



REQUEST FOR PROPOSALS

ACTUARIAL SERVICES

March 10, 2010

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I. OVERVIEW

1.01 Introduction

The District of Columbia Retirement Board (Board) seeks the services of an enrolled actuary to perform actuarial valuations and to provide other actuarial services for the District of Columbia Teachers' Retirement Fund (Teachers Fund) and for the District of Columbia Police Officers and Fire Fighters' Retirement Fund (Police & Fire Fund), collectively referred to as the Retirement Funds. The Retirement Funds cover teachers permanently employed by the District of Columbia Public Schools and certain other educational employees, members and officers of the Metropolitan Police Department, and members and officers of the District's Fire and Emergency Medical Services Department.

The Board was established as an independent agency of the government of the District of Columbia pursuant to the District of Columbia Retirement Reform Act, as amended (Reform Act)¹. In accordance with the Reform Act and the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act (Replacement Plan Act)², the Board is responsible for managing the investments of the Retirement Funds. The Board is required to engage the services of an enrolled actuary to perform actuarial valuations and to provide other services.

Title XI of the Balanced Budget Act of 1997 (Pub. L.105-33, 111 Stat.251) as amended (the Revitalization Act) transferred to the Federal government the responsibility for payment of benefits earned under the District's retirement plans for police officers, fire fighters, and teachers based on creditable service accrued on or before June 30, 1997. The District enacted the Replacement Plan Act for benefits based on creditable service earned after June 30, 1997.

As a result of the Revitalization Act, two categories of benefit payment responsibility now exist: (1) benefit payments for creditable service accrued on or before June 30, 1997 (Federal Benefit Payments); and (2) benefit payments for creditable service accrued after June 30, 1997 (District Benefit Payments). The Revitalization Act assigns the administrative responsibility for the Federal Benefit Payments to the U.S. Department of the Treasury (Treasury). In other words, a participant whose entire creditable service accrued on and before June 30, 1997, receives a 100% Federal Benefit Payment. A participant whose entire creditable service accrued after June 30, 1997, receives a 100% District Benefit Payment. A participant whose creditable service began on or before June 30, 1997, and ended after June 30, 1997, receives a combination Federal/District Benefit Payment, known as a Split Benefit Payment. Treasury maintains a separate fund for Federal Benefit Payments and its share of Split Benefit Payments.

¹ Pub. L. 96-122, 93 Stat. 866, codified at D.C. Official Code §§ 1-701 et seq. (2001).

² D.C. Official Code §§ 1-901.01 et seq. (2001)

On December 13, 1999, Treasury published rules in the Federal Register (codified at 31 CFR Part 29) for the administration of its responsibilities and the methodology for determining the amount of Federal Benefit Payments required by the Revitalization Act. The effective date for calculating the actual amount of Federal Benefit Payments has been deferred. Treasury is responsible for annual actuarial valuations of its fund. (Pub. L. 105-33 § 11061)

The terms of the Federal and District retirement plans are similar but not identical. The terms of the Federal Plans for the Teachers' and the Police Officers and Fire Fighters' are as they were on June 29, 1997, with one exception involving computation of COLAs. (Pub. L. 105-33 § 11013) The Replacement Plan Act, which was enacted by the District in 1998, originally adopted the terms of the Federal Plans. D.C. Official Code § 1-905.01. There have been a number of changes to the District Plans since then. The District is solely responsible for paying all increases in benefits resulting from these changes. (*See* 31 C.F.R. § 29.313).

As of July 1, 2009, the Teachers' Plan had approximately 4,601 active participants and 6,006 retired participants and beneficiaries. The Police & Fire Plan had about 5,788 active participants and 7,421 retired participants and beneficiaries. In addition, some separated employees are eligible for deferred benefits.

The Revitalization Act assigns the administrative responsibility for Federal Benefit Payments to Treasury. This function was transferred to the Board through an MOU. The Board became responsible for benefits administration as of October 1, 2005. Benefit payments are calculated by DCRB, which works with the Treasury's Bureau of the Public Debt to make payments to annuitants. The District's Office of Pay and Retirement Services(OPRS), maintains member contribution information and processes the payroll for all active participants.

The District of Columbia Public Schools (DCPS) is responsible for all personnel information for its employees. The District of Columbia Office of the Chief Technology Officer and the Office of Human Resources have selected PeopleSoft as the District's automated personnel and payroll system for all District employees, including Police Officers, Firefighters, and Teachers.

The Office of DC Pensions, Department of the Treasury, United States Government, has implemented the STAR System, which is an automated pension benefits system derived from PeopleSoft software. The system makes benefit calculations and contains the historical payment and personnel data used in calculating the benefits for District teachers, police officers and firefighters. The data necessary to calculate benefits is not transferred to STAR electronically, but rather it is provided to DCRB staff in paper form , and Board staff is responsible for inputting pertinent information.

The Board does not make any representations regarding the quality of the data available from the District or from other sources. The Board expects the actuary to review the data for reasonableness and to question the District or any other source to resolve data issues. A project is currently underway to clean up historical data and enter it into an electronic database.

1.02 Scope Of Work

The specific services to be performed by the enrolled actuary are as follows:

1.02.1 Basic Services

(a) The enrolled actuary will perform all of the services, make all of the calculations, and provide all of the reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections 1-907.02(a) and (c), 1-907.03(a), and 1-907.04 (copies attached as Appendix B). The data on active plan members will be obtained primarily from agencies of the District government. The actuary will determine the reasonableness of the data, and will request the provider of data to resolve any concerns. Any significant concerns with the data quality will be communicated to the Board and included in the enrolled actuary's reports, as appropriate. The determinations required in D.C. Official Code § 1-907.03(a)(1) shall be made annually.

The enrolled actuary shall provide technical advice to the Board and its staff regarding the actuarial tasks required by the above-named statutes and the contract. The enrolled actuary will be available to assist the Board and its staff through telephone conferences, email exchanges, face-to-face meetings, and similar modes of communications.

In addition to working with staff of the Board, the enrolled actuary will make presentations to the Board and its Operations Committee. The actuary may be required to deliver testimony before the Council of the District of Columbia and its committees as well as to other groups within the District government or to the Congress of the United States or other federal agencies.

The enrolled actuary will also be requested by the Board to provide information about the methodologies and assumptions used in preparing its work on the statutory determinations during a "peer review."

The actuary shall make determinations required to be made for the year ended the past September 30 under Governmental Accounting Standards Board Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers.

