,362	194,679	19,575	0	0	0	535,874
2	25600	GUTTENBERG TOWN	22	1,611,924	232,303	160,733	16,162	0	0	0	409,200
2	25700	CARNEYS POINT TOWNSHIP	20	1,278,088	184,193	127,446	12,814	0	0	0	324,433
2	25801	COLLINGSWOOD BOROUGH	35	2,302,336	331,803	229,580	23,084	0	0	0	584,467
2	25802	COLLINGSWOOD BOROUGH	17	986,760	142,207	98,396	9,894	0	0	0	250,497
2	25900	BOROUGH OF SEA BRIGHT	10	703,984	101,433	70,198	7,038	0	0	0	178,711
2	26000	NORTH WILDWOOD CITY	38	2,788,304	401,839	278,038	27,956	0	0	0	707,833
2	26100	DUNELLEN BOROUGH	15	986,260	142,135	98,346	9,889	0	0	0	250,370
2	26200	SPRINGFIELD TOWNSHIP	62	5,170,336	745,127	515,565	51,839	0	0	0	1,312,531
2	26300	MILLBURN TOWNSHIP	98	8,344,850	1,202,624	832,115	83,668	0	0	0	2,118,407
2	26400	MANASQUAN BOROUGH	18	1,531,248	220,677	152,690	15,335	0	0	0	388,720
2	26500	VINELAND CITY	178	11,108,248	1,600,872	1,107,669	111,375	0	0	0	2,819,916
2	26600	FAIRVIEW BOROUGH	30	2,809,260	404,839	280,128	28,166	0	0	0	713,133

**Police and Firemen's Retirement System of New Jersey  
Municipalities and Local Groups  
Comparison of Employer Contributions for State Fiscal Years Ending 2008 and 2009**

Location Number	Location Name	Contribution Excluding ERI Liabilities			Total ERI Liability Payments*		
		Fiscal Year Ending 2009 Contribution	Fiscal Year Ending 2008 Contribution	Increase in Contribution	Fiscal Year Ending 2009 Contribution	Fiscal Year Ending 2008 Contribution	Change in Contribution
20100	RIVER EDGE BOROUGH	570,595	551,041	19,554	0	0	0
20200	NEPTUNE TOWNSHIP	1,723,036	1,652,848	70,188	0	0	0
20300	BAYONNE CITY	8,319,005	7,479,287	839,718	221,337	212,824	8,513
20400	SALEM CITY	328,339	300,792	27,547	0	0	0
20500	PRINCETON BOROUGH	718,611	654,767	63,844	0	0	0
20600	PLAINFIELD CITY	4,757,934	4,350,630	407,304	0	0	0
20700	OCEAN CITY	2,552,644	2,253,268	299,376	0	0	0
20800	WESTFIELD TOWN	1,753,763	1,755,156	(1,393)	0	0	0
20900	PENNSAUKEN TOWNSHIP	1,836,184	1,641,019	195,165	0	0	0
21001	ELIZABETH CITY	7,283,725	6,699,891	583,834	0	0	0
21002	ELIZABETH CITY	5,099,491	4,937,257	162,234	0	0	0
21101	NEWARK CITY	24,829,150	23,867,082	962,068	0	225,886	(225,886)
21102	NEWARK CITY	12,123,421	11,516,548	606,873	0	720,377	(720,377)
21201	CAMDEN CITY	7,257,391	7,013,688	243,703	0	0	0
21202	CAMDEN CITY	4,125,883	3,813,227	312,656	0	0	0
21300	NORTH PLAINFIELD BOROUGH	1,482,787	1,436,723	46,064	0	0	0
21400	CARTERET BOROUGH	1,623,920	1,444,761	179,159	0	0	0
21500	TEANECK TOWNSHIP	4,471,761	4,100,635	371,126	0	0	0
21600	SOMERVILLE BOROUGH	586,804	591,501	(4,697)	0	0	0
21700	CARLSTADT BOROUGH	716,695	725,902	(9,207)	0	0	0
21800	ROSELLE BOROUGH	1,909,531	1,690,430	219,101	0	0	0
21900	HIGHLAND PARK BOROUGH	616,374	585,476	30,898	0	0	0
22000	FREEHOLD BOROUGH	708,214	660,636	47,578	0	0	0
22100	EAST RUTHERFORD BOROUGH	779,647	657,335	122,312	92,435	88,880	3,555
22200	HADDON TOWNSHIP	548,409	553,930	(5,521)	0	0	0
22300	AVON BY THE SEA	209,859	194,073	15,786	39,882	38,348	1,534
22400	UNION CITY	4,038,956	3,670,866	368,090	25,885	24,890	995
22501	PASSAIC CITY	3,603,372	3,279,765	323,607	0	0	0
22502	PASSAIC CITY	2,390,819	2,090,417	300,402	0	0	0
22600	MILLVILLE CITY	1,241,630	1,091,574	150,056	0	0	0
22700	WESTVILLE BOROUGH	130,524	132,275	(1,751)	0	0	0
22800	METUCHEN BOROUGH	519,261	504,850	14,411	0	0	0
22900	LAWRENCE TOWNSHIP	1,503,103	1,475,446	27,657	0	0	0
23000	WEST NEW YORK TOWN	2,344,567	2,227,660	116,907	0	0	0
23100	LEONIA BOROUGH	431,866	377,239	54,627	0	0	0
23200	ORADELL BOROUGH	465,377	459,911	5,466	0	0	0
23301	HOBOKEN CITY	2,932,703	2,954,024	(21,321)	0	0	0
23302	HOBOKEN CITY	2,820,750	2,683,822	136,928	0	0	0
23400	AUDUBON BOROUGH	339,355	321,619	17,736	0	0	0
23500	RED BANK BOROUGH	853,144	768,602	84,542	0	0	0
23600	NEWTON TOWN	443,380	417,204	26,176	0	0	0
23701	NORTH BERGEN TOWNSHIP	2,059,008	1,912,431	146,577	0	0	0
23800	EAST ORANGE CITY	7,312,119	7,053,481	258,638	0	0	0
23900	MAPLEWOOD TOWNSHIP	2,111,776	1,923,738	188,038	0	0	0
24000	WOODBURY CITY	538,516	471,122	67,394	0	0	0
24100	HIGHTSTOWN BOROUGH	266,859	256,889	9,970	0	0	0
24200	WEST MILFORD TOWNSHIP	1,068,894	983,506	85,388	0	0	0
24300	MONTVALE BOROUGH	553,619	476,685	76,934	0	0	0

