



Actuarial Services for the New Mexico Educational Retirement Board

RFP # 26-352-0115-02618

Responses to Written Questions

1. In the evaluation points summary, 80 and 100 points are issued to New Mexico/Native American Resident and New Mexico/Native American Resident Veteran preferences, respectively. If we were to subcontract a portion of the services to these preferred vendors, would all or a portion of these points be added to our overall score?

No

2. Our firm requires a limitation of liability as to direct damages and a disclaimer of indirect or related damages in all professional services contracts. Would a reasonable limit of liability be accepted in the contract?

Per C. General Requirements 15. Contract Terms and Conditions

“Should an Offeror object to any of the terms and conditions as set forth in the RFP Draft Contract (APPENDIX C) strongly enough to propose alternate terms and conditions in spite of the above, the Offeror must propose **specific** alternative language. The Agency may or may not accept the alternative language.”

3. What were the fees paid over the last three years (2025, 2024, and 2023) for the actuarial valuation, GASB 67 & 68 disclosures, QEBA, and the annual COLA update letter?

	Actuarial Valuation, GASB Reporting, COLA Letter	
FY23	\$	70,000
FY24	\$	72,500
FY25	\$	75,000

4. What was the fee paid for the 2024 Experience Study?

\$55,000

5. Do you anticipate that all firms selected and asked to submit a Best and Final Offer will be asked to provide a Oral Presentation? If not, when will firms invited to provide an Oral Presentation on February 27 be notified? [p. 7 II. A.]

No, the responsible Offerors with the highest scores may be selected as finalist Offerors, based upon the proposals submitted. In accordance with §13-1-117 NMSA

1978, the responsible Offerors whose proposals are most advantageous to the State taking into consideration the Evaluation Factors in Section V will be recommended for award (as specified in Section II.B.11).

6. Do you anticipate Oral Presentations will be in person or virtual for those invited to present on February 27? If in-person or with an in-person option, please confirm where these presentations will take place. The RFP language says they may be virtual, so please elaborate on what will determine the format if this is unknown at this time. [p. 7 II. A.]

It is currently anticipated that the Oral Presentations, if needed, will be virtual.

7. Is there any known information that should be presented or questions answered in an Oral Presentation, if selected, such that we can begin honing that in anticipation of being selected to proceed from our written proposal? If not, please provide guidance on when we will receive this information, as well as any other general guidance available regarding these presentations. [II.A.]

An agenda for a potential oral presentation is not available at this time. If oral presentations are required, an agenda will be sent at that time.

8. Please confirm (a) the experience period the Agency expects to be studied for the experience investigation as of June 30, 2027 and (b) the timing and source of the data extracts (considering Legacy and new PAS), especially for pre-transition years, if a non-incumbent Offeror is selected. Also, please confirm whether additional historical years before the transition will be available for assumptions where longer periods are preferred for credibility, such as salary scales, consistent with your prior practice. To the extent available, please also confirm the expected milestone cadence (e.g., preliminary findings, draft/final reports, and presentation drafts to support the spring Board meeting presentation). [IV.A.B. p. 23]

- a) The experience period would be for the four-year period from June 30, 2023, through June 30, 2027.
- b) Generally, all actuarial extracts are pulled in August. Legacy and new PAS extracts are dependent upon go-live.

Prior year actuarial extracts will be available, as well as any additional information requested including the experience study.

9. Please confirm what transition support is anticipated if an Offeror other than the incumbent is selected? Please provide information on the scope, timing, and information available for this replication and validation effort to help us shape our proposal around efficient onboarding and ensuring actuarial continuity specific to this transition. [IV.A.]

Prior year actuarial extracts will be available, as well as any additional information requested. ERB executive management and staff will be available to assist with efficient onboarding ensuring continuity.

10. Please provide the typical annual valuation workplan timeline (or target date calendar). If this is not available, please provide, at a minimum, the dates when preliminary and final data are provided, including, but not limited to, participant and financial data, the timing for draft and final written reports, Board meeting timings, and the timing for submission of the associated board books. **[IV.A.A]**

Early - August - Census Data provided by ERB to actuary

Early to mid - October – Financial Data provided by ERB to actuary

Mid to late October – Draft reports due from actuary to ERB

December Board of Trustees meeting (usually 1st or 2nd Friday in December) – present valuation results, presentation submitted to ERB prior to Thanksgiving

11. For GASB 67/68 work, please provide (a) the expected annual workplan timeline (draft/final delivery targets and employer allocation timing at minimum), and (b) for each of the last five years, approximately how many Agency/employer inquiries required actuarial support? **[IV.A.C.4]**

The GASB 67/68 work is to be provided by the end of October.

The Local Administrative Units (LAUs) do not submit inquiries as ERB provides a GASB 68 report and tools for the LAUs to complete their audit.

12. Please provide the typical annual timeline for the provision of information/data and deliverables for the Cost of Living Adjustment Letter. Please also provide the most recent COLA letter, along with any slides that were developed related to this letter. If such letter/presentation are not available, even with redaction, please provide guidance on the structure and format required, including clarification on the information and format of terms such as "annual interest factor worksheets," "COLA and interest factors," and "option factors," if no current work is available for review. **[IV.A.D. p. 24]**

Currently, the COLA adjustment letter is received by mid-January. The COLA letter can be found at: [Cost of Living Adjustment | NM Educational Retirement Board](#)

13. Please provide the typical annual timeline for the provision of information/data and deliverables for the Qualified Excess Benefit Arrangement. Please provide the most recent such letter, along with any necessary redaction for privacy reasons, to allow consideration of the scope and size of this group. Do you anticipate any changes to the data delivery timeline or process as a result of the PAS modernization project, such as having dual data extracts or extra validation for any of the years within this contract

term? At a minimum, please provide guidance on the typical volume of retirees requiring QEBA testing. **[IV.A.E. p.24]**

The current QEBA population is under 30 participants and is not expected to have a significant increase. This information is required to be reviewed in January and July. At this time, ERB does not anticipate any changes to the delivery due to the PAS project. ERB is responsible for the QEBA letters, the actuary does not provide this.