(b) The enrolled actuary shall conduct an experience study of the Funds which shall examine actuarial methods, assumptions made in the valuations or other actuarial analyses related to the value of pension assets, actuarial liabilities including economic and demographic factors such as: rates of return, employee and employer contribution rates, expected compensation, early retirement, workforce size, mortality rates and terms of service. The actuary will prepare a report of the experience study. The report must also include:

1. A summary of relevant demographic and economic assumption experience observed over the period of the study.

2. Recommendations of any changes in actuarial assumptions to be used in subsequent actuarial valuations. The recommendations must be made in accordance with the actuarial standards of practice promulgated by the Actuarial Standards Board.
3. A measurement of the financial impact of recommended changes on current actuarial assumptions.

The enrolled actuary may also be requested by the Board to provide information about the methodologies and assumptions used in preparing the experience study during a “peer review.”

1.102.2 Additional Services – (OPTION)

From time to time, the Board may request the enrolled actuary to perform additional actuarial services that are not covered under Basic Services. For example, the enrolled actuary may be requested by the Board to perform calculations or make presentations on or about the actuarial data not covered in the D.C. Code. Such service may be educational in nature for the benefit of the Board or provide professional advice to the Board so that it may make informed decisions.

1.03 Deliverables

1.03.1 The enrolled actuary will provide the Board with 25 paper copies and one electronic copy of all reports and certifications under Basic Services. All reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections 1-907.02(a) and (c), 1-907.03(a), and 1-907.04 shall be delivered in final form to the Board no later than March 1 of the year following the prior fiscal year. The Contractor shall deliver drafts of such documents to the Board no later than February 15 of the year following the prior fiscal year.

1.03.1.1 Within 30 calendar days after the effective date of the contract, the enrolled actuary will provide the Board with a written statement of all data and information needed to perform all of the basic services under the contract. The statement will include the date by which the data and information is to be delivered to the enrolled actuary to allow the services to meet the schedule specified in section 1.03.1.

1.03.2 The Board will specify the nature, date, and quantity of deliverables under Additional Services if and when an option for such service(s) is exercised.

1.03.3. Within 30 calendar days after any additional assignment, the enrolled actuary will provide the Board with a written statement of all data and information needed to perform the additional assignment. The statement will include the date by which the data and information is to be delivered to the enrolled actuary to allow the services to be performed within the agreed upon schedule.

1.04 Schedule Of Events

The following is the estimated schedule of events related to this RFP process. Dates listed below may be amended as appropriate by DCRB. Offerors will be notified of any changes via e-mail.

Activity	Scheduled Date
Release of RFP	Wednesday, March 10, 2010
Deadline for Questions	Monday, March 22, 2010
DCRB Response to Offerors' Questions	Monday, March 29, 2010
Proposal Due Date	Friday, April 9, 2010
Anticipated Contract Award	May 2010
Anticipated Contract Start Date	June 2010

1.05 Point Of Contact

This RFP is issued by DCRB and is subject to the Board's procurement and conflict of interest rules. Further, from the issue date of this RFP until a successful Offeror is selected, there shall be no communication regarding this procurement by Offerors with any DCRB Board or staff members other than the DCRB Procurement Specialist. Failure to comply with this provision of the procurement will result in Proposal rejection and disqualification.

The Procurement Specialist for this RFP is:

Name: Yolanda Smith
Address: District of Columbia Retirement Board
900 7th Street NW; Suite 200
Washington, D.C. 20001
Telephone: (202) 343-3200 FAX: (202) 566-5000
E-Mail: yolanda.smith@dc.gov

1.06 Offeror Questions and RFP Amendment

All Offeror questions must be submitted in writing via e-mail to DCRB's Procurement Specialist. All questions must include the name of the firm and the name of the submitter. Responses to all questions received by March 22, 2010, will be made in writing and distributed to all offerors participating in this RFP.

Questions will not be accepted via telephone. No oral communication provided by any DCRB staff member is binding on DCRB.

The Board may, at its discretion, conduct a pre-proposal conference with potential offerors to explain the requirements of the procurement.

Any interpretation, correction or change to this RFP will be made by an amendment issued by DCRB. Interpretations, corrections or changes to the RFP made in any other manner will not be binding.

No amendments will be issued by DCRB within 48 hours of the final submission date and time without a corresponding extension of the submission deadline.

1.07 Evaluation of Responses

Proposals must be as succinct as possible while providing an accurate picture of the firm's ability to meet the needs of DCRB in a thorough, accurate, responsive and cost-effective manner. DCRB will evaluate all proposals to determine which Offeror will best serve the interests of the participants and beneficiaries of the Funds.

The Board will evaluate price and other factors. Only proposals from Offerors that propose an enrolled actuary to lead the Contractor's team will be evaluated. The enrolled actuary must be in compliance with the qualification requirements of the Joint Board for the Enrollment of Actuaries (JBEA) and a member in good standing of the American Academy of Actuaries (AAA). The Operations Committee of the Board may review the finalist(s) recommended by the Board's staff. The Board will make the final selection of and authorize a contract award. The Board may require pre-source selection presentations by the finalist.

Award will be made to the entity offering best value to the participants and beneficiaries of the Funds, and not necessarily to the Offeror with the lowest price. The following presents the evaluation criteria that will be used by Board staff in determining the finalist

Proposals will be evaluated based on the following weighted percentages:

- Proposed Methodology/Technical Understanding – 35%
- Experience of Named Actuary and Proposed Contractor Team – 25%
- Price – 25%
- References/Past Performance – 15%

Those Offerors found to be in the competitive range may be invited to discuss a final contract with Chief Contracting Officer. Best and final offers may be requested by the Chief Contracting Officer. **Any award must be approved by the Board and, notwithstanding the preceding sentence, the Board reserves the right to award a contract based solely on the proposals.**

Board Lock-Out Rule

When the Board commences search procedures for the retention of an outside service provider (including but not limited to investment managers, attorneys, consultants, accountants, auditors, actuaries, etc.), in order to protect the integrity of the decision making process and to avoid any and all appearances of conflict, Board members, as well as senior staff, shall refrain from having any intentional, unauthorized contact with such service providers, other than for ordinary and necessary business purposes (e.g., administration of an existing contract), as a matter of public record, or unintended incidental interactions. This provision is in effect upon distribution to the Board of potential qualifying candidates for review until the Board awards the contract or the RFP is withdrawn. Offerors will be notified when the lock-out period commences. The lock-out restriction is in addition to other provisions in this RFP prohibiting contact between offerors and Board members or staff.