## Appropriation File Record Layout

### APPENDIX I

**Division of Pensions and Benefits**  
**Record layout for Appropriations Tape File**

POSITION	FIELD NAME	LENGTH	FORMAT
1-2	Fund Number	2	Numeric
3-7	Location Number	5	Numeric
8-16	Membership Service Contribution (A)	9	Numeric
17-25	Accrued Liability Contribution (B)	9	Numeric
26-34	Actuarial Fees Contributions (C)	9	Numeric
35-52	ERI Accrued Liability Area #1		
35-36	ERI Number	2	Numeric
37-41	Chapter Number	5	Alpha
42-43	Effective Year	2	Numeric
44-52	ERI #1 Contribution (D)	9	Numeric
53-70	ERI Accrued Liability Area #2		
53-54	ERI Number	2	Numeric
55-59	Chapter Number	5	Alpha
60-61	Effective Year	2	Numeric
62-70	ERI #2 Contribution (D)	9	Numeric
71-88	ERI Accrued Liability Area #3		
71-72	ERI Number	2	Numeric
73-77	Chapter Number	5	Alpha
78-79	Effective Year	2	Numeric
80-88	ERI #3 Contribution (D)	9	Numeric
89-106	ERI Accrued Liability Area #4		
89-90	ERI Number	2	Numeric
91-95	Chapter Number	5	Alpha
96-97	Effective Year	2	Numeric
98-106	ERI #4 Contribution (D)	9	Numeric
107-124	ERI Accrued Liability Area #5		
107-108	ERI Number	2	Numeric
109-113	Chapter Number	5	Alpha
114-115	Effective Year	2	Numeric
116-124	ERI #5 Contribution (D)	9	Numeric
125-142	ERI Accrued Liability Area #6		
125-126	ERI Number	2	Numeric
127-131	Chapter Number	5	Alpha
132-133	Effective Year	2	Numeric
134-142	ERI #6 Contribution (D)	9	Numeric
143-160	ERI Accrued Liability Area #7		
143-144	ERI Number	2	Numeric
145-149	Chapter Number	5	Alpha

