





Proposal due by: February 22, 2024  
12:00 p.m., Pacific Time

- Proposals must be submitted both electronically and by mail
- Electronic submissions should be emailed to:  
[proposals@samcera.org](mailto:proposals@samcera.org)
- Three hard copies should be mailed to:

**SamCERA**  
100 Marine Parkway, Suite 125  
Redwood City, CA 94065

**ATTN: Gladys Smith**  
Assistant Executive Officer

	Page
I. INTRODUCTION	1
II. MINIMUM QUALIFICATIONS	2
III. SAMCERA PLAN INFORMATION	2
IV. CURRENT ACTUARIAL PROCESS AND DATA COLLECTION	10
V. REQUESTED SERVICES	11
VI. GENERAL CONDITIONS OF SUBMISSION	16
VII. PROPOSAL CONTENTS	17
VIII. PROPOSAL SUBMISSION PROCESS	21
IX. PROPOSAL SELECTION PROCESS AND ELEVATION	21

#### APPENDICES

APPENDIX A—PROPOSER QUESTIONNAIRE

APPENDIX B—FEE SCHEDULE

APPENDIX C—CONTRACT REQUIREMENTS

APPENDIX D—ATTACHED REQUIRED DOCUMENTS

- (1) Firm's Organizational Chart
- (2) Resumes for proposed actuaries to be assigned to SamCERA
- (3) Sample Annual Valuation
- (4) Sample Triennial Experience Study
- (5) Sample GASB 67/68 Disclosure Report
- (6) Sample educational presentation
- (7) Certification of Insurance
- (8) Firm's last financial report

## I. INTRODUCTION

San Mateo County Employees' Retirement Association (SamCERA), a public pension system, administers a defined benefit pension plan with current assets of \$6 billion. SamCERA issues this Request for Proposal (RFP) to solicit proposals from qualified actuarial firms to serve as an independent actuary to perform actuarial consulting. Please note that SamCERA also seeks to retain an auditing actuary and may also make a determination regarding auditing actuary services along with this RFP process.

The actuarial consulting services will include but not be limited to:

- An annual actuarial valuation and review of the Retirement Fund in accordance with generally accepted actuarial principles and practices, along with preparing and presenting all applicable reports and findings in person to the Board of Retirement (Board), commencing with the actuarial valuation for the fiscal year ending June 30, 2024;
- An annual Disclosure Report pursuant to Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67) for SamCERA and GASB Statement No. 68 (GASB 68) for SamCERA's participating employers, commencing with the actuarial valuation for the fiscal year ending June 30, 2024; and
- Two Triennial Experience Studies in accordance with generally accepted actuarial principles and practices, along with preparing and presenting all applicable reports and any findings in person to the Board. The Experience Studies will be for the periods July 1, 2023 - April 30, 2026 and July 1, 2026 - April 30, 2029.

A detailed description of services is in Section V. The anticipated initial term of the contract will be for six years, with a start date of April 1, 2024. SamCERA is interested in receiving proposals from firms that meet the minimum experience requirements set forth below in Section II.

Qualified Proposers should submit proposals **both** electronically and mail/deliver **three** hard copies.

An electronic copy should be emailed to: [proposals@samcera.org](mailto:proposals@samcera.org), Attn: Gladys Smith

The three hard copies should be mailed/delivered to:

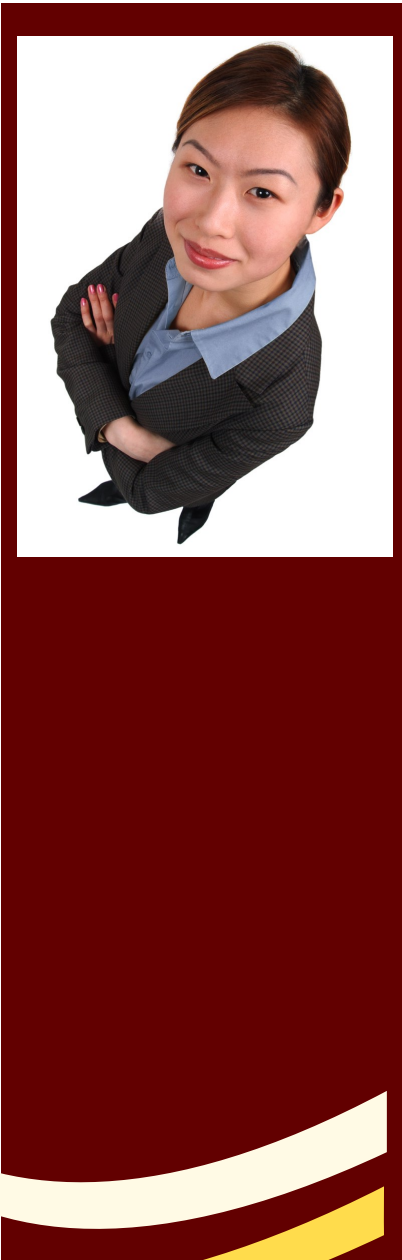
SamCERA  
100 Marine Parkway, Suite 125  
Redwood City, CA 94065  
Attn: Gladys Smith, Assistant Executive Officer

The proposal deadline is February 22, 2024 by 12:00 p.m. Pacific Time.

## II. MINIMUM QUALIFICATIONS

SamCERA is seeking proposals from organizations that can meet or exceed the following qualifications:

- A. The firm must be a professional actuarial services firm whose primary line of business includes providing actuarial services to public pension plans, or similar entities of substantial size. At a minimum, the firm must have performed actuarial services for defined benefit pension plans with assets exceeding five billion dollars (\$5,000,000,000);
- B. All of the firm's actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries;
- C. The Primary Actuary (Lead) and any supporting actuary performing the work must be a member of the American Academy of Actuaries Qualification Standards, and an Associate of the Society of Actuaries;
- D. The Primary Actuary must have a minimum of ten years of experience as an actuary performing pension and consulting services experience analysis, valuation assignments and actuarial audit assignments for multi-employer retirement plans, GASB 67/68 disclosures, and other actuarial consulting services for public sector defined benefit retirement plans. In addition, the Primary Actuary must have experience with defined benefit pension plans falling under the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act (PEPRA);
- E. The firm must have all necessary permits and licenses; and
- F. The firm must provide its own work facilities, equipment, supplies and support staff to perform the required services.



## III. SAMCERA PLAN INFORMATION

### A. About SamCERA

SamCERA is a retirement system established under of the County Employees Retirement Law of 1937. SamCERA provides retirement, disability and death benefits to the employees and retirees of the County of San Mateo (County), the San Mateo County Superior Court (Court) and the San Mateo County Mosquito and Vector Control District (District). SamCERA only administers pension benefits; it does not administer any retiree health or other post-employment benefits (OPEB) programs.

As of June 30, 2023, there were a total of 13,690 members in the system, comprised of 5,334 active members, 2,424 inactive ( 1,551 vested) and 5,932 retirees and beneficiaries receiving benefits. For the active membership, 94.32% are County employees, 5.27% are Court employees and 0.41% are District employees. Before January 2000, Court employees were County employees, consequently, a breakdown by employer for deferred and retired members would not be accurate.



The Board of Retirement is responsible for the management of SamCERA. The Board establishes policies and objectives for SamCERA including the Investment Policy and the Interest Crediting Policy, both of which are available on our website under the Board of Retirement tab under “Governance,” “Governance Policies.” The Board approves the assumptions to be used by the actuary and the recommended employer and employee contribution rates to be adopted by the Board of Supervisors. The Board meets once a month at 10:00 a.m. on the fourth Tuesday of the month.

SamCERA’s staff is responsible for the daily operations involving administration, benefits, accounting, investment and information technology. Certain staff members of SamCERA’s administration, finance and benefit divisions will interact with the actuary. Consultants who will interact with the actuary include, SamCERA’s investment consultant and auditor.