Offerors who initiate contact with Board Trustees or staff, other than as provided in this RFP, may be disqualified from this procurement.

II. PROPOSAL PREPARATION

2.01 General

To facilitate the evaluation of the proposals, it is essential that offerors follow the format and instructions contained herein. Failure to respond in this manner may render the proposal, at the sole discretion of the Board. The Board may interpret a failure to conform to the format and instructions as indicative of the Offeror's quality of service as unresponsive or otherwise unacceptable and may result in disqualification and the elimination of the Offeror from consideration.

DCRB will not be liable for any costs incurred by the respondents in preparing responses to this RFP or for negotiations or presentations associated with the procurement process.

Proposals must be received by the Board no later than 5:00 PM, EDT, on April 9, 2010. It is the sole responsibility of the offerors to ensure that their responses arrive in a timely manner. A proposal delivered to the Board after the date and time specified in this RFP shall not be considered.

All Proposals submitted become the property of DCRB and may be subject to public disclosure under the Freedom of Information Act. Offerors must expressly identify information contained in the proposals they consider to be proprietary and confidential.

Each Offeror **must** submit a Technical Proposal and a Price Proposal. These proposals must be bound **separately**. The Technical Proposal may not provide any price information, whether directly or indirectly.

The Proposals must conform to the specified format. DCRB may interpret a failure to conform to the specified format as indicative of the Offeror's quality of service. DCRB expressly rejects any responsibility to locate relevant information that is not contained in the specified part of the Proposal.

2.02 Method of Submission

Offerors must submit five (5) copies and one (1) original of both volumes of their Proposals. The following information must appear on the title page of each Proposal:

RFP Title:	DCRB Actuarial Services RFP- Technical Proposal/Price Proposal
Offer Date:	_____
Offeror Name:	_____
Contact Person:	_____
Email Address:	_____
Offeror Address:	_____
Offeror Telephone:	_____
Attention: Yolanda Smith	

2.03 Proposal Format

Cover Letter: The Proposal must include a cover letter signed by an individual legally authorized to bind the applicant to both its proposal and its price schedule. The letter is not intended to be a summary of the proposal. It must contain the following statements and information:

1. "It is acknowledged that the proposal may be released to the public as permitted by applicable law."
2. "Proposal and price schedule shall be valid and binding for one hundred and twenty (120) business days following the proposal due date.
3. Company name, address, e-mail address and telephone number of the firm submitting the proposal.
4. Name, title, address, e-mail address and telephone number of the person(s) to contact who are authorized to represent the firm and to whom correspondence should be directed.
5. Offeror's federal and state taxpayer identification numbers.
6. Declaration of whether Offeror is claiming District of Columbia LSDBE or Federal 8(a) status. Documentation must be included. Expired certificates shall not be considered.
7. "We have received the following Amendments on the dates below:" (If none, state "None".)
8. "We affirm that, to the best of our knowledge and belief, we have not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this award, and that we have not paid or agreed to pay any company or person, other than a bona fide employee working solely for us, any fee, commission, percentage, gift, or any other compensation contingent upon or resulting from this award."
9. "We have read, understand and will comply with all provisions of the RFP with no exceptions (or 'except for the areas noted below')." If there are areas where you have an exception, those areas should be noted by paragraph number and the exception written in a clear manner. If an exception is

taken, the following must be included in the exception: “We understand that taking an exception to the RFP may result in rejection of our proposal.”

10. Offeror’s proposal must be signed by a duly authorized representative of the Offeror, and evidence of such authorization must be included with the Proposal. The Offeror’s legal name and form of entity must be fully stated.
11. “The Offeror certifies it has not been suspended or debarred from doing business with any governmental entity for 10 years prior to the date of this proposal, and none of the Offeror’s employees who may perform services under an agreement resulting from this proposal have been so suspended or debarred or subject to discipline for professional misconduct for 10 years prior to the date of this proposal. The Offeror shall immediately notify the Chief Contracting Officer if these circumstances change at any point during the source selection process and, if the Offeror is awarded a contract, at any time during contract performance.”

2.04 Proposal Contents

All proposals shall be in 12-point Times New Roman typeface.

Proposal Instructions – Technical Proposal

The technical proposal is to be a concise statement of the capabilities of the Offeror to provide the services and of the Offeror’s understanding of the services.

The Technical Proposal must contain the following sections, which shall have (or explicitly refer) to all information necessary to evaluate that section of the Offeror’s proposal:

Offeror Information:

1. Name of Offeror.
2. Address, telephone number and e-mail address of the office from which the services will be performed.
3. Description of the qualification of the offeror to perform the actuarial services, including years of overall actuarial experience and public pension plan actuarial experience.
4. Identification of any existing contracts with the District of Columbia government, including any independent agency thereof including the name of the agency, the nature of the contract, and the title and telephone number of an agency contact person.
5. Ability of the Offeror to staff the contract in general and to replace proposed staff in the event of attrition during the term of the contract.
6. Proposed approach to and frequency of validating the actuarial experience and assumptions.
7. Any other brief statement relevant to the qualifications of the Offeror.
8. Proposed staff to include:

- a. Name and position of the individual to be assigned to work with the Board as the enrolled actuary.
- b. Evidence that the named enrolled actuary is in compliance with the qualification requirements of the Joint Board of Enrolled Actuary (JBEA) and is a member in good standing of the American Academy of Actuaries (AAA).
- c. Description of the length and nature of the named enrolled actuary's actuarial experience.
- d. Names and positions of other staff that the Offeror considers to be "key" to the contract.
- e. Summary of the relevant education of the individuals identified in this section.
- f. Statement of examinations of professional actuarial organizations, including JBEA and AAA, that have been passed by the individuals identified in this section.
- g. Memberships in professional actuarial organizations of the individuals identified in this section.
- h. Summary of the relevant experience of the individuals identified in this section with pension plans in general and with public pension plans in particular.
- i. A list of six pension plans, of which at least three shall be public pension plans, for which the named enrolled actuary has provided services similar to the basic services, and the involvement of the other named key staff in those engagements. For each pension plan, provide a brief description of the services provided and the name, title, and telephone number of a current contact who is familiar with those services.
- j. Any other brief statement relevant to the qualifications of the named enrolled actuary and named key staff.
- k. Resume of the named enrolled actuary and other named key staff or a reference to the relevant appendix (resumes of "illustrative" staff are not desired).