## Appropriation File Record Layout

### APPENDIX I

150-151	Effective Year	2	Numeric
152-160	ERI #7 Contribution (D)	9	Numeric
161-178	ERI Accrued Liability Area #8		
161-162	ERI Number	2	Numeric
163-167	Chapter Number	5	Alpha
168-169	Effective Year	2	Numeric
170-178	ERI #8 Contribution (D)	9	Numeric
179-196	ERI Accrued Liability Area #9		
179-180	ERI Number	2	Numeric
181-185	Chapter Number	5	Alpha
186-187	Effective Year	2	Numeric
188-196	ERI #9 Contribution (D)	9	Numeric
197-214	ERI Accrued Liability Area #10		
197-198	ERI Number	2	Numeric
199-203	Chapter Number	5	Alpha
204-205	Effective Year	2	Numeric
206-214	ERI #10 Contribution (D)	9	Numeric
215-223	Total Contribution (A + B + C + all D's)	9	Numeric
224-227	Validation Year	4	Numeric
228-237	Payroll	10	Numeric
238-239	Filler	2	Numeric
240-240	Zero	1	Alpha
241-241	Veteran Code	1	Alpha
242-277	Location Name	36	Alpha
278-286	Actuarial Special Amount-1	9	Numeric
287-288	Group Code	2	Alpha
289-293	Actuarial Member Number	5	Numeric
294-302	Actuarial Special Amount-2	9	Numeric
303-303	Filler	1	Alpha
304-312	Actuarial Special Amount-3	9	Numeric
313-332	Filler	20	Alpha



**The Police and Firemen's Retirement System of New Jersey**  
(PFRS07ProjcmVersion1)

**State Locations**

Assumed Investment Return (State & Local)	N/A	8.25%	8.25%
AVIA Recognition of Exp. AVIA and AVIA Difference	20.00%	20.00%	20.00%
Employer Contribution Percentage	60.00%	100.00%	100.00%

Market Value of Assets	7/1/2006 2009	7/1/2007 2010	7/1/2008 2011
Total Accrued Liability	\$ 2,031,343,980	\$ 2,312,336,064	\$ 2,556,137,785
Valuation Assets	\$ 3,082,176,677	\$ 3,426,631,813	\$ 3,722,108,931
Gross Unfunded Accrued Liability (Surplus)	\$ 2,230,157,166	\$ 2,368,209,888	\$ 2,604,524,516
Net Portion of LAL due to Contribution Phase-In	\$ 852,019,511	\$ 1,058,421,925	\$ 1,117,584,415
Payable by State	\$ 264,959,000	\$ 325,096,726	\$ 332,158,850
Present Value of Future (Chapter 428 Normal Cost)	\$ 40,623,417	N/A	N/A
Net Unfunded Accrued Liability (Surplus)	\$ 1,157,601,928	\$ 1,383,518,651	\$ 1,449,743,265
<b>Contributions</b>			
<b>Normal Cost</b>			
Gross Normal Cost (Net of Employee Contributions)	\$ 188,504,449	\$ 197,793,763	\$ 206,481,405
Chapter 428 NY Reduction due to Preliminary Excess Assets			
- State Portion	\$ 0	\$ 0	\$ 0
- State Paid Local Portion	\$ 0	\$ 0	\$ 0
Normal Cost Obligation	\$ 188,504,449	\$ 197,793,763	\$ 206,481,405
Normal Cost Contribution Override	\$ 113,102,669	\$ 197,793,763	\$ 206,481,405
Actual Normal Cost Contribution	\$ 53,374,890	\$ 66,388,790	\$ 70,115,630
<b>Accrued Liability</b>			
Base	\$ 53,374,890	\$ 66,388,790	\$ 70,115,630
Chapter 428 Obligations Paid by State			
- State (Includes Chapter 86)	\$ 2,658,801	\$ 3,223,283	\$ 3,388,489
- State Paid Local Obligation	\$ 11,493,623	\$ 13,366,848	\$ 13,817,794
Chapter 247 (State Paid Local Obligation)	\$ 5,556,372	\$ 5,905,623	\$ 6,110,141
Chapter 204	\$ 23,729	\$ 25,466	\$ 26,485
Chapter 109 (State Paid Local Obligation)	\$ 6,147,819	\$ 7,507,254	\$ 7,670,336
Chapter 311 (State Paid Local Obligation)	\$ 4,028,700	\$ 4,979,736	\$ 5,087,911
Total Accrued Liability (Obligation)	\$ 83,283,934	\$ 101,397,000	\$ 106,216,786
Accrued Liability Contribution Override	\$ 49,970,361	\$ 101,397,000	\$ 106,216,786
Actual Accrued Liability Contribution	\$ 49,970,361	\$ 101,397,000	\$ 106,216,786
<b>Total Employer Pension Contribution</b>	\$ 163,073,030	\$ 299,190,763	\$ 312,698,191
<b>Non-Contributory Group Insurance Premium</b>	\$ 5,074,148	\$ 7,780,850	\$ 8,207,402
Covered Payroll	\$ 506,084,434	\$ 527,556,519	\$ 555,877,844
Normal Cost as a Percentage of Payroll (excluding NCCI Premium)	22.3499%	37.4927%	37.1459%
Accrued Liability Contribution as a Percentage of Payroll	9.8744%	19.2209%	19.1088%
Total Pension Contribution as a Percentage of Payroll	32.2233%	56.7126%	56.2539%
NCCI Premium as a Percentage of Payroll	1.0039%	1.4759%	1.4769%