## B. Membership Plans

SamCERA has multiple benefit plans based on employer, membership classification and date of hire, as set forth in the following charts:

### GENERAL MEMBER PLANS

Date of Hire	Plan	Benefit Factor	Maximum COLA	Final Comp Period	Active Members	Inactive Members	Retired Members
On or before 07/05/80	1	2% @ 55.5	5% (with a COLA bank)	1 year	2	6	1,173
07/06/80 - 07/12/97	2	2% @ 55.5	3% (no bank)	1 year	275	164	2,250
03/14/83 - 12/23/12	3	GC31496*	N/A	3 years	40	69	126
07/13/97 -	4	2% at 55.5	2%	3 years	1,501	627	1,167
08/08/11 -	5	2% at 61.25	2%	3 years	260	52	30
On or after 01/01/13	7	2% at 62	2% (no bank)	3 years consecutive	2,525	135	38

\*Plan 3 is a noncontributory plan, which was only available to General Members.

## PROBATION AND SAFETY MEMBER PLANS

Date of Hire	Plan	Benefit Factor	Maximum COLA	Final Comp Period	Active Members	Inactive Members	Retired Members
On or before 07/05/80	1	3% @ 50	5%* (with a COLA bank)	1 year	0	0	342
07/06/80 - 07/12/97	2	3% @ 50	3% (no bank)	1 year	13	10	389
07/13/97 - 01/07/12	4	3% @ 50	2% (no bank)	3 years	276	55	255
01/08/12 - 12/31/12	5	3% at 55	2% (no bank)	3 years	72	4	6
08/08/11 - 12/31/12	6	2% at 50	2% (no bank)	3 years	0	0	0
On or after 01/01/13	7	2.7% at 57	2% (no bank)	3 years consecutive	285	11	3

\*Members in Probation Safety Plan 1 have a 3% maximum COLA with a bank. only.

### C. SamCERA Statistics

All items listed below provide historical information about SamCERA and its membership can be found on our website under Financial Reports.

- Actuarial Valuations (2006 - 2023)
- Triennial Experience Studies (2005 - 2023)
- Annual Comprehensive Financial Reports (ACFR) (2005 - 2023)
- Popular Annual Financial Reports (PAFR) (2005 - 2023)

### ACTIVE MEMBER BREAKDOWN BY EMPLOYER

	June 30, 2023	June 30, 2022
County	5,031	4,940
Courts	281	287
District	22	22
Total Active Membership	5,334	5,249

## FUND OVERVIEW

	June 30, 2023	June 30, 2022	Relative Change
<b>ACTIVE MEMBERS</b>			
Number of Members	5,334	5,249	1.6%
Average Age	44.8	44.9	(0.2)%
Average Credited Service	10.1	10.3	(1.9)%
Total Active Payroll (In Thousands)	\$ 631,144	\$ 611,957	3.1%
Average Monthly Salary	\$ 10,166	\$ 9,743	4.3%
<b>RETIRED MEMBERS</b>			
Number of Members	5,932	5,779	2.6%
Service Retirement	4,700	4,608	2.0%
Disability Retirement	508	493	3.0%
Beneficiaries	724	678	6.8%
Average Age	71.5	71.4	0.1%
Actual Retiree Benefits Paid (In Thousands)	\$ 298,934	\$ 276,502	8.1%
Average Monthly Pension	\$ 4,351	\$ 4,174	4.2%
<b>NUMBER OF INACTIVE MEMBERS</b>	2,424	2,224	9%
<b>ASSETS</b>			
Market Value of Fund (In Thousands)	\$ 6,005,043	\$ 5,649,674	6.3%
Return on Market Value	6.0%	-6.1%	
Valuation Assets (In Thousands)	\$ 6,215,283	\$ 5,922,894	4.9%
Return on Valuation Assets	4.5%	7.1%	
<b>LIABILITY VALUES (IN THOUSANDS)</b>			
Actuarial Accrued Liability	\$ 7,035,641	\$ 6,530,039	7.7%
Unfunded Actuarial Accrued Liability	\$820,358	\$ 607,145	35.1%
Deferred Asset (Gains)/Losses	\$273,020	\$ 333,047	
<b>FUNDED RATIO</b>			
Based on valuation assets	88.3%	90.7%	(2.6)%

### D. Plan Funding

According to the latest actuarial valuation as of June 30, 2023, the pension plan was 88.3% funded. The plan is funded by employer contributions, member contributions and investment returns.

#### 1. Employer Contributions and Supplemental Accounts

The employers' Statutory Contribution Rate (SCR) is equal to the payment of the Employer Normal Cost rate plus a 15-year layered amortization of the Unfunded Actuarial Accrued Liability (UAAL) for each year beginning with the UAAL as of June 30, 2008 (excluding the supplemental contributions discussed below.) The UAAL rate for the County is reduced to reflect its supplemental account, as is the District's. The SCR (blended average for all employers) is 26.64% for the fiscal year beginning July 1, 2023; the County's SCR is 26.62%, the Court's is 26.35% and the District's is 28.03%

Under separate Memorandum of Understanding (MOUs), both the County and District agreed to make supplemental contributions to pay down their unfunded liabilities. Copies of the MOUs are available upon request. Commencing in FY 2013-14, the County paid supplemental contributions in a lump sum of \$50 million and then an additional \$10 million each of the following fiscal years. The MOU expired on 06/30/23. The County may continue paying supplemental contributions until fiscal year 2023-24. Furthermore, the County intends to maintain an average employer payroll contribution rate higher than its SCR to serve as a second supplemental payment and for the fiscal year 2024-25. The District contributed \$1.5 million in fiscal year 2015-16 and an additional \$250,000 the following fiscal year in supplemental contributions.

These funds are placed in a “County Supplemental Contributions Account” (CSCA) and “District Supplemental Contributions Account” (DSCA) These funds are credited just to the County and District as applicable, rather than all three SamCERA employers. As of June 30, 2023, the County’s supplemental contributions account balance total \$213 million, while the District’s balance is \$72 thousand. Separate rates are determined for the County and the District based on their respective supplemental accounts. Furthermore, each employer’s SCR reflected offsets due to their respective SCAs, and each employer effectively used up an amount of their SCA equivalent to the offset.

## 2. Employee Contributions

There are several separate employee contributions collected and each can vary by employer, member classification, plan and bargaining unit.

### a. Basic Contributions

- Plans 1, 2, 4, 5 and 6: Contributions are required of all members, based on entry age and class of each member. Currently, only safety members are eligible for the 30-year cessation of basic contributions. This provision does not apply to any of the cost-share contributions discussed below. Safety members regardless of years of service must pay the cost share.
- Plan 7: Members contribute 50% of the aggregate Normal Cost rate for their Plan.
- Plan 3: No member contributions are required.

### b. Cost-of-Living Adjustment (COLA) Share of Cost:

- Plans 1, 2, 4, 5 and 6: All members in these plans contribute 50% of the cost of COLA benefits, except the District.
- Plan 7: Members contribute 50% of the aggregate Normal Cost rate for their Plan which includes the cost of the COLA.





c. Cost Sharing Based on Plan Type:

- General Members: All members of Plans 1, 2 and 4 (except the District) contribute an additional 3.0% for cost sharing. All other General members do not participate in cost sharing.
- Safety Members: Deputy Sheriffs in Plans 1, 2, 4 and 5 contribute the following additional cost sharing rates based on age and service:
  - If age 45 or older: 4.5%
  - If age is less than 45 years, and
    - Service is less than 5 years: 3.0%
    - Service is between 5 and 15 years: 3.5%
    - Service is more than 15 years: 4.5%
- Safety Members (except Deputy Sheriffs): Members in Plans 1, 2 and 4 contribute an additional 5.0% cost sharing. Safety members (except Deputy Sheriffs) in Plan 5 contribute an additional 4.0% cost sharing. Safety members in Plan 6 and 7 do not participate in cost sharing.
- Probation Members: Members of Plans 1, 2, 4 and 5 contribute an additional 3.5% for cost sharing. Members of Plans 6 and 7 do not participate in cost sharing.

d. Employer Pick-ups:

Effective with the first pay period in July 2018, no employer provides for an employer pick-up of employee contributions.