Technical Understanding and Approach:

1. A statement of the Offeror's understanding of the scope of work.
2. A statement of the technical approach to be used in performing the services required in the Scope of Work.
3. A statement of any caveats, problems, or hypotheses related to the Scope of work and approaches to resolving the caveat or problem or to validating a hypothesis.
4. A statement of the quality controls used to assure the accuracy of the services performed and the timely completion of the services.

Proposal Instructions – Price Proposal

The price proposal shall contain the fixed price amount for the base year and each of the option years for the contract line item numbers (CLINs) for annual valuations. Fixed price amounts will be inclusive of all labor, materials, transportation, lodging, overhead, background check expenses, taxes, and any other expenses regarding performances of the services specified in the Agreement. The amount will be presented separately for the Teachers Fund and for the Police & Fire Fund.

The price proposal shall contain the hourly rate by category of staff that would be charged for Additional Services that are agreed to be performed on a labor hour basis. Offerors must at a minimum designate a named enrolled actuary and the labor hour price for this individual for the base year and every option year. The Board reserves the right to negotiate a fixed price for additional services based on proposed prices or may authorize such additional services on a labor hour basis (with a not to exceed amount).

The Board is subject to the annual appropriation process of the District of Columbia government that culminates in an appropriation act passed by the U.S. Congress and signed by the President of the United States. The Board has a current appropriation for the fiscal year ending on September 30, 2010, which is estimated to be sufficient to fund the base year. Funding for option periods is subject to appropriation.

III. GENERAL TERMS AND CONDITIONS

3.01 Reservations of Rights

The Board reserves the right to cancel this RFP for any reason at any point prior to contract award and/or to reject any and all proposals.

The Board is not liable for any expense incurred in the preparation, delivery or presentation of Proposals in response to this RFP.

If, prior to execution of any contract, subsequent information or circumstances indicate that such contract is not in the best interest of participants and beneficiaries of the Funds, the right is reserved to reject the offer and either award the contract to another Offeror or reject all Offeror responses.

3.02 Confidentiality

The successful Offeror will be required to execute and submit confidentiality agreements before service contract award. *See* section 14 of Appendix A, DCRB's model contract.

3.03 Contractual Requirements

Offerors are each responsible for complying with all statutory provisions applicable to doing business in the District of Columbia and with DCRB; however, such compliance does not limit the Board to any rights or remedies available to the Board under law.

The terms, conditions, and specifications of the RFP, the successful Offeror's proposal, the completed and executed service agreement, and all RFP amendments (if any) will comprise the entire agreement between DCRB and the successful Offeror to the exclusion of any other promises or agreements between the parties.

All proposals, including prices, will remain in effect for a minimum of one hundred and twenty (120) business days after the proposal due date.

APPENDIX A
PROFESSIONAL SERVICE AGREEMENT
BETWEEN
THE DISTRICT OF COLUMBIA RETIREMENT BOARD
AND

AGREEMENT, made this day of _____, 2010, between the **DISTRICT OF COLUMBIA RETIREMENT BOARD** ("Board"), an independent agency of the government of the District of Columbia and _____, ("The Contractor"), an enrolled actuary with its principal place of business located in _____.

WITNESSETH

WHEREAS, under the District of Columbia Retirement Reform Act (Public Law 96-122; 93 Stat. 866, D.C. Official Code § 1-701 et seq.) as amended (the "Reform Act"), the Board has exclusive authority to manage and control the assets of the District of Columbia Police Officers and Firefighters' Retirement Fund, and the District of Columbia Teachers' Retirement Fund (collectively, the "Retirement Funds"), and

WHEREAS, the Council of the District of Columbia adopted a Replacement Plan, the "Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998" (D.C. Official Code §1-901.1 et seq.), effective September 18, 1998 ("Replacement Plan Act") for pension benefits earned on or after July 1, 1997, and

WHEREAS, the Board is required to engage the services of an enrolled actuary pursuant to D.C. Official Code §§ 1-907.02 to 1-907.04 to make determinations with respect to the separate funds comprising the Retirement Funds, and

WHEREAS, the Contractor is willing to provide services to the Board on the terms and conditions set forth hereunder, and has represented to the Board that it possesses the requisite degree of competence and expertise essential to providing such services.

NOW THEREFORE, in consideration of the covenants and promises herein recited, the parties agree as follows:

1. SCHEDULE

PRICE*

CLIN 0001** Annual Valuation for Fiscal Year 2010
CLIN 0001AA Valuation for Police and Fire Fighters' Fund
CLIN 0001BB Valuation for Teachers' Fund

CLIN 0002***	Additional Services (Option)	
	Labor Category 1 --Named Enrolled Actuary	_____
	Labor Category 2 --_____	_____
	Labor Category 3 --_____	_____
	Labor Category 4 --_____	_____
CLIN 0003**	Annual Valuation for Fiscal Year 2011 (Option)	
CLIN 0003AA	Valuation for Police and Fire Fighters' Fund	_____
CLIN 0003BB	Valuation for Teachers' Fund	_____
CLIN 0004***	Additional Services (Option)	
	Labor Category 1 --Named Enrolled Actuary	_____
	Labor Category 2 --_____	_____
	Labor Category 3 --_____	_____
	Labor Category 4 --_____	_____
CLIN 0005**	Annual Valuation for Fiscal Year 2012 (Option)	
CLIN 0005AA	Valuation for Police and Fire Fighters' Fund	_____
CLIN 0005BB	Valuation for Teachers' Fund	_____
CLIN 0006***	Additional Services (Option)	
	Labor Category 1 --Named Enrolled Actuary	_____
	Labor Category 2 --_____	_____
	Labor Category 3 --_____	_____
	Labor Category 4 --_____	_____
CLIN 0007**	Annual Valuation for Fiscal Year 2013 (Option)	
CLIN 0007AA	Valuation for Police and Fire Fighters' Fund	_____
CLIN 0007BB	Valuation for Teachers' Fund	_____
CLIN 0008***	Additional Services (Option)	
	Labor Category 1 --Named Enrolled Actuary	_____
	Labor Category 2 --_____	_____
	Labor Category 3 --_____	_____
	Labor Category 4 --_____	_____
CLIN 0009**	Annual Valuation for Fiscal Year 2014 (Option)	
CLIN 0009AA	Valuation for Police and Fire Fighters' Fund	_____
CLIN 0009BB	Valuation for Teachers' Fund	_____

CLIN 0010*** Additional Services (Option)

Labor Category 1 --Named Enrolled Actuary	_____
Labor Category 2 --_____	_____
Labor Category 3 --_____	_____
Labor Category 4 --_____	_____

CLIN 0011** Experience Study for FY 2007-2011 (Option) _____

- * The contractor shall not be reimbursed for travel or other expenses.
- ** Both sub-CLINs to be proposed on a firm fixed price basis.
- *** CLIN to be proposed on a labor hour basis. Offeror must describe one or more labor categories for performing the work and the hourly, fully-loaded rate for each category. NTE amount will be provided when the option is exercised.

