

**Commonwealth of Virginia  
Department of Human Resource Management  
Actuarial Services  
RFP # TRSDHRM17-01**

**Addendum # 1  
March 24, 2017**

**Please sign this form and include as a part of your submission.**

**X**\_\_\_\_\_

**This addendum addresses all questions received through Thursday, March 23, 2017.**

1. Who was the last consulting firm that performed the work?

Oliver Wyman

2. How long have the current actuaries been providing their service?

The current contract has been in effect since May 2012. DHRM contracts typically run for 2 to 3 years with an option for up to 5 years.

3. What were the annual fees charged and the terms of the contract?

This RFP stands on its own, and previous offerings have no bearing on the award or evaluation of this procurement. Please work with the information you have and provide your best proposal.

4. Has the scope of the work changed since the work was done?

This RFP stands on its own, and previous offerings have no bearing on the award or evaluation of this procurement. That information is not relative.

5. Can we get a copy of the most recent actuarial report?

The Commonwealth has no desire to post previous actuarial reports. We do not desire to limit offerings based on past work. Please provide your best proposal. The successful

bidder will be provided with any historical information necessary to perform the contracted tasks.

6. Will you share the Evaluation Sheet and perform a debriefing if requested at the end of the process?

Yes

7. Is the current service provider eligible to participate in this RFP process?

Yes

8. Why are these services listed in the RFP out to bid? Are they due to the expiration of the current contract or for other reasons?

The Commonwealth has need for these services, contracts have set periods of time; you may view a calendar of DHRM contract dates at the following website:  
<http://www.dhrm.virginia.gov/docs/default-source/rfp/contract-listing-12162016.pdf?sfvrsn=0>

9. In order to assist us in gaining a clear understanding of the scope of work, can you provide the amount of the total level of effort (hours of work) and fees paid to the current contractor in 2015 and 2016?

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- a. In particular, if available, please provide the separate fees / hours of work for different services included in the current vendor's contract (for example, general, annual actuarial analysis of each program, premium allocations and individual premium statements, etc.).

This RFP stands on its own, and previous offerings have no bearing on the award or evaluation of this procurement. That information is not relative.

10. Can you provide a copy of recent reports for 2015 and 2016?

The Commonwealth has no desire to post previous actuarial reports. We do not desire to limit offerings based on past work. Please provide your best proposal.

11. Is there a MBE/WBE participating in the current contract?

a. Can you provide a brief description of their services and the dollar amount of their annual fee?

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12. Can you explain how the 20% for the SWaM participation points will be awarded?

a. Is there any preference for using either small businesses, women-owned small businesses or minority-owned small businesses? Are all treated the same for SWaM participation?

The Commonwealth's goal is to maximize spending with DSBSD registered small businesses. If your firm is able to obtain "Small" status certification by the submission date you will receive full evaluation credit of 20%.

13. Can you identify and list the optional tasks performed?

a. Number of hours for each task on annual basis?

b. Dollar amount of fees paid to perform each optional task?

c. What optional tasks do you anticipate in the new contract cycle?

This RFP stands on its own, and previous offerings have no bearing on the award or evaluation of this procurement. Special projects are identified as the need arises. Examples of special projects commissioned include:

For WCS:

- Analysis of Workers' Compensation Reserves and Cash Flow for Virginia Commonwealth University Hospital Authority
- Workers' Compensation Experience Statistics by Agency
- FY 2016 and 2017 Workers' Compensation Premium Allocation Recalculation

For DRM:

- Premium Allocation by Agency for self-insured risk management liability programs.

14. How many meetings at the client site are required per year in the RFP? Please provide us with the address where those meetings will take place.

Please refer to the RFP, Section III, Statement of Needs, Item B. Meetings may be in person or via teleconferencing at the discretion of the purchasing agency.

For WCS:

No on-site meetings were held during the term of the expiring contract. Meeting locations may vary in the metro Richmond, VA area dependent on need. Effort is made to utilize teleconferencing or other electronic means of communication as much as possible.

For DRM:

There has typically been one on-site meeting held annually during the term of the expiring contract. In one instance there were two on-site visits in one year. One of the visits involved making a presentation on the experience analysis to client agencies. Locations were in metro Richmond, VA. Telecommunications and email are used frequently.

15. Is TRS/DRM or DHRM/WCS satisfied with the current vendor(s)? If so, why is this contract up for bid?

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16. What is the annual amount spent under the current contract?

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17. How many years of coverage data are there by line of business (LOB)?

For WCS:

Claim data is available from July 1, 1986 to the present:

For DRM:

1989 to Present

18. What format is the data in? Electronic, excel, pdf, hard copy etc.

Both parties supply claims data in Excel tables electronically through a secure FTP site. Text data can be supplied if needed.