### 3. Investments

a. Investment Portfolio:

SamCERA's investment portfolio includes approximately 90 investment accounts. As of July 1, 2023, SamCERA's Asset Allocation is as follows:

- |                    |       |
|--------------------|-------|
| • Growth:          | 59.0% |
| • Diversifying:    | 18.5% |
| • Inflation Hedge: | 17.0% |
| • Liquidity:       | 5.5%  |

b. Investment Policy:

SamCERA's Investment Policy is aimed at reducing risk through a prudent diversification of the investment portfolio across a broad selection of distinct classes. The Board undertakes an in-depth asset liability study every three to five years. The Board conducted an asset liability study in fiscal year 2023 and subsequently approved a new target asset allocation. The new policy increased

Growth assets by 2%, with a corresponding 1% decrease to both Diversifying and Inflation Hedge assets. SamCERA will continue to thoughtfully balance the return potential of equity investments versus the potential risks they bring to the portfolio to produce the most efficient risk-adjusted return stream for the portfolio as possible. The Investment Policy can be found on our website under “Investments and Financials.”

#### **4. Financial Statements**

SamCERA’s financial statements are prepared in accordance with the generally accepted accounting principles in the United States of America.

SamCERA implemented GASB 67 in fiscal year 2013; its plan sponsors implemented GASB 68 in fiscal year 2014. SamCERA is responsible for providing GASB 67/68 information to its plan sponsors for financial reporting purposes.

SamCERA’s Statement of Fiduciary Net Position as of June 30, 2023, is on the following page.



## STATEMENT OF FIDUCIARY NET POSITION

As of June 30 (Dollars in Thousands)

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>	<b>Amount</b>	<b>Percentage</b>
Cash and cash equivalents	\$ 210,121	\$ 237,496	\$ (27,375)	-11.5%
Cash management overlay	19,989	73,569	(53,580)	-72.8%
Securities leading cash collateral	3,737	4,121	(384)	-9.3%
Receivables	150,102	83,088	67,014	80.7%
Prepaid expense	215	352	(137)	-38.9%
Investments at fair value	5,827,906	5,345,206	482,700	9.0%
Lease asset, net of amortization	2,303	2,814	(511)	-18.2%
Capital assets, net of depreciation	3,170	3,875	(705)	-18.2%
<b>Total assets</b>	<b>6,217,543</b>	<b>5,750,521</b>	<b>467,022</b>	<b>8.1%</b>
<b>LIABILITIES</b>				
Investment management fees payable	2,038	2,126	(88)	-4.1%
Due to broker for investments purchased	202,435	90,090	112,345	124.7%
Securities lending collateral due to borrowers	3,737	4,121	(384)	-9.3%
Lease liability	2,444	2,890	(446)	15.4%
Other	1,847	1,620	227	14.0%
<b>Total liabilities</b>	<b>212,501</b>	<b>100,847</b>	<b>111,654</b>	<b>110.7%</b>
<b>Net position restricted for pensions</b>	<b>\$ 6,005,042</b>	<b>\$ 5,649,674</b>	<b>\$ 355,368</b>	<b>6.3%</b>

### 5. Actuarial Assumptions

The Board adopted new economic and demographic assumptions for the valuation as of June 30, 2023. At its May 2023 meeting, the Board increased the inflation, wage, payroll and COLA rate assumptions while keeping the investment return the same. Changes to the demographic assumptions and actuarial methodology utilized were approved by the Board at its July 2023 meeting.

The current economic assumptions are:

- Investment return 6.25%
- Inflation 2.75%
- General wage and payroll growth 3.25%
- COLA assumptions
  - Plan 1 2.75%
  - Plan 2 2.65%
  - Plan 3 N/A
  - Other Plans 1.9%

## IV. CURRENT ACTUARIAL PROCESS AND DATA COLLECTION

### A. Member Data

SamCERA uses customized Vitech V3 software for all its pension administration needs. The County and the Court use Workday software for employee data, which is uploaded into V3. Additionally, the Court uses ADP as its payroll system, while the County uses Workday. The District's data is manually entered into V3. Every year in early July, SamCERA extracts confidential data requested by its actuary from V3 for the annual valuation.

#### Active File (demographic and financial information)

- Members in current employment
- Nonmember former spouses with accounts
- Terminated Members - All members separated from employment with funds still on deposit (vested and nonvested)

#### Retiree File (demographic and financial information)

- Retirees
- Survivors receiving continuances
- Nonmembers spouses receiving benefits

### B. Financial Data

SamCERA uses Great Plains accounting software to maintain its financial data and generate financial statements.

Northern Trust, SamCERA's master custodian, maintains records of investment and banking transactions. SamCERA's external investment managers provide investment transaction and balance detail directly to Northern Trust which, in turn, provides that information to SamCERA. Northern Trust provides a web portal application for SamCERA to, among other actions, access daily account and investment information (including pricing) and generate necessary custom reports.



## C. Actuarial Data

**Annual Actuarial Valuation.** In general, the annual actuarial valuation is presented to the Board in **September**. Our Annual Comprehensive Financial Report (ACFR) is approved by the Board in October as the Board does not meet in November.

Based on this schedule, the recommended actuarial assumptions to be utilized in the valuation report are brought to the Board for adoption well in advance so that the actuary can produce the valuation report timely. Every third year, the draft annual valuation is audited by the auditing actuary. The draft actuarial report is received **mid-September**, with a final report received the **third week of September** to be included in the Board packet distribution.

**GASB 67/68 Disclosure Report.** Our participating employers are provided with the audited GASB 67/68 report upon request. A draft of the GASB 67/68 report should be received by SamCERA for review and comments by the **first week of October**.

**Triennial Experience Study.** The auditing actuary performs the actuarial audit every three years in conjunction with the Triennial Experience Study. For the Triennial Experience Study, staff will provide the data in May. The draft report is reviewed by the auditing actuary. Therefore, the draft should be completed with enough time to permit a review and subsequent responses, prior to the release of the final Triennial Experience Study. Presentation of the study shall be in person to the Board at its July meeting.

## V. REQUESTED SERVICES

### A. Consulting Projects Overview

The table below shows the timing of key actuarial consulting services.

Project	Frequency	Due Date
Pension Benefit COLA	Annual	Third week in January
Section 415(b) Limit Determination	Annual	Early May
Benefit Factor Table Updates	Annual	Early June, as necessary
Triennial Experience Study Report	Every 3 Years	Third week of July
Actuarial Valuation Report	Annual	Third week of September
GASB 67/68 Disclosure Report	Annual	Second week of October
Certification Letter	Annual	After the completion of GASB 67/68 Disclosure Report
Actuarial Consulting Projects	As needed	As necessary



## B. Annual Actuarial Valuations

1. **Presentation.** SamCERA staff will provide the actuary with membership data in early July each year. The draft annual valuation should be made available to staff electronically for review no later than the first week in September of each year with the final report in the third week of September. The actuary shall email and provide at least 7 hard copies of the final valuation and related studies at least eight days prior to the specified Board meeting. Presentation of the annual valuation and related studies shall be presented in person to the Board at its September meeting. The actuary may be requested to attend Board meetings as needed.