Investment Return	N/A	8.25%	8.25%
AVA Recognition of Exp. AVA and MVA Difference	20.00%	20.00%	20.00%
% of BEF for non-Ben. Enhancement related NC Offset	0.00%	0.00%	0.00%
Employer Contribution Percentage	44.90%	40.75%	100.00%
Proposed Employee Contribution for Calendar Year Valuation Year + 2	5.00%	5.50%	5.50%

Actual Employee Contribution Rate Prior to Benefit Enhancement			
Credited to Benefit Enhancement Fund	0.00%	0.00%	0.00%
Benefit Enhancement Fund (after Valuation)	\$ 0	\$ 0	\$ 0
Target Benefit Enhancement Fund Amount	\$ 359,171,294	\$ 377,817,402	\$ 387,652,259
Credited to Normal Cost Prior to Benefit Enhancement	5.00%	5.50%	5.50%
Employee Contribution for Calendar Year Valuation Year + 2	5.00%	5.50%	5.50%

Final Employee Contribution Rate for Calendar Year Valuation Year + 2	5.00%	5.50%	5.50%
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Employee Contribution Reduction due to Benefit Enhancement Fund			
Proposed	0.00%	0.00%	0.00%
Actual due to Available Assets from the Benefit Enhancement Fund	0.00%	0.00%	0.00%

Prosecutor Members' Additional Chapter 366, P.L. 2001 Normal Member Rate			
Proposed	2.50%	2.00%	3.00%
Actual Rate Used Due to Actual Additional Normal Rate	2.50%	2.00%	3.00%