2. SCOPE OF WORK

2.1 The specific services to be performed by the enrolled actuary are as follows:

A. Basic Services

(a) The enrolled actuary will perform all of the services, make all of the calculations, and provide all of the reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections 1-907.02(a) and (c), 1-907.03(a), and 1-907.04 (copies attached as Appendix B). The data on active plan members will be obtained primarily from agencies of the District government. The actuary will determine the reasonableness of the data, and will request the provider of data to resolve any concerns. Any significant concerns with the data quality will be communicated to the Board and included in the enrolled actuary's reports, as appropriate. The determinations required in D.C. Official Code § 1-907.03(a)(1) shall be made annually. *See id.* § 1-907.03(a)(2)(B).

The enrolled actuary shall provide technical advice to the Board and its staff regarding the actuarial tasks required by the above-named statutes and the contract. The enrolled actuary will be available to assist the Board and its staff through telephone conferences, email exchanges, face-to-face meetings, and similar modes of communications.

In addition to working with Board staff, the enrolled actuary will make presentations to the Board and its Operations Committee. The actuary may be required to deliver testimony before the Council of the District of Columbia and its committees as well as to other groups within the District government or to the Congress of the United States or other federal agencies. The enrolled actuary will also be requested by the Board to provide information about the methodologies and assumptions used in preparing its work on the statutory determinations during a "peer review."

The Contractor will determine the reasonableness of the data, and will request the provider of data to resolve any concerns. Any significant concerns with the data quality will be communicated to the Board and included in reports, as appropriate.

The actuary shall make determinations required to be made for the year ended the past September 30 under Governmental Accounting Standards Board Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers.

(b) The enrolled actuary shall conduct an experience study of the Funds which shall examine actuarial methods, assumptions made in the valuations or other actuarial analyses related to the value of pension assets, actuarial liabilities including economic and demographic factors such as: rates of return, employee and employer contribution rates, expected compensation, early retirement, workforce size, mortality rates and terms of service. The actuary will prepare a report of the experience study. The report must also include:

- (1) A summary of relevant demographic and economic assumption experience observed over the period of the study.
- (2) Recommendations for any changes in actuarial assumptions to be used in subsequent actuarial valuations. The recommendations must be made in accordance with the actuarial standards of practice promulgated by the Actuarial Standards Board.
- (3) A measurement of the financial impact of recommended changes on current actuarial assumptions.

The enrolled actuary may also be requested by the Board to provide information about the methodologies and assumptions used in preparing the experience study pursuant during a “peer review.”

B. Additional Services – (OPTION)

From time to time, the Board may request the enrolled actuary to perform additional actuarial services that are not covered under basic services. For example, the enrolled actuary may be requested by the Board to perform calculations or make presentations on or about the actuarial data not covered in the D.C. Code. Such service may be educational in nature for the benefit of the Board or provide professional advice to the Board so that it may make informed decisions.

2.2 Deliverables

(a) The enrolled actuary will provide the Board with 25 paper copies and one electronic copy of all reports and certifications under Basic Services. All reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections 1-907.02(a) and (c), 1-907.03(a), and 1-907.04 shall be delivered in final form to the Board no later than March 1 of the year following the prior fiscal year. The Contractor shall deliver drafts of such documents to the Board no later than February 15 of the year following the prior fiscal year.

(b) Within 30 calendar days after the effective date of the contract, the enrolled actuary will provide the Board with a written statement of all data and information needed to perform all of the basic services under the contract. The statement will include the date by which the data and information is to be delivered to the enrolled actuary to allow the services to meet the schedule specified in subsection 2.1.(a).

(c) The Board will specify the nature, date, and quantity of deliverables for the experience study or for additional services when an option for either is exercised.

(d) Within 30 calendar days after exercise of an option for the experience study or for Additional Services, the enrolled actuary will provide the Board with a written statement of all data and information needed to perform the work. The statement will include the date by which the data and information is to be delivered to the enrolled actuary to allow the services to be performed within the agreed upon schedule.

3. WARRANTIES AND REPRESENTATIONS

3.1 The Contractor warrants and represents that:

3.1.1 It is or employs an enrolled actuary who is in compliance with the qualification requirements of the Joint Board for the Enrollment of Actuaries (JBEA) and is a member in good standing of the American Academy of Actuaries (AAA), and possesses the professional knowledge and experience to provide the services to the Board as indicated in this Agreement.

3.1.2 It shall not to enter into an engagement to provide similar and/or pension consulting services with any other agency of the District of Columbia that involves the use of data and other information received from the Board without prior written approval of the Board.

3.1.3 It shall at all times maintain sufficient insurance to reimburse the Board and the participants and beneficiaries of the Funds it manages in full for any professional liability on its part. Evidence of such liability insurance coverage as described in this paragraph shall be provided to the Board upon request.

4. REPORTS AND RECORDS

4.1 Reports. The Board shall provide to the Contractor information relevant to its scope of services that is in the Board's possession as soon as it becomes available after the end of each fiscal year.

4.2 Sole Property. All reports and documents produced in the performance of this Agreement shall be the sole property of the Board. The Contractor shall make no distribution of work specifically produced for the Board under this Agreement to others without the express prior written consent of the Board. The Contractor agrees not to assert any rights at common law or in equity or establish any claim to statutory copyright or any other intellectual property right in such reports.

4.3 Consultation. During the term of this Agreement, the Contractor shall be available to the Board during regular business hours, including the Staff of the Board, with respect to all matters contemplated by this Agreement at no additional cost to the Board.

4.4 Records Retention. Books and records of services rendered to the Board shall be maintained by the Contractor for a period of not less than 6 years from the date of final payment under the Agreement and shall be made available for inspection upon reasonable request by the Board.