2. **Related Services.** The annual actuarial valuation should include:

- A summary of key financial results including actuarially determined contribution rates in aggregate and by employers and members as a percentage of payroll including normal cost broken out between the basic rate and the cost-of-living rate, and any unfunded actuarial accrued liability, actuarial and market value of assets, actuarial accrued liability, actuarial and market value of assets, actuarial accrued liability, membership demographics, detailed gain/loss analysis, and other relevant information as appropriate. Separate rates will be determined for the County and the District based on respective supplemental accounts;
- Sufficient narrative explanations to provide a reasonable understanding of the actuarial assumptions, methods, trends, and conclusions concerning the funding status of the Plan;
- Comments and recommendations, as appropriate, concerning the Plan's funded status, actuarial projections, reserves, and funding progress;
- Financial information, schedules and supplementary information required to comply with standards and guidance promulgated by the Governmental Accounting Standards Board (GASB), and Internal Revenue Code (IRC);
- If there are any changes in assumptions (such as investment return or inflation rate) made in the annual valuation, the actuary should: provide associate benefit factor tables (including, but not limited to, age factors for retirement and mortality rates for optional benefits) and assist SamCERA with review of system generated benefit calculation using the new factor tables;
- Provide a certification letter and appropriate actuarial schedules to be included in the ACFR to comply with GASB requirements.



### C. Triennial Experience Study

1. **Presentation.** Staff will provide data in May, reflecting data for the current year as of April 30th. The draft report should be made available to staff and the auditing actuary for review no later than first week in **July**. The actuary will need to respond to comments, if any, made by staff and the auditing actuary prior to finalizing the report. The final report is due the third week in July. The actuary shall provide an electronic copy and at least 7 hard copies of the final study at least eight days prior to the specified Board meeting. Presentation of the study shall be in person to the Board at its July meeting. The actuary may be requested to attend additional Board meetings as needed.
  
2. **Related Services.** The Triennial Experience Study should, at a minimum, include:
  - An analysis of actual experience for the preceding three years to determine the appropriateness of the assumptions used in the annual valuations. The analysis shall include (a) both economic and non-economic (demographic) assumptions and (b) recommendations of changes, if any, to those assumptions;
  - The analysis of economic assumptions shall include, but are not limited to, inflation, investment return, and salary increases;
  - The analysis of non-economic assumptions shall include, but are not limited to, retirement rates, mortality rates for healthy and disabled members, termination rates, disability incidence rates, and survivor assumptions for survivor benefit valuations;
  - Sufficient narrative explanations to provide a reasonable understanding of the economic and non-economic assumption changes proposed;
  - Provide applicable benefit factor tables to be uploaded into the pension administration system; and
  - Assist SamCERA with review of system generated benefit calculations using the new factor tables.

## D. Annual GASB 67/68 Disclosure Report

1. **Presentation.** The draft GASB 67/68 Disclosure Report should be made available to staff electronically for review no later than the first week of **October**. The final GASB 67/68 report should be emailed to staff by the second week of October. This report is not presented to the Board.

2. **Related Services.** The Annual GASB 67/68 Disclosure Report should include:

- All disclosure information specifically required by GASB 67 including, but not limited to, the fiduciary net position, total pension liability and net pension liability of the retirement fund;
- All disclosure information specifically required by GASB 68 including, but not limited to, deferred inflows and outflows of resources, pension expense excluding that attributable to employer-paid member contributions, and changes in proportionate share for each participating employer;
- A certification letter and appropriate actuarial schedules to be included in the ACFR to comply with GASB requirements. This certification letter can be combined with the certification letter for the annual valuation discussed in Section B, Annual GASB 67/68 Disclosure Report and Related Actuarial Services.

## E. Other related services

In addition to the services listed above, other actuarial services may be needed. These services may include but not be limited to, the following throughout the year:

- Provide advice and draft policy regarding the effect of a proposed amount of supplemental contributions to be made by County or the district pursuant to their funding Memorandum of Understanding. This review usually occurs in May or June each year;
- Review semi-annual calculation of the Interest Crediting Policy and reserves to ensure that the calculation is performed correctly;
- Provide a recommendation for the annual cost-of-living adjustment (COLA);
- Review all the changes in the reserve accounts to confirm the six-month and year-end balances in these accounts as of June 30 and December 31 are correct:



- Determine the maximum benefit amount payable for members in compliance with IRC 415(b) limit (In 2023, 21 members' benefits were capped);
- Provide a true-up calculation for a small number of members (on average less than one member a year) who participated in the purchase of military services prior to membership in accordance with Board Regulation 7.7 (Eligible members had to give written notice by January 1, 1995.);
- Provide a copy of the annual Public Employees' Pension Reform Act (PEPRA) compensation limit calculation letter prepared by the California Actuarial Advisory panel in November each year;
- Provide an annual table for the IRC 415(b) limits for the upcoming calendar year in December;
- Assist staff in calculating Plan 3 early retirements per Gov. Code sec. 31496;
- Provide advice upon request to ensure new GASB reporting requirements are properly applied from an actuarial perspective;
- Assist staff, as requested, in responding to third party requests for information, including employers, the civil grand jury, independent auditor, investment consultant, and actuarial auditor upon request;
- Perform special analysis and studies as requested, including review of actuarial or related work performed by staff;
- Provide analysis and recommendations for possible improvements in the financing and benefit structure of the Plan as requested;
- Be available for at least one formal educational presentation to the Board and staff annually to discuss actuarial concepts (usually at the Board's annual retreat in March). Additional presentations may be requested;
- Notify the Board and staff of legal changes, industry standards, current trends, and new developments within the actuarial profession and provide advice upon request; and
- Attend Board meetings for Actuarial Requirements, Reports and Educational Presentations (approximately 3 times a year; the Board meets at 10:00 a.m. on the Fourth Tuesday of the month).
- Create a Quarterly Funding Dashboard.



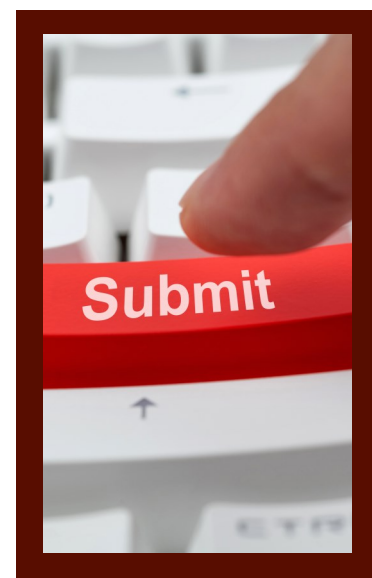
## F. General Services Requirements

1. **Secure Exchange of Data.** The actuary must utilize a secure mechanism to exchange data with SamCERA electronically and keep member information confidential.
2. **Maintain working papers.** The actuary must retain all working papers and reports at the actuary's expense for a minimum of five years, unless SamCERA advises otherwise. The actuary will be required to make working papers available to SamCERA upon request. In addition, the firm shall respond to the reasonable inquires of successor actuary and allow successor actuary to review working papers relating to matters of continuing actuarial significance.
3. **Cooperate with auditing actuary.** SamCERA's auditing actuary performs an actuarial audit every three years. The auditing actuary audits the annual valuation and the Triennial Experience Study. The most recent actuarial audit was conducted for the 2023 Triennial Experience Study and 2023 Annual Valuation. The Triennial Experience Study and Annual Valuation Audit in 2026 and 2029 will be performed by a firm to be determined. The actuary is expected to cooperate with and respond to the reasonable inquires of the auditing actuary.

## VI. GENERAL CONDITIONS OF SUBMISSION

- A. All proposals submitted become the property of SamCERA. Should a Proposer wish to withdraw its proposal, a written letter stating so must be received by SamCERA before agreement negotiation.
- B. There is no expressed or implied obligation for SamCERA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Costs for developing proposals are entirely the responsibility of the Proposer and will not be chargeable to or reimbursable by SamCERA.
- C. All proposals submitted in response to this RFP shall be subject to public disclosure pursuant to the Public Records Act (Gov. Code sec. 7920.000 et. seq.).

There are specific exceptions to the Public Records Act. In the event SamCERA receives a request for inspection of any proposal submitted pursuant to this RFP, it is the responsibility of the organization whose proposal has been requested to assert any right of confidentiality that may exist. SamCERA will not make that assertion on behalf of the Proposer. Absent a judicial determination that the documents are exempt from disclosure, they will be subject to inspection.