Valuation Date Fiscal Year	7/1/2006 2008	7/1/2007 2009	7/1/2008 2010
Market Value of Assets	\$ 9,731,769,720	\$ 10,817,111,560	\$ 11,224,894,445
Total Accrued Liability	\$ 14,797,684,446	\$ 16,028,875,601	\$ 16,914,542,503
Benefit Enhancement Reserve Fund (BEF)	0	0	0
Valuation Assets	10,884,275,126	11,228,946,178	11,581,112,061
Unfunded/(Surplus)	\$ 3,913,409,320	\$ 4,799,929,423	\$ 5,333,430,442
Present Value of Projected COLA			
Normal Cost Payments	167,613,422	162,079,565	154,383,018
Excess Valuation Assets	\$ 0	\$ 0	\$ 0
Normal Contribution (NC)			
Basic	\$ 156,956,520	\$ 143,691,835	\$ 157,798,410
COLA	23,819,960	26,609,599	28,606,729
Chapter 133, P.L. 2001	36,375,418	38,406,521	39,849,646
Chapter 133, P.L. 2001 - Local Employers	0	0	0
Chapter 366, P.L. 2001	1,079,266	1,000,559	1,054,734
Residual Chapter 366, P.L. 2001 - Local Employers	2,534,957	2,984,983	2,453,573
Chapter 259, P.L. 2001	186,390	201,225	202,459
Gross NC Amount	\$ 220,952,511	\$ 212,894,722	\$ 229,965,551
NC Offsets due to Legislations			
Chapter 133, P.L. 2001 paid from BEF	\$ 0	\$ 0	\$ 0
Chapter 366, P.L. 2001 (proposed additional member rate)	(536,695)	(400,590)	(626,553)
Chapter 259, P.L. 2001 transfer from SIF	(186,390)	(201,225)	(202,459)
Total NC Offsets	\$ (723,085)	\$ (601,815)	\$ (829,012)
Additional NC Items due to User Variables			
EeC Reduction using BEF assets	\$ 0	\$ 0	\$ 0
Reduction Due to Contribution Phase-In	(121,346,414)	(125,788,009)	0
Non-Chapter 133 related NC paid from BEF	0	0	0
Total Additional NC Items	\$ (121,346,414)	\$ (125,788,009)	\$ 0
Net NC Contribution Amount (exclusing NCGI Premium)	\$ 98,883,012	\$ 86,504,898	\$ 229,136,539
Accrued Liability Contribution (AL)			
Basic	\$ 236,923,527	\$ 290,931,617	\$ 323,440,601
Chapter 366	534,736	596,311	667,962
Chapter 366 - Local Employers	2,227,482	2,487,486	2,582,708
Chapter 259	332,180	345,710	359,293
Gross AL Contribution	\$ 240,017,925	\$ 294,361,124	\$ 327,050,564
AL Offset due to Legislations - Chapter 259, P.L. 2001 transfer from SIF	\$ (332,180)	\$ (345,710)	\$ (359,293)
AL Offset due to User Variables:			
- Reduction Due to Contribution Phase-In	\$ (132,066,845)	\$ (174,210,312)	\$ 0
- Non-Chapter 133 related NC paid from BEF	0	0	0
Total Additional AL Items	\$ (132,399,025)	\$ (174,556,022)	\$ (359,293)
Net AL Contribution Amount	\$ 107,618,900	\$ 119,805,102	\$ 326,691,271
Employer Contribution Summary			
Employer Total Contribution Prior to Legislation Offsets and User Defined Items	\$ 460,970,436	\$ 507,255,846	\$ 557,016,115
Total Offset due to Legislations	(1,055,265)	(947,525)	(1,188,305)
Total User Defined Items	(253,413,259)	(299,998,321)	0
Total Employer Pension Contribution	\$ 206,501,912	\$ 206,310,000	\$ 555,827,810
Non-Contributory Group Insurance Premium	\$ 24,670,672	\$ 33,705,492	\$ 35,527,712
Appropriation Payroll	\$ 4,253,564,219	\$ 4,434,933,181	\$ 4,613,988,595

**Public Employees' Retirement System of New Jersey**  
- Local Employers -

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Investment Return	N/A	8.25%	8.25%
AVA Recognition of Exp. AVA and MVA Difference	20.00%	20.00%	20.00%
% of BEF for non-Ben. Enhancement related NC Offset	0.00%	0.00%	0.00%
Employer Contribution Percentage	80.00%	100.00%	100.00%
Proposed Employee Contribution for Calendar Year Valuation Year + 2	5.00%	5.50%	5.50%
<b>Actual Employee Contribution Rate Prior to Benefit Enhancement</b>			
Credited to Benefit Enhancement Fund	0.00%	0.00%	0.00%
Benefit Enhancement Fund (after Valuation)	\$ 361,448,271	\$ 340,302,465	\$ 314,752,196
Target Benefit Enhancement Fund Amount	\$ 495,631,782	\$ 521,816,324	\$ 541,267,301
Credited to Normal Cost Prior to Benefit Enhancement	5.00%	5.50%	5.50%
Employee Contribution for Calendar Year Valuation Year + 2	5.00%	5.50%	5.50%
<b>Final Employee Contribution Rate for Calendar Year Valuation Year + 2</b>	<b>5.00%</b>	<b>5.50%</b>	<b>5.50%</b>
<b>Employee Contribution Reduction due to Benefit Enhancement Fund</b>			
Proposed	0.00%	0.00%	0.00%
Actual due to Available Assets from the Benefit Enhancement Fund	0.00%	0.00%	0.00%
<b>Prosecutor Members' Additional Chapter 366, P.L. 2001 Normal Member Rate</b>			
Proposed	2.50%	2.00%	3.00%
Actual Rate Used Due to Actual Additional Normal Rate	2.50%	2.00%	3.00%