4.5 Delivery. All deliverables shall be F.O.B. origin.

4.6 Inspection and Acceptance. All deliverables are subject to inspection and acceptance by the Chief Contracting Officer and/or his designee. Final payment shall not be made until the Board accepts unconditionally all deliverables for a particular line item.

5. NOTICES AND ADMINISTRATION

5.1 The Executive Director of the District of Columbia Retirement Board is the Chief Contracting Officer (“CCO”) for this contract. The Contractor shall submit invoices in duplicate to the Chief Financial Officer.

5.2 All instructions, notices, demands or other communications to be given by either party to the other party under this Agreement shall be in writing, shall be given by first class, certified or registered mail, by a recognized courier service (*e.g.*, FedEx, UPS, DHL) that maintains written verification of actual delivery, by facsimile, with a copy thereof sent by first class mail, postage prepaid, or messenger. Such communication shall be sufficient and effective when received by the parties as follows:

5.2.1 To the Board:

Eric O. Stanchfield
Executive Director/Chief Contracting Officer
District of Columbia Retirement Board
900 7th Street, N.W. Second Floor
Washington, D.C. 20001
(202) 343-3200 (Voice)
(202) 566-5000 (Fax)

Copy to: Sheila Morgan-Johnson, Acting Chief Operations Officer

5.2.2 To the Contractor:

The point of contact with actual authority to obligate the Contractor is:

5.3 Names and addresses designated for receipt of notices may be changed at any time with appropriate notice in accordance with the foregoing.

6. TERM AND TERMINATION

6.1 The original term of this Agreement shall be for a period of one (1) year from the effective date, with four (4) consecutive one year options. The options are effective upon receipt of a written notice from the Chief Contracting Officer to the Contractor exercising a given option within thirty (30) days prior to the expiration of the current term.

6.2 This Agreement may be terminated by the Board in whole or in part for cause. If the Board proposes terminating the contract for cause, the Board will first give ten (10) days prior written notice to the Contractor stating the reason for termination, and providing the Contractor an opportunity to cure the issues leading to termination. The Contractor shall not be entitled to receive payment for work incurred prior to termination unless accepted by the Board.

6.3 This Agreement may be terminated in whole or in part by the Board for the convenience of the Board at any time by giving the Contractor written notice. In such event:

6.3.1 The Contractor will immediately cease performing the terminated work unless directed otherwise.

6.3.2 The Contractor shall be reimbursed for work performed prior to termination.

6.3.3 The Contractor shall not be compensated for anticipated future profit for the terminated work.

7. SUBCONTRACTING AND ASSIGNMENT

7.1 The Contractor shall not subcontract any of the services of to be performed under this Agreement without the prior written consent of the Chief Contracting Officer.

7.2 The Contractor shall not assign this Agreement without the prior written consent of the Chief Contracting Officer.

8. INDEMNIFICATION

The Contractor hereby agrees to hold harmless the Board, its members, officers, employees, agents, participants and beneficiaries, and representatives and the District of Columbia Government, and to indemnify and exonerate same against and in respect of any and all claims, demands, damages, actions, costs, charges, losses, liabilities, and deficiencies, including legal fees and expenses, resulting from, arising out of, or in any way related to: (a) any untrue warranty or representation or omission of the Contractor in this Agreement; or (b) the Contractor's willful misfeasance, bad faith, negligence, or reckless disregard of its obligations under the terms of this Agreement.

9. GOVERNING LAWS

This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, exclusive of its choice of law provisions.

10. SEVERABILITY

This Agreement is severable. If any provision or term hereof is determined, for any reason, to be illegal or otherwise unenforceable, such determination shall not affect the validity of the remaining provisions and terms hereof. The provision or term determined to be illegal or unenforceable shall be amended to conform to applicable law and the intent of the parties.

11. AMENDMENT

This Agreement, including the RFP and the Contractor's proposal, constitutes the entire agreement of the parties, and is intended to be a complete and exclusive statement of their agreement, and may not be modified or amended except by a writing mutually agreed to, and duly executed by each party. All previous communications between the parties whether written or oral, with reference to the subject matter of this Agreement, are hereby rescinded and superseded.

12. KEY PERSONNEL

12.1.1 The following employees of the Contractor are designated as key personnel

Name	Title
_____	Named Enrolled Actuary
_____	_____
_____	_____
_____	_____

12.1.2 Key personnel must perform services under this contract unless:

- a. They resign from or are terminated by the Contractor;
- b. They are reassigned by the Contractor after receiving written consent from the Chief Contracting Officer; or
- c. The Chief Contracting Officer requests in writing they be reassigned.

12.1.3 The Contractor shall have five (5) business days to provide a substitute acceptable to the Chief Contracting Officer for any key person who no longer is assigned to the contract.

13. SPECIAL PROVISIONS

- 13.1 The parties waive the right to trial by jury in any judicial action, proceeding or counterclaim arising from this Agreement that is not resolved by mutual agreement.
- 13.2 Any legal proceedings involving this Agreement shall be filed with a District of Columbia court with subject matter jurisdiction.
- 13.3 Neither party will, directly or indirectly, assign or transfer any claim arising out of this engagement.
- 13.4 The failure of either party to enforce any of the terms of this Agreement shall not be a waiver or relinquishment of any future requirements of this Agreement.
- 13.5 The section headers in this Agreement are for information only and shall not be used to construe the meaning of any particular clause.
- 13.6 The Contractor shall discharge its duties and responsibilities under this Agreement with the standard of care, skill, and diligence normally provided by an enrolled actuary in the performance of similar services under similar circumstances.
- 13.7 The rights and remedies described in this Agreement are cumulative and are in addition to any other remedies available to the Board in law or in equity, and the exercise of any one or more of such remedies shall not be construed as a waiver of any other right or remedy.
- 13.8 The Contractor shall assist the Board in asserting a claim of privilege in a legal proceeding or exemption under a request for documents pursuant to the District of Columbia Freedom of Information Act.
- 13.9 The Contractor shall perform such work as is necessary to correct errors, defects, and omissions in the services provided under this Agreement without undue delays and without cost to the Board.

- 13.10 The Chief Contracting Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of work it is performing without cost for such period of time as he may deem appropriate for the convenience of the Board.
- 13.11 All work shall be performed in accordance with the Board's conflict of interest guidelines, which are set forth at Appendix F, and the Contractor shall not retain the services of a former Board member or staff member to perform services that would conflict with the post-employment provisions of 18 U.S.C. § 207 and the conflict of interest provisions at D.C.M.R., Title 7, § 1548 (2006).
- 13.12 In the event the Board awards a successor agreement to another Contractor covering the same matters as those assigned to the Contractor, then the Contractor shall cooperate with the Board to effect an orderly transition to the successor Contractor.