- D. Submission of a proposal constitutes a complete waiver of any claims whatsoever against SamCERA and/or agents, officers or employees, that SamCERA has violated a Proposer's right to privacy, disclosed trade secrets or caused any damage by allowing the proposal to be inspected.
- E. All proposals must remain valid for a period of not less than 120 days from the submission unless withdrawn. This includes pricing as well as nominated engagement staff.
- F. SamCERA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.
- G. SamCERA, in its sole discretion, may enter into contracts with multiple providers.
- H. SamCERA reserves the right to contact current and former clients of the Proposer for information at any time during the proposal process.
- I. SamCERA reserves the right to accept or reject any or all proposals and may waive any requirements of this Request for Proposal if it deems it to be in the best interests of SamCERA.
- J. SamCERA reserves the right to contact individual Proposers for clarifying information at any time during the proposal process.
- K. SamCERA may modify the RFP prior to the deadline for submission of proposals by issuance of an addendum.

## VII. PROPOSAL CONTENTS

### A. Proposers Should Adhere To The Format

Each of the required sections identified must be completed and must be specifically labeled. The content and sequence of the proposal will be as follows:

Section	Title
1	Cover Letter
2	Proposer Questionnaire (Appendix A)
3	Fee Schedule (Appendix B)
4	Contract Comments (Appendix C)
5	Required Documents (Appendix D)

## B. Proposal Format Description

Items 1 through 6 below contain brief descriptions of material that should be included in this proposal.

### Cover Letter

- Proposer's cover letter shall identify:
  - Firm name.
  - The name, address, telephone number and email address of a principal contact for information regarding the proposal shall be supplied.
  - The name, title or position and telephone number of the person or persons authorized to bind the organization to all commitments made in the proposal.
  - The letter must also include the following statement:

***“We have read the Request for Proposals (RFP) for actuarial consulting services and fully understand its intent. We warrant that all information and statements in this RFP are complete and true. We certify that we have adequate personnel, equipment and facilities to provide the Plan’s requested services. We understand that our ability to meet the criteria and provide the required services shall be judged solely by SamCERA. We have thoroughly examined the RFP requirements, and our proposed fees cover all the services that we have indicated we can meet. We acknowledge and accept all terms and conditions included in the RFP. We acknowledge the receipt of all amendments made to this RFP.”***

- The letter must be signed by the person or person authorized to bind the Proposer contractually.

### Proposer Questionnaire (Appendix A)

Responses to these questions will provide SamCERA with information about your firm, your firm's experience, and ability to provide and the manner that your firm will provide the requested services as set forth in Section V *“Requested Services.”*



## **Fee Proposal (Appendix B)**

Proposer's fee proposal should be based on the services outlined in the Section V "Requested Services."

- (1) Describe the cost structure proposed for the actuarial consulting services. Itemize costs by type of service as described in this RFP; which services are a fixed price, and which services are billed by the hour.
- (2) Describe how fees are determined for the Proposer's services.
- (3) Describe how fees are billed (billing periods and prospective versus arrears).
- (4) The proposed fee schedule should include administrative, third-party, travel and all the costs associated with the proposed engagement. These costs should be presented in detail. Include a statement that the Proposer understands that these fees have been included in the total cost of the proposal and will not be billed separately.
- (5) Provide costs for a six-year period (listed separately for each calendar year), as SamCERA anticipates awarding a six year agreement for these services commencing April 1, 2024.

## **Contract Requirements (Appendix C)**

A sample contract (without the scope of services and fees) is attached in Appendix C to indicate some of the general provisions that SamCERA anticipates including in the final agreement(s). In submitting a proposal, the Proposer will be deemed to have agreed to each clause unless the proposal identifies an objection, sets forth the basis for the objection, and provides substitute language that would make the clause acceptable to the Proposer. Such objections and substitute language must be submitted no later than the deadline for the proposal.



### **Required Proposal Documents (Appendix D)**

Proposer must submit the following documents and include them in Appendix D.

- (1) Firm's Organizational Chart
- (2) Resumes for actuaries proposed to be assigned to SamCERA
- (3) Sample Annual Valuation
- (4) Sample Triennial Experience Study
- (5) Sample GASB 67/68 Disclosure Report
- (6) Sample Educational Presentation
- (7) Certification of Insurance
- (8) Firm's Last Financial Statement

### **Proposal Submission**

Proposals must be received no later than **February 22, 2024 by 12:00 p.m. (Pacific Time)**

Proposals must be submitted electronically to: [proposals@samcera.org](mailto:proposals@samcera.org) and the original and three hard copies mailed/delivered to:

**SamCERA**  
**Attn: Gladys Smith, Assistant Executive Officer**  
**100 Marine Parkway, Suite 125**  
**Redwood City, CA 94065**

## VIII. PROPOSAL SUBMISSION PROCESS

### A. Schedule of Events is set forth in the chart below and may be subject to change.

EVENT	DATE
Release of RFP	January 3, 2024
Deadline for Written Questions	January 25, 2024
Release Responses to Written Questions	February 8, 2024
<b>Proposal Due Date and Time</b>	<b>February 22, 2024 by 12:00 p.m. (Pacific Time)</b>
Notification of Presentations, if needed	Week of March 4, 2024
Finalist Presentation(s), if needed	Week of March 11, 2024
Selection by Board of Retirement	March 26, 2024
Anticipated Contract Start Date	April 1, 2024

### B. Submittal of Written Questions

Proposers requiring clarification of the intent or content of this RFP, or of the competitive proposal process, may request clarification only by submitting **written** questions no later than January 25, 2024, via e-mail to [proposals@samcera.org](mailto:proposals@samcera.org). Verbal questions will not be answered.

### C. Submission of Proposal

Proposals must be received in writing by 12:00 p.m. Pacific Time on **February 22, 2024**. Any proposal submitted to the incorrect address, or received after the deadline may, at SamCERA's sole discretion, be rejected and eliminated from consideration.



## IX. PROPOSAL SELECTION PROCESS AND EVALUATION

### A. Evaluation of Proposals

1. **Initial Screening.** Each proposal will be reviewed by SamCERA staff to determine if the Proposer can meet the minimum qualifications and service requirements as set forth in this RFP. The Proposer must demonstrate that each requirement is met. Where documentation relative to a specific requirement is incomplete or silent, the proposal is considered deficient.



2. **Notification for Presentation.** If more than one Proposer is selected as a finalist, presentations may be scheduled. SamCERA anticipates sending an email notification the week of March 4, 2024, stating if an oral presentation is needed and if the presentation will be before the Board. Note that there may not be any oral presentations; each proposal is expected to be complete in and of itself. Instructions as to timing and presentation will be given upon notification.
3. **Notification to Proposers.** It is anticipated that staff will notify Proposers of SamCERA's decision to enter into a contract for actuarial consulting services before March 15, 2024. Notification to enter into a contract for the auditing actuarial consulting services may be made at the same time.
4. **Selection by the Board.** The Board will select the Proposer who, in the Board's opinion, best fits the needs of SamCERA. SamCERA anticipates that this will occur in March 2024.

## **B. Evaluation Criteria**

The evaluation criteria will include, but not be limited to:

1. **Experience** (both quality and quantity of the proposing organization and its staff in providing actuarial services comparable to SamCERA's needs. Expertise in all aspects of actuarial consulting and auditing services, preferably as it relates to CERL pension systems.
2. **Qualifications** of professional staff to be assigned to SamCERA, with the attention paid to relevant experience with CERL pension systems.
3. **Ability** to serve as an actuary, and/or auditing actuary, with respect to required services.
4. **Proposal** quality, conciseness and completeness.
5. **Positive references.** In addition to quality of services, include information on how well Proposer works with client staff. SamCERA views its actuary as part of the SamCERA team and the actuary should be timely in responding to questions and completing projects.
6. **Fees.** While this is not a low bid process, the Board has a duty to ensure that its providers fees are reasonable and competitive.