14. For the 'General Actuarial Consulting' item, please provide any qualitative or quantitative information about the utilization of these items in recent years. In particular, if you have information on the number of requests, hours, or fees related to legislative reviews (5), calculations (6), or benefit structure modifications (8), we would appreciate additional insights to tailor our proposal effectively. **[IV.A.F. p.25]**

The number of requests and hours related are dependent upon items that arise during a fiscal year that are out of ERB's control.

15. The RFP references "a maximum of five cost studies per contract year." Please define what the Agency considers a "cost study" for this purpose and provide the number of cost studies requested in each of the last five years. If available, please provide an example of such a cost study. **[IV.A.F.9]**

This pertains to analysis that may be requested by the BOT or for determining fiscal impact of proposed legislation.

16. Please provide project timelines or planning that have been developed for the transition to the new Pension Administration System. If this is not available, please provide information on the specific support the Agency expects from the actuary during the PAS transition to verify actuarial data and calculations and reconcile between the old and new pension systems. For example, should we plan for running parallel valuations, detailed sample-case benefit recalculations, review of various conversion reports, or other items? Understanding the level of effort, engagement, and the methods envisioned for this task will help us tailor our approach and the fees for this work in our proposal. **[IV.A.F.10 p. 25]**

During the transition into the new PAS, the Agency would request that the actuary verify the extracts pulled from the legacy system and the new PAS reconcile. There will be a two-month pilot in which testing can be conducted prior to the go-live of the new PAS against the legacy system.

17. Please clarify any limitations or preferences on the nature of "projects" that should be described in IV.B.1.c). These could range from an entire multi-year contract to an individual experience study to all the GASB work for a given valuation year to an

individual legislative study to an individual benefit calculation. While based on experience, we know that tailoring the examples to those that best parallel your system is the most useful for these types of questions, having additional guidance on the word "project" or even a definition will allow us to make our response as effective and efficient as possible for your review. Should these examples all come from four different clients, or can we provide multiple examples from a single client, such as both a success and a failure from a similar governmental client? **[IV.B.1.c. p. 26]**

There are no limitations or preferences, the requested information is up to the Offeror to determine.

18. For IV.B.2.d (technical environment/software applications), what level of detail is the Agency looking for? Any guidance will help us communicate with our references to ensure consistent, useful information. **[IV.B.2.d) p. 26]**

Just a brief listing, if any of the items apply.

19. For IV.B.4.A.12, should we include both regular valuation clients, similar to the type of work contained in this RFP, and other public pension clients, such as audits, legislative work, and other special relationships? **[IV.B.4.A.12. p. 28]**

The preference is to provide clients similar to the type of work contained in this RFP.

20. Please confirm how the Agency will calculate each Offeror's Cost for purposes of the cost scoring formula (Lowest Responsive Offeror's Cost/Each Offeror's Cost x points), given that Appendix D includes four annual fixed fees (Table 1), an experience investigation fixed fee (Table 2), and a set of hourly rates. Specifically: (a) will the hourly rates be included in the scoring in any fashion, and if so, using what basis; and (b) for the fixed fee component of such computation, will this be the sum of the five fixed-fee values in Tables 1 and 2 or another basis in developing each Offeror's Cost? **[V.C.6 and Appendix D]**

Only the fixed fees, for all years, will be included in determining the cost score.

21. Please confirm that for the items in General Actuarial Consulting IV.A.F., we should provide only hourly rates? And the items in IV.A.A, C, D, and E should be combined as single figures for the four years in Table 1, while those in IV.A.F should be provided similarly as a fixed amount in Table 2? **[IV.A.]**

Yes, that is correct.

22. Please provide the fees paid to the incumbent actuary for each of the last five years, split (to the extent available) between the items in the Detailed Scope of Work ((1) annual valuation,(2) Experience investigations, (3) GASB 67/68 reporting, (4) COLA letter, (5)

QEBA/415(b), and (6) General Actuarial Consulting/special projects. If no such detail is available, but detail on retainer versus hourly fees is available, please provide such.
[V.C.6]

	Actuarial Valuation, GASB Reporting, COLA Letter	Experience Investigation	Other
FY22	\$ 64,000.00		\$ 50,237.25
FY23	\$ 70,000.00		\$ 26,350.00
FY24	\$ 72,500.00	\$ 55,000.00	\$ 15,207.27
FY25	\$ 75,000.00		\$ 23,266.52
FY26	\$ 77,500.00		\$ 10,409.64

23. Page 24, Section IV.A.1.D. Cost of Living Adjustment (COLA) Letter: Please provide a copy of the most recent COLA letter.

The COLA letter can be found at: [Cost of Living Adjustment | NM Educational Retirement Board](#)

24. Page 30, Section IV.C.5. Cost: Please provide the fees paid to the current provider for the last four years. If possible, delineate the fees between retainer and special projects.

See Question #22.

25. Page 45, Organization Reference Questionnaire: Please verify the email address for submission of the questionnaire.

The email listed on page 45 should be Felicia.Sena@erb.nm.gov.