14. CONFIDENTIALITY OF INFORMATION

14.1 Confidential information is any and all information which is proprietary, confidential, secret or otherwise not generally known to the public, including personal and identifying information concerning participants and beneficiaries in the Retirement Funds. Confidential information shall not include information which, as established by credible evidence: (a) is or becomes public knowledge without any action by, or involvement of, the party receiving the Confidential Information hereunder; (b) is independently developed by the receiving party without the use of the other party's confidential information; (c) is already known to the receiving party at the time of disclosure under this Agreement without restriction of confidentiality; (d) is disclosed to the receiving party by a third party who is entitled to disclose it without restriction of confidentiality; or (e) the disclosing party approves for disclosure without restrictions.

14.2 Each party, on behalf of itself and its employees and agents, agrees that it and its employees and agents: (a) shall not use any confidential information of the other party for any purpose other than to perform its obligations under this Agreement; and (b) shall keep and maintain all confidential information as strictly confidential and shall not directly or indirectly transfer or otherwise disclose any such confidential information to any third party other than those of its employees with a need to have access thereto. Each party shall cause those of its employees and agents receiving or having access to the confidential information of the other party to observe the terms of this section. Each party shall be responsible for any breach of this section by any of its employees or agents; provided, the Board's liability is limited to that expressly permitted by law and is subject to the availability of appropriations.

14.3 A party shall not be liable for the disclosure of any confidential information if the disclosure is: (a) required by law, regulation or legal process and uses reasonable efforts to obtain assurances that, if possible, confidential treatment will be accorded such confidential information; (b) permissible under the D.C. Freedom of Information Act, D.C. Official Code §§ 2-231 *et seq.*; or (c) inadvertent despite the exercise of the same degree of care as that party takes to preserve and safeguard its own confidential information, provided that upon discovery thereof that party takes all reasonable steps to

retrieve the inadvertently disclosed confidential information and that such inadvertent disclosure will not relieve that party from its continued adherence to the terms and conditions of section 14.2.

14.4 All Contractor staff members assigned to the project in any capacity shall sign statements of confidentiality before participating in the project. The Contractor must certify that criminal background checks have been conducted on all staff participating in the project within 30 days of the date of award, or within 30 days after an employee is assigned to participate in the project if he or she was not part of the original certified group.

15. INVOICES

15.1 The Contractor shall invoice the Board on a quarterly basis for all fixed price line items. Invoices shall be in equal amounts for each fiscal year unless changes are made to the contract affecting the fixed price.

15.2 The Contractor shall invoice the Board on a monthly basis for any labor hour line items.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date last written below.

For: **THE CONTRACTOR**

By: _____ Date: _____
Authorized Signatory

For: **DISTRICT OF COLUMBIA RETIREMENT BOARD**

By: _____ Date: _____
Executive Director

Appendix B
D.C. Code Sections 1-907.02, 1-907.03, and 1-907.04

§ 1-907.02. District of Columbia payment to the Funds.

- (a) Each fiscal year, the District shall insure that a sufficient amount is appropriated for each separate fund comprising the Funds, as the District of Columbia payment to the appropriate separate fund comprising the Funds, which shall be equal to, or greater than, the amount calculated as provided for in § 1-907.03, as determined by the enrolled actuary, engaged pursuant to § 1-907.03(a).
- (b) The amount appropriated as the District of Columbia payment shall be deposited in the appropriate separate fund comprising the Funds not more than 30 days after it is appropriated or 30 days after the beginning of the fiscal year for which it is appropriated, whichever is later.
- (c) At the end of each fiscal year, the District shall provide to the enrolled actuary the actual aggregate amount of earnable compensation ("covered payroll") paid to each participant group covered by the Retirement Program. The enrolled actuary shall determine whether the amount appropriated for the applicable fiscal year resulted in an overpayment or a shortfall based upon the actual covered payroll.
- (1) If a shortfall exists, the Mayor and the Council shall include within the ensuing budget cycle a line item that requests funding equal to the full amount of shortfall for the appropriate separate fund comprising the Funds.
- (2) If an overpayment exists, the Mayor and the Council shall include within the ensuing budget cycle a line item that requests a reduction in the amount appropriated as the District of Columbia payment to the Funds equal to the full amount of the overpayment.
- (3) Overpayments or shortfall reductions shall be made in addition to, and notwithstanding, any other payment required herein.
- (d) If at any time the balance of any separate fund comprising the Funds is not sufficient to meet all obligations against the Funds, the Funds shall have claims on the revenues of the District of Columbia to the extent necessary to meet the obligation.

CREDIT(S)

2001 Main Volume

(Sept. 18, 1998, D.C. Law 12-152, § 132, 45 DCR 4045.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 1-784.2.

Legislative History of Laws

For legislative history of D.C. Law 12-152, see Historical and Statutory Notes following § 1-901.01.

Miscellaneous Notes

§ 1-907.03. Calculation of District of Columbia payment to the Funds.

(a)(1) The Retirement Board shall engage an enrolled actuary who may be the enrolled actuary engaged pursuant to § 1-732(a)(4)(A), who shall, in accordance with generally accepted actuarial principles and practices, make the following determinations with respect to each separate fund comprising the Funds:

(A) When specified in paragraph (2) of this subsection, the actuary shall determine the level percentage of covered payroll, expressed as a percentage (hereinafter in this chapter referred to as the "normal contribution rate"), which shall be the percentage which if paid annually into the Funds from the date of the actuarial determination until the date of death, retirement, or other withdrawal from employment for all participants covered by the retirement program and added to (i) all future employee contributions to the Funds, (ii) the assets in the Funds, and (iii) projected future investment earnings of the Funds, are projected to be sufficient to pay for the future benefits payable from the Funds to that group. If deemed appropriate by the Retirement Board, separate normal contribution rates may be determined for different classifications of employees.

(B) When specified in paragraph (2) of this subsection, the enrolled actuary shall determine the current value of the assets in the Funds as of the actuarial determination date.

(C) The actuary shall also determine such additional information as the Retirement Board may require to make the determinations specified in paragraph (4) of this subsection and in subsection (b) of this section.