## **C. Inability to Negotiate a Contract**

If a contract cannot be negotiated, SamCERA may, in its sole discretion, begin contract negotiations with one or more or none of the remaining Proposers.

## **APPENDIX A**

### **PROPOSER QUESTIONNAIRE**

The Proposers must respond to the questions in the order in which they appear in this Proposer Questionnaire.

Do not answer questions in combined format.

Each RFP question must be restated in its entirety and followed by your response so that it is clear that each question was answered and in the same order of as the Proposer Questionnaire.



## **Brief Statement**

In 500 words or less (approximately 1 page), explain why your firm best meets SamCERA's needs for an actuarial consultant. Address your firm's strengths as well as any perceived weaknesses. This one page should be titled Brief Statement and should precede the first page of the following questions.

### **A. PROPOSER'S FIRM INFORMATION**

1. If your firm has multiple offices, which office would be primarily responsible for work performed for SamCERA?
2. Describe the proposing firm's organization structure and attach an organizational chart. (Appendix D (1)). In the description, include whether there have been any material changes in the firm's organizational structure, or ownership that have occurred in the past five years.
3. Provide the last audited financial report for the firm. (Appendix D (8)).
4. Describe your firm's plans for managing the future growth of your firm.
5. Does your firm have a limitation on the number of defined benefit plan clients it intends to accept for actuarial services?
6. How long has the firm been performing actuarial consulting services?
7. If your firm has conducted actuarial audits, how long has the firm been performing this service?
8. How long has the firm been performing these services, auditing and actuarial auditing, to defined benefit pension plans?
9. What percentage of the firm's revenue comes from actuarial consulting services?
10. How many actuaries does the firm employ?
11. What ongoing educational programs are supported and/or required for the firm's actuaries?
12. Insert the total number of your current public pension actuary clients (can be outside California), both for actuarial consulting services and actuarial audit services, on the line on the next page.

Then show the number of years your firm has provided services for each of those clients, by completing the chart on the next page. (The services can include auditing and /or actuarial general services.)

Total number of Current Actuarial Public Pension Clients: \_\_\_\_\_ / \_\_\_\_\_ (auditing)

(Note: The Total Number of Current Actuarial Public Pension Clients should equal the sum of the numbers in the columns of the charts below.)

Length of Service in Years	Number of Public Current Pension Clients (Acuarial Services)	Number of Public Current Pension Clients (Actuarial Auditing Services)
0-1 Year		
1-3 Years		
3-5 Years		
5-10 Years		
10+ Years		

13. For all the firm’s current public pension plan full-service actuarial consulting service clients (not auditing), provide the following:

Plan Name	First Year Providing Full Actuarial Services	Asset Size (06/30/2023)	Membership Total Size (06/30/23)	Cost Sharing Multiple Employer (Yes/No)

14. For all the firm’s current public pension plan actuarial auditing service clients, provide the following:

Plan Name	First Year Providing Actuarial Auditing Services	Asset Size (06/30/2023)	Membership Total Size (06/30/23)	Cost Sharing Multiple Employer (Yes/No)

15. Over the past five years, has the firm or any officer, principal or any of the actuarial staff that would provide services to SamCERA, been involved in any business litigation or other legal proceedings related to any actuarial consulting services?

16. Has the firm or any officer, principal, or any of the actuarial staff that would provide services to SamCERA within the last 10 years, been censured or fined by any regulatory body?

If so, please indicate the dates and describe the situation.

17. Has any litigation been brought against the firm or any officer, principal or any of the actuarial staff that would provide services to SamCERA within the last 10 years by any entity for fraud, malpractice, misrepresentation, negligence, or similar cause of action?

If so, provide a brief explanation and indicate the status.

18. Describe the levels of insurance coverage the Proposer carries including, but not limited to, errors and omissions, fiduciary or professional liability, cyber security, automobile and workers compensation.

- Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole?
- List the insurance carrier(s) and the amount of coverage maintained for each level of coverage.
- Attach Certificate(s) of Insurance evidencing coverage as described in your proposal. (Appendix D(7))

19. If the insurance information described above is less than what is required in the standard agreement that is attached as Appendix C, would Proposer be able to meet the requirement?

20. When was the last time the Proposer had a cyber security audit performed?

21. Is the Proposer affiliated with any other firm(s) offering actuarial or non-actuarial consulting services that could represent a conflict of interest?

If yes, briefly describe the Proposer's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.

22. List and describe any known professional relationship the Proposer or any of Proposer's staff have with any member of the SamCERA Board, SamCERA staff, or participating employers.

23. Has anyone in the Proposer's staff provided any gifts, travel expenses, entertainment, or meals to any member of the SamCERA Board, or SamCERA staff in the last 12 months?



24. List any public pension plan clients that have terminated their actuarial consulting services contracts with the Proposer in the last five years and the date of the termination. Include the reason(s) for contract termination.
25. List any public pension plan clients that have terminated their actuarial auditing consulting services contracts with the Proposer in the last five years and the date of the termination. Include the reason(s) for contract termination.
26. Have any of Proposer's actuarial reports, findings or recommendations for a public pension plan been audited by another actuarial firm within the last five years?

If so, state the number of such audits and whether any resulted in revisions to the client's annual valuation results, actuarial assumptions, findings or actuarial cost methods.

27. Will subcontractors be used in providing the required SamCERA services?

If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to the Proposer of these services, and how the Proposer would control the quality of services provided.

28. Does the Proposer have plans/arrangements for disaster recovery?

Briefly describe the disaster recovery plan. Include the plan related to protecting client data files in the description.

29. Describe how you safeguard client's member data.

30. Describe how your firm monitors and manages cyber security risks as they relate to your organization Has your firm experienced any problems with cyber security in the past 18 months? What types of cyber security challenges do you anticipate in the next 18 months and how to address them?

31. What is your cyber security breach policy? What procedures do you have in place for a cyber security breach?

32. Describe the resources the Proposer has that specifically address the needs of public fund clients, including any protection of client data files and technical resources.

## **B. PROPOSED SAMCERA PRIMARY AND SUPPORTING ACTUARY INFORMATION**

33. For each of the actuaries to be assigned to SamCERA including the Primary Actuary (Lead) and all supporting actuaries, please attach in (Appendix D (2)) the resumes (or biographies) that include the following information:

- Name
- Title
- Responsibilities within the firm
- Years of relevant experience
- Years with the firm
- Degrees and professional designations
- Institution awarding each degree and designation
- Publications authored

34. For the Primary (Lead) and supporting actuaries (senior supporting) to be assigned to SamCERA, provide the following information in the charts below:

**Primary Actuary Public Retirement Fund Experience since 2019**

Plan name	Indicate if served as Primary or Supporting Actuary	Total number of Plan members (06/30/23)	Asset size (6/30/23)	Cost sharing multi-employer (Yes/No)

**Supporting Actuary Public Retirement Fund Experience since 2019**

Plan name	Indicate if served as Primary or Supporting Actuary	Total number of Plan members (06/30/23)	Asset size (6/30/23)	Cost sharing multi-employer (Yes/No)

35. Please provide the name, title, email and telephone number for at least three public pension fund client references for whom the proposed Primary Actuary has provided full service actuarial consulting services similar to the services described in this RFP. SamCERA reserves the right to contact any of the individuals/agencies provided.

For each reference listed, provide a contact information as follows:

Plan name	Contact Person	Title	Phone Number	Email Address

36. How many clients are currently assigned to the Primary Actuary in the role of the Primary Actuary? In the role of supporting actuary?

37. How many clients are currently assigned to the supporting actuary (senior supporting) in the role of a supporting actuary? In the role as Primary Actuary?