<i>Valuation Date Fiscal Year</i>	<i>7/1/2006 2008</i>	<i>7/1/2007 2009</i>	<i>7/1/2008 2010</i>
Market Value of Assets	\$ 14,875,197,890	\$ 16,797,527,398	\$ 17,709,251,794
Total Accrued Liability	\$ 20,273,979,840	\$ 21,764,214,593	\$ 22,918,711,919
Benefit Enhancement Reserve Fund (BEF)	410,565,539	391,267,753	368,377,418
Valuation Assets	16,928,660,300	17,704,248,133	18,493,848,205
Unfunded/(Surplus)	\$ 3,755,885,079	\$ 4,451,234,213	\$ 4,793,241,132
Present Value of Projected COLA			
Normal Cost Payments	235,448,162	226,831,060	220,220,044
Excess Valuation Assets	\$ 0	\$ 0	\$ 0
ERI Accrued Liability	\$ 115,284,509	\$ 111,875,755	\$ 107,987,293
Normal Contribution (NC)			
Basic	\$ 218,735,049	\$ 194,840,616	\$ 224,776,893
COLA	33,651,546	37,012,734	39,879,771
Chapter 133, P.L. 2001	53,169,443	55,169,924	58,049,303
Chapter 366, P.L. 2001	4,407,135	4,498,204	4,814,957
Gross NC Amount	\$ 309,963,173	\$ 291,521,478	\$ 327,520,924
NC Offsets due to Legislations			
Chapter 133, P.L. 2001 paid from BEF	\$ (53,169,443)	\$ (55,169,924)	\$ (58,049,303)
Chapter 133, P.L. 2001 paid by State	0	0	0
Chapter 366, P.L. 2001 (proposed additional member rate)	(1,872,178)	(1,513,221)	(2,361,384)
Residual Chapter 366, P.L. 2001 paid by State	(2,534,957)	(2,984,983)	(2,453,573)
Total NC Offsets	\$ (57,576,578)	\$ (59,668,128)	\$ (62,864,260)
Additional NC Items due to User Variables			
EeC Reduction using BEF assets	\$ 0	\$ 0	\$ 0
Reduction Due to Contribution Phase-In	(50,477,319)	0	0
Non-Chapter 133 related NC paid from BEF	0	0	0
Total Additional NC Items	\$ (50,477,319)	\$ 0	\$ 0
Net NC Contribution Amount (excluding NCGI Premium)	\$ 201,909,276	\$ 231,853,350	\$ 264,656,664
Accrued Liability Contribution (AL)			
Basic	\$ 226,138,389	\$ 268,167,730	\$ 289,309,614
Chapter 366	2,227,482	2,487,486	2,582,708
Total AL Contribution - without ERI Liability Obligation	\$ 228,365,871	\$ 270,655,216	\$ 291,892,322
AL Offset due to Legislations - Chapter 366, P.L. 2001 paid by State	\$ (2,227,482)	\$ (2,487,486)	\$ (2,582,708)
AL Offset due to User Variables:			
- Reduction Due to Contribution Phase-In	\$ (45,227,678)	\$ 0	\$ 0
- Non-Chapter 133 related NC paid from BEF	0	0	0
Total Additional AL Items	\$ (47,455,160)	\$ (2,487,486)	\$ (2,582,708)
Net AL Contribution Amount	\$ 180,910,711	\$ 268,167,730	\$ 289,309,614
Employer Contribution Summary			
Employer Total Contribution Prior to			
Legislation Offsets and User Defined Items	\$ 538,329,044	\$ 562,176,694	\$ 619,413,246
Total Offset due to Legislations	(59,804,060)	(62,155,614)	(65,446,968)
Total User Defined Items	(95,704,997)	0	0
Total Employer Pension Contribution	\$ 382,819,987	\$ 500,021,080	\$ 553,966,278
ERI Contribution	13,117,971	12,860,829	13,024,192
Final Employer Pension Contribution	\$ 395,937,958	\$ 512,881,909	\$ 566,990,470
Non-Contributory Group Insurance Premium	\$ 41,054,886	\$ 62,153,458	\$ 52,206,246
Appropriation Payroll	\$ 6,730,309,209	\$ 6,983,534,635	\$ 7,250,867,507