19. What retention limits of the self-insured program by year and LOB?

For WCS:  
Not applicable

For DRM:  
Liability \$2 Million, Med Mal \$2.5 Million and Property \$5 Million

20. Has there been any collectability issues for losses above the retention limits?

For WCS:  
Not applicable

For DRM:  
No

21. Is TRS/DRM or DHRM/WCS considering changing the self-insured retention limits?

For WCS:  
Not applicable

For DRM:  
No current plans

22. Any significant concerns or issues that might impact the analysis? I.e. expected law changes, exposure changes, State budgets etc.

For WCS:

- Virginia is moving to a fee schedule for workers' compensation medical bill payments in 2018. This may or may not impact the annual cost of this benefit.
- The program is conducting a pilot of settling certain claims, which has not been the practice in the past due to funding methodology. Dependent on the outcome of the pilot, the ability to continue settling claims may impact the future liability of the program.

For DRM:  
Nothing significant at this time.

23. On the Small, Women, and Minority Owned Business Subcontracting Plan, we do not typically rely on subcontractors. We plan to staff these projects using only our employees. So, we intend to fill out the required "Small Business Subcontracting Plan" stating no reliance on subcontractors. Will the proposal still be acceptable?

Yes

24. Does the fiscal year for TRS/DRM and for DHRM/WCS both end on June 30?

Yes

25. During the last five years, how many times has a study been performed as of December 31?

For WCS:

None

For DRM:

None

26. Is the claims data available electronically at the claim level? Is the data available in Excel? If not, in what format is the data available?

Both parties supply claims data in Excel tables electronically through a secure FTP site. Text data can be supplied if needed.

27. Are historical exposures available – payroll, operating budget, vehicle counts and/or miles, health center bed and visit counts?

For WCS:

Yes, within limits.

For DRM:

Yes, to extent available.

28. Are prior claims histories/transactions available for review? If the prior actuarial report is available, they are likely summarized in that report.

The successful bidder will be provided with any historical information necessary to perform the contracted tasks.

29. How long has the incumbent been providing this service?

The current contract has been in effect since May 2012. DHRM contracts typically run for 2 to 3 years with an option for up to 5 years.

30. Is the incumbent prevented from bidding on this work for the current RFP?

No

31. Can we get a copy of the successful bid proposal that led to the most recent actuarial report?

Yes, only with a FOIA request; but requesting would push back the Intent to Award date.

32. What were the professional fees paid for the prior analyses and reports for the last three years, by year?

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33. How many hours were billed for the prior analyses and reports for the last three years, by year?

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34. We didn't see price included in the RFP, how do you go about evaluating bids? Do you focus on the evaluation criteria and then prices are evaluated last? In your evaluation process do you have finalist presentations?

For this RFP, price is not the determining factor, we will be evaluating on the on the criteria list in the RFP. If selected as one of the finalist, there may be a request for presentations.

35. Regarding the SWaM Subcontracting in Appendix II, would this be significant to the proposal? Would it be helpful to include the certification?

Yes

36. Is it possible to help facilitate SWaM participation to circulate with the addendum all companies that may have requested a proposal and their contact information?

No, but the sign in sheet for the pre-conference meeting is posted with this addendum.

37. If a SWaM vendor submits as a prime will they still get the full 20% points and will they be expected to hire another SWaM vendor?

They will receive the full 20% and not expected to sub contract another SWaM vendor.

38. Those who have only subcontractors that are SWaM would the prime vendor then get the full 20% points?

No, the prime vendor would get a percentage of the 20% points.

39. How are the points awarded for subcontractors that are SWaM?

Percentage

**RFP # TRSDHRM17-01**

**Actuarial Services**

Optional Pre-Proposal Conference

Thursday, March 23, 2017 at 10:00 a.m.

**Note: This information will be publicly posted as a part of Addendum #1**

**Sign In Sheet**

COMPANY REPRESENTING		PRINT NAME	SIGNATURE
1.	Financial Integrity Resources <sup>Mgmt</sup>	Philip M. Harris	
2.	Financial Integrity Resources Management	Linyi Sun	
3.			
4.			
5.			
6.	Linyi Sun Actuarial/Analyst linyi@firmadvisor.com	Philip M. Harris RFC, LUTCF, AIF® President phil@firmadvisor.com	1800 JFK Boulevard, Suite 808 Philadelphia, PA 19103 215.557.7622 215.557.7632 fax www.firmadvisor.com
7.			
8.			
9.	 FINANCIAL INTEGRITY RESOURCES MANAGEMENT, LLC.	 FINANCIAL INTEGRITY RESOURCES MANAGEMENT, LLC.	
10.			
11.			
12.			