38. What process is undertaken to ensure that the assigned actuaries are not given clients beyond their workload capacity?
39. Attach a recent annual valuation for a public pension client prepared by the proposed Primary Actuary. If possible, select a report prepared by the same team of primary and supporting actuary (senior supporting). (Appendix D(3)).
40. Attach a recent Triennial Experience Study for a public pension client prepared by the proposed Primary Actuary. If possible, select a report prepared by the same team of primary and supporting actuary (senior supporting). (Appendix D (4)).
41. Attach a recent GASB 67/68 report for a public pension client prepared by the proposed Primary Actuary. If possible, select a report prepared by the same team of primary and supporting actuary (senior supporting). (Appendix D (5)).
42. How long have the proposed team of primary and senior supporting actuary worked together as a team?
43. Does the Proposer have a transition plan to deal with the possible sudden departure of the proposed team of Primary Actuary and/or supporting actuary (senior supporting)? If so, describe the plan and the assurance that the replacement can meet the same standards as outlined in this proposal and potential contract?

### **C. ACTUARIAL SERVICES**

44. Describe the Proposer's theory and methodology for the following (include the decision-making process and titles and responsibilities of the various individuals involved at each stage of the process):
  - Recommending an appropriate actuarial cost method for a public pension plan
  - Developing actuarial assumptions
  - Amortization of unfunded liabilities
  - Measuring funded status and funding progress
  - Measuring net pension liabilities of participating employers
45. Describe the Proposer's quality control processes, including but not limited to peer review, for actuarial reports and recommendations. How are these processes monitored and documented?
46. Review SamCERA's 2023 actuarial valuation report and its 2023 Triennial Experience Study which are both on our website. For data tracking purposes, SamCERA would prefer that the information presented in its future actuarial report shall be in substantially the same format as provided by the current actuary. If you have a modification to this approach, please discuss the modification in detail.

47. Describe the Proposer's use of actuarial software systems and the associated computer system support to determine appropriate actuarial methods and calculations.

How are these systems monitored and reviewed?

a. Sections IV and V of the RFP set forth the timeline for completion of the (1) annual valuation, (2) Triennial Experience Study and (3) GASB 67/68 report. Please comment on those timelines and address any issues that your firm would have in meeting the deadlines or any requests for a schedule accommodation.

- Include proposed dates for each key stage of the project.
- Include dates by which your firm must have specific data from SamCERA (Generally describe the information required from SamCERA and/or our current actuary for the transition year.)

48. Describe how the Proposer controls costs, quality, and timeliness of its services, specifically the services required by this RFP.

49. Describe your steps for completing a draft annual valuation and Triennial Experience Study and finalizing of these reports.

50. Provide a sample actuarial educational presentation made for a public pension client. (Appendix D (6)).

## **APPENDIX B**

**ATTACH YOUR FEE PROPOSAL**



## **APPENDIX C**

### **CONTRACT REQUIREMENTS**

A sample contract (without the scope of services and fees) is attached and it indicates general provisions that SamCERA anticipates including in the final agreement(s). In submitting a proposal, the Proposer will be deemed to have agreed to each clause unless the proposal identifies an objection, sets forth the basis for the objection, and provides substitute language to make the clause acceptable to the Proposer. Such objections and substitute language must be submitted no later than the deadline for the proposal. SamCERA reserves the right to update and modify its general contract provisions in accordance with its procurement policies, prior to entering into any contract with a Proposer.

**Provide your response in this Appendix.**



**AGREEMENT BETWEEN THE SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION AND [Contractor name]**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the **San Mateo County Employees' Retirement Association**, hereinafter called "SamCERA," and "[Insert Contractor Legal Name]", hereinafter called "Contractor."

\* \* \*

WHEREAS, SamCERA was created pursuant to the County Employees Retirement Law of 1937 and, in accordance with California Government Code Section 31588.2, is authorized to expend funds on the administration of the pension system in order to provide timely and accurate benefits to its members; and

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of [Enter information here]; and

WHEREAS, the Board has determined that it is in the best interests of SamCERA to (i) retain and engage the services of Contractor, and (ii) assign to Contractor the duties and responsibilities as more particularly set forth herein.

NOW, THEREFORE, IT IS AGREED BY THE PARTIES TO THIS AGREEMENT AS FOLLOWS:

**1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A—Services
- Exhibit B—Payments and Rates

**2. Services To Be Performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for SamCERA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, SamCERA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. SamCERA reserves the right to withhold payment if SamCERA determines that the quantity or quality of the work performed is unacceptable. In no event shall SamCERA's total fiscal obligation under this Agreement exceed "[Write Out Amount]" (\$AMOUNT). In the event that the SamCERA makes

any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the SamCERA at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

#### **4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from "[Month and Day]" , 20"[Last 2 Digits of Start Year]" , through "[Month and Day]" , 20"[Last 2 Digits of End Year]" .

#### **5. Termination**

This Agreement may be terminated by Contractor or by SamCERA's Chief Executive Officer or the Chief Executive Officer's designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

#### **6. Standards of Performance**

Contractor shall deliver to SamCERA the services and deliverables in such form and manner and at such times as are specified in the applicable Exhibits. SamCERA shall provide to Contractor any necessary information and/or performing any necessary action in a timely fashion. Contractor shall perform the services in accordance with the following standards:

A. Contractor shall perform the services in a professional manner, and with the competence, care, skill, prudence and diligence prevailing in the [DESCRIPTION] industry and that a prudent person in a like capacity to that of Contractor and familiar with [DESCRIPTION] services would use in the conduct of those services. [In performing services under this Agreement, Contractor shall adhere to the professional and ethical standards required of [POSITION] under the [DESCRIPTION OF PROFESSIONAL CODE OF CONDUCT, IF ONE EXISTS] and shall assign staff that, in Contractor's judgment, has sufficient education, training or experience to perform the tasks assigned to them.

B. The services and deliverables provided to SamCERA in connection with the performance of the services shall not infringe on any intellectual property right of any third party.

C. Contractor shall comply always with all federal, state and local laws applicable to it, and shall obtain from the appropriate authorities all registrations, permits, licenses, and indemnities required for the conduct of Contractor's business and the provision of Services and deliverables pursuant to this Agreement.

D. In the performance of services pursuant to this Agreement, Contractor shall maintain independence from all interests other than the interests of SamCERA and its members and beneficiaries, as those interests are expressed by the Board. Contractor understands

SamCERA staff acts as the agent for the Board in its relationship with Contractor, but it is subordinate to the Board and cannot direct Contractor to consider interests contrary to those expressed by the Board.

**7. Contract Materials**

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, reports, and other written materials (collectively referred to as “Contract Materials”) prepared by Contractor under this Agreement shall become the property of SamCERA and shall be promptly delivered to SamCERA. Upon termination, Contractor may make and retain a copy of such Contract Materials if permitted by law.

**8. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of SamCERA or the County of San Mateo and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County of San Mateo employees.

**9. Hold Harmless/Indemnity**

A. Definitions. As used in this Paragraph 9:

(i) “Claims” means any claim described in (a) or (b) below, whether based on contract, tort, or any other legal or equitable theory:

(a) any and all third-party liabilities, losses, injuries, suits, costs, charges, judgments, fines, penalties, expenses (including, without limitation, defense costs, expert witness fees, and reasonable attorneys’ fees), causes of action, claims, demands, recoveries, settlements, or damages of any nature arising out of, related to, or in connection with Contractor’s fraud, willful misconduct, grossly negligent performance of services hereunder, or Contractor’s grossly negligent acts or omissions; and

(b) any and all liabilities, losses, injuries, suits, costs, charges, judgments, fines, penalties, expenses (including, without limitation, defense costs, expert witness fees and reasonable attorneys’ fees), causes of action, claims, demands, recoveries, settlements, or damages for bodily injury, death, personal injury, or property damage, arising out of, related to, or in connection with Contractor’s performance of, or failure to perform, services hereunder.

(ii) “SamCERA Covered Persons” means SamCERA, its officers, trustees, fiduciaries, employees, and agents, but does not include Contractor Personnel.

(iii) “Contractor Personnel” means Contractor, its officers, directors, shareholders, employees, servants, agents, and subcontractors.