# Appendix L

## Teachers' Pension Annuity Fund Summary of Results 20 Year Fund Projection

Valuation Date Fiscal Year Projection Year	6/30/2006 2008	6/30/2007 2009	6/30/2008 2010
Investment Return on Market Value of Assets	10.30%	15.95%	8.25%
Available Excess Assets	50.00%	50.00%	50.00%
Anticipated Employee Contribution Rate	5.00%	5.50%	5.50%
COLA Phase-In Percentage	53.62%	55.95%	58.28%
Growth in COLA Phase-In Percentage	2.33%	2.33%	2.33%
Market Value Adjustment Percentage to Actuarial Value	20.00%	20.00%	20.00%
Actual Contribution as a Percentage of Required Contribution	51.61%	49.24%	100.00%
Employee Contribution Rate - by Valuation Year	5.00%	5.50%	5.50%
Market Value of Assets (including PRMF)	\$ 31,497,492,599	\$ 35,071,208,201	\$ 36,346,965,961
Pension AVAMVA Ratio	112.5%	104.3%	103.8%
Total Accrued Liability (including PRMF)	\$ 45,441,770,469	\$ 48,127,904,441	\$ 50,606,573,175
Valuation Assets (including PRMF)	36,425,291,842	36,595,288,093	37,710,612,075
Benefit Enhancement Fund	-	-	-
Reserve for Reduction in Member Contributions	-	-	-
Awarded in Prior Years	-	-	-
Unfunded/(Surplus)	\$ 10,016,478,627	\$ 11,532,636,348	\$ 12,895,961,100
Present Value of Projected Unphased-in COLA	564,332,149	534,168,688	497,861,490
Normal Cost Payments	50%	50%	50%
Percentage of Available of Excess Assets	-	-	-
Reserve for Reduction in Member Contributions	-	-	-
Awarded in Current Year	-	-	-
Net Excess Valuation Assets at 7/1/X	(5,290,405,398)	(6,033,402,518)	(6,696,911,295)
Contributions			
Normal Cost			
Basic Allowances	\$ 456,655,868	\$ 420,011,007	\$ 427,162,054
COLA	78,914,090	85,185,519	90,863,225
Total Normal Contribution at 7/1/X	535,569,958	505,196,526	518,025,280
Excess Asset Offset at 7/1/X	-	-	-
BEF Offset at 7/1/X	-	-	-
Subtotal	535,569,958	505,196,526	518,025,280
Total Normal Contribution at 6/30/X+1	579,754,480	548,875,239	580,762,366
Additional Normal Cost due to Formula Change at 7/1/X	90,182,621	92,668,264	95,022,694
Benefit Enhancement Fund Offset	0	0	0
Additional State Contribution at 7/1/X	90,182,621	92,668,264	95,022,694
Additional State Contribution at 6/30/X+1	97,622,667	100,313,396	102,882,066
Accrued Liability Contribution at 6/30/X+1	608,769,939	700,917,218	783,775,791
Benefit Enhancement Fund Offset	0	0	0
Accrued Liability Contribution at 6/30/X+1	608,769,939	700,917,218	783,775,791
Non-Contributory Group Insurance	30,660,000	31,590,000	32,600,000
State ERI-3 Contribution	1,171,289	1,231,188	1,295,917
Total Required Contribution at 6/30/X+1 (excluding PRM)	1,317,978,395	1,380,927,041	1,481,296,140
Actual Amount Paid	\$ 695,056,000	\$ 695,986,001	\$ 1,481,296,140
Add'l Unfunded Lab. Due to Actual Contrib. Less than Req'd	1,972,175,729	2,637,940,009	3,380,185,437
Amortization of Additional Unfunded Liability	119,862,613	160,325,663	205,436,996
Actual Employee Contribution Rate (calendar year 2 yrs later)	5.00%	5.50%	5.50%