B. Obligation to Defend and Indemnify. Contractor will defend, at its expense, SamCERA Covered Persons from and against any and all Claims. Contractor will indemnify, save, and hold harmless SamCERA Covered Persons from and against any and all Claims, but only to the extent of the percentage of fault attributable to Contractor Personnel.

C. Survival of Obligation to Defend and Indemnify. Contractor's obligations to defend and indemnify shall survive the termination of this Agreement.

D. Notice of Claim. SamCERA will give Contractor prompt written notice of any Claim for which any SamCERA Covered Person is entitled to indemnification pursuant to this Paragraph 9. Contractor shall control the defense or settlement of the Claim; but no such settlement or compromise shall be entered into unless, as part of such settlement or compromise, the third party executes a full and complete release of SamCERA Covered Persons without recourse to SamCERA Covered Persons for any amount, claim, or other obligation whatsoever respecting such Claim. Contractor will not have the right to settle or compromise any such Claim without the consent of SamCERA Covered Persons, which consent can be withheld for any reason or no reason if such settlement or compromise involves the issuance of injunctive or other nonmonetary relief binding upon any of SamCERA Covered Persons or a plea of guilty or nolo contendere on the part of any of SamCERA Covered Persons in any criminal or quasi-criminal proceeding, or which involves any admission of liability or culpability on the part of SamCERA Covered Persons, or which has any collateral estoppel effect on any of SamCERA Covered Persons.

## **10. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of SamCERA or as expressly allowed in Exhibit A. Any such assignment or subcontract without SamCERA's prior written consent shall give SamCERA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

## **11. Insurance**

At Contractor's sole cost and expense, Contractor shall obtain and keep in force at all times during this Agreement, the following policies of insurance:

A. Workers' Compensation Insurance. Contractor shall submit written proof that Contractor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code or such other law applicable to Contractor's employees providing Services pursuant to this Agreement.

B. Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance, Personal Injury (including bodily injury and death), Property Damage for liability arising out of Contractor's performance of work under this Agreement, and the loss or breach of confidential client data and information. Such insurance coverage shall have minimum limits for bodily injury and property damage liability of Two Million Dollars (\$2,000,000) each occurrence and Five Million Dollars (\$5,000,000) in aggregate (including excess policies).

C. Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired, and non-owned vehicles used in the performance of services pursuant to this Agreement with minimum limits for Bodily Injury and Property Damage liability of One Million Dollars (\$1,000,000) combined single limit. Such insurance shall be provided by a business or commercial vehicle policy.

D. Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with limits of not less than Ten Million Dollars (\$ 10,000,000) per claim. If any of the insurance coverage required under this Agreement is written, on a claims-made basis, the insurance policy shall provide an emended reporting period of not less than four (4) years following the termination of this Agreement or completion of all work performed by Contractor specified in this Agreement, whichever is later.

All insurance shall be issued by a company or companies listed in the current "Bests Key Rating Guide" publication with a minimum of an "A-VII" rating. All insurance coverage required to be maintained by Contractor shall be maintained until the completion of all of Contractor obligations under this Agreement, and shall not be reduced, modified in any material respect, or canceled without thirty (30) days prior written notice to SamCERA; provided that SamCERA shall be entitled to such written notice only if any of the foregoing occurrences would cause Contractor to be noncompliant with the terms of this Agreement. Failure by Contractor to maintain all such insurance in effect at times required by this Agreement shall be a material breach of this Agreement by Contractor. SamCERA, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from such breach.

Contractor's Commercial General Liability and Automobile Liability insurance policies required in this Agreement shall include an endorsement naming SamCERA and SamCERA's Board of Retirement members, officials, officers, agents, and employees as additional insureds for liability arising out of this Agreement and any operations related thereto.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Contractor for any liability, whether within, outside, or in excess of such coverage, and regardless of the solvency or insolvency of the insurer that issues the coverage; nor shall it preclude SamCERA from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law. Contractor's Commercial General Liability and Automobile Liability insurance pursuant to this Agreement shall be primary to and not contributing to any other insurance maintained by SamCERA or the County of San Mateo with respect to liabilities caused by Contractor.

## **12. Compliance With Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with

Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

### **13. Non-Discrimination and Other Requirements**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

A. Equal Employment Opportunity. Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to SamCERA upon request.

B. Section 504 of the Rehabilitation Act of 1973. Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

C. Discrimination Against Individuals with Disabilities. The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth herein, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ, and advance in employment, qualified individuals with disabilities.

### **14. Member Data**

SamCERA shall provide Contractor with all such direction, materials, information, and access to a SamCERA representative as may be necessary for Contractor to render the services. Contractor shall not be responsible for verifying the accuracy or completeness of any information supplied to Contractor by SamCERA. To the extent such information is known by



Contractor to be inaccurate or incomplete, written notice shall be given to SamCERA of the nature of the inaccurate or incomplete information and any material time or expense required to correct the information shall be billed as an additional service outside of the relevant services.

## **15. Confidential Information**

A. "Confidential Information" shall mean any and all information that is disclosed to Contractor verbally, electronically, visually, or in a written or other tangible form that is either identified or should be reasonably understood to be confidential or proprietary, including members' records as provided by law. The term Confidential Information shall not include any information that (1) was in the possession of, or was rightfully known by Contractor without an obligation to maintain its confidentiality prior to receipt from SamCERA; (2) is or becomes generally known to the public through no breach of this Agreement by or other fault of Contractor; (3) is obtained by Contractor in good faith from a third party who is not, to Contractor's actual knowledge, subject to any obligation of confidentiality; (4) is independently developed by Contractor without the use of or reference to any of SamCERA's Confidential Information and without violating any of Contractor's obligations under this Paragraph 15; or (5) is required to be disclosed by court order or applicable law, provided that, to the extent not prohibited by law, notice is promptly given to SamCERA and, provided further, that diligent efforts are undertaken to limit such disclosure.

B. SamCERA's Confidential Information shall be treated as strictly confidential by Contractor and shall not be disclosed by Contractor to any third party, except to those third parties operating under non-disclosure provisions no less restrictive than those set forth in this Paragraph and who have a justified "need to know" in connection with the conduct of SamCERA's business.

## **16. Retention of Records; Right to Monitor and Audit**

A. Contractor shall maintain all required records relating to services provided under this Agreement for a minimum of five (5) years after SamCERA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by SamCERA, a Federal grantor agency, and the State of California.

B. Contractor shall comply with all applicable program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies, and as required by SamCERA.

C. Contractor agrees upon reasonable notice to provide to SamCERA, to any Federal or State department having monitoring or review authority, to SamCERA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

**17. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail unless expressly provided to the contrary. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

**18. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued in the United States District Court for the Northern District of California.

**19. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of SamCERA, to:

Name/Title: Scott Hood, Chief Executive Officer  
Address: 100 Marine Parkway, Suite 125, Redwood City, CA 94065  
Telephone: (650) 363-4882  
Email: shood@samcera.org

In the case of Contractor, to:

Name/Title: [insert]  
Address: [insert]  
Telephone: [insert]  
Email: [insert]

**20. Electronic Signatures**

Both SamCERA and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and SamCERA's Electronic Signature Policy. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

\* \* \*

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: **[SERVICE PROVIDER COMPANY NAME]**

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Name (please print)

---

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

By: \_\_\_\_\_  
Scott Hood  
Chief Executive Officer

Date: \_\_\_\_\_

**Exhibit A**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

**Exhibit B**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

## **APPENDIX D**

### **REQUIRED DOUCMENTS**

**ATTACH THE FOLLOWING DOUCMENTS IN THE FOLLOWING ORDER:**

- (1) Firm's Organizational Chart**
- (2) Resumes for actuaries proposed to be assigned to SamCERA**
- (3) Sample Annual Valuation**
- (4) Sample Triennial Experience Study**
- (5) Sample GASB 67/68 Disclosure Report**
- (6) Sample Educational Presentation**
- (7) Certification of Insurance**
- (8) Firm's Last Financial Report**