(2) Unless the actuary engaged by the Retirement Board pursuant to paragraph (1) of this subsection determines that a more frequent valuation is necessary to support the actuary's opinion, the actuary shall make the determinations described in paragraph (1)(A) and (B) of this subsection:

(A) Not later than 60 days after September 18, 1998; and

(B) Upon a request by the Retirement Board; or

(C) At least once every 2 years.

(3) On the basis of the most recent determinations made under paragraph (1) of this subsection, the enrolled actuary shall certify to the Retirement Board each year, at a time specified by the Retirement Board, the following information with respect to each separate fund comprising the Funds for the next fiscal year:

(A) The normal contribution rate;

(B) The present value of future benefits payable from the Funds for covered employees as of the valuation date;

(C) The current value of assets in the Funds as of the actuarial determination date; and

(D) The value of assets, as determined by the actuary, for use in development of the normal contribution rate.

(4) On the basis of the most recent certification submitted by the enrolled actuary under paragraph (3) of this subsection, the Retirement Board shall certify the normal contribution rate applicable for the next fiscal year for each separate fund comprising the Funds.

(b)(1) On the basis of the most recent determinations made under subsection (a)(4) of this section, the Retirement Board shall, not less than 30 days prior to the date on which the Mayor is required to submit the annual budget for the government of the District of Columbia to the Council, pursuant to § 1-204.42, certify to the Mayor and the Council the normal contribution rate for each separate fund comprising the Funds.

(2) The Mayor, in preparing each annual budget for the District of Columbia pursuant to § 1-204.42, and the Council, in adopting each annual budget in accordance with § 1-204.46 shall, for each separate fund comprising the Funds, include in the budget not less than the product of: (A) the normal contribution rate certified by the Retirement Board under paragraph (1) of this subsection; and (B) an estimate of the applicable payroll, as

determined by the Mayor, as the estimate of the District payment for the next fiscal year. The Mayor and the Council may comment and make recommendations concerning any such amount certified by the Retirement Board.

(c) Prior to the enactment of any law producing any change in benefits under the Retirement Program, the Mayor shall engage, and pay for, an enrolled actuary, who may be the enrolled actuary engaged pursuant to § 1-732(a)(4)(A), to estimate the effect of that change in benefits over the next 5 fiscal years on:

(1) the normal contribution rate; and

(2) the estimated level of District payments; provided that whenever any change in benefits under a retirement program is made to either, but not both, the Metropolitan Police Department or the Fire and Emergency Medical Services Department, the Mayor shall engage an enrolled actuary to perform the same study contemporaneously for the other employee group for which the change was not made.

(d) The Mayor shall transmit the estimates of the actuary to the Retirement Board, the Secretary of the Treasury, and the Council, and during a control year, as defined in § 47-393(4) to the District of Columbia Financial Responsibility and Management Assistance Authority. In no event may such change in benefits go into effect until the end of the 30-day period beginning on the date the transmittals required herein have been completed.

CREDIT(S)

2003 Electronic Update

(Sept. 18, 1998, D.C. Law 12-152, § 133, 45 DCR 4045; Oct. 1, 2002, D.C. Law 14-190, § 3742, 49 DCR 6968.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications
1981 Ed., § 1-784.3.

Effect of Amendments

D.C. Law 14-190 rewrote subsec. (c)(2) which had read as follows:

"(2) the estimated level of District payments."

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 3642 of Fiscal Year 2003 Budget Support Emergency Act of 2002 (D.C. Act 14-453, July 23, 2002, 49 DCR 8026).

Legislative History of Laws

For legislative history of D.C. Law 12-152, see Historical and Statutory Notes following § 1-901.01.

For Law 14-190, see notes following § 1-301.131.

Miscellaneous Notes

Application of Law 12-152: See Historical and Statutory Notes following § 1-901.01.

Short title of subtitle D of title XXXVII of Law 14-190: Section 3741 of D.C. Law 14-190 provided that subtitle D of title XXXVII of the act may be cited as the Retirement Reform Replacement Actuarial Engagement Amendment Act of 2002.

Application of Law 12-152: See Historical and Statutory Notes following § 1-901.01.

§ 1-907.04. Actuarial statement and opinion.

(a) As a part of the actuarial report presented to the Retirement Board, the actuary shall prepare an actuarial statement. The statement shall contain:

- (1) The dates of the fiscal year and the most recent actuarial valuation;
 - (2) The total amount of the contributions made by participants and the total amount of all other contributions, including the District payment, received for the fiscal year and for each preceding fiscal year for which the information was not previously reported;
 - (3) The number of participants, whether or not retired, and beneficiaries receiving benefits covered as of the last day of the fiscal year;
 - (4) The following information as of the date of the most recent actuarial valuation and, if available and sufficiently comparable so as not to be misleading, for at least the 2 preceding actuarial valuations:
 - (A) The aggregate annual compensation of participants;
 - (B) The actuarial value of assets of each separate fund comprising the Funds;
 - (C) The actuarial accrued liability, if applicable;
 - (D) The difference between the actuarial value of assets of the system and actuarial accrued liability, if applicable;
 - (E) The actuarial value of assets of the system expressed as a percentage of actuarial accrued liability, if applicable;
 - (F) The difference between the actuarial liability expressed as a percentage of the aggregate annual
-

compensation of participants, if applicable; and

(G) The actuarial assumptions and methods used in determining the information described in this paragraph and other factors that significantly affect the information described in this paragraph; and

(5) Other information necessary to disclose fully and fairly the actuarial condition of the retirement plans.

(b)(1) The actuarial report shall also contain an opinion of the enrolled actuary on the actuarial statement attesting that:

(A) To the best of the actuary's knowledge the statement is complete and accurate;

(B) Each assumption and method used in preparing the statement is reasonable, and the assumptions and methods in the aggregate are reasonable, taking into account the experience of the retirement system; and

(C) The assumptions and methods in combination offer the actuary's best estimate of anticipated experience.

(2) In formulating an opinion, the actuary may rely on the correctness of any accounting matter as to which any qualified public accountant has expressed an opinion, if the actuary so indicates.

(c) The actuarial statement and opinion required herein shall be included as part of the annual report required pursuant to § 1-909.02.

CREDIT(S)

2001 Main Volume

(Sept. 18, 1998, D.C. Law 12-152, § 134, 45 DCR 4045.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 1-784.4.

Legislative History of Laws

For legislative history of D.C. Law 12-152, see Historical and Statutory Notes following § 1-901.01.

Miscellaneous Notes

Application of Law 12-152: See Historical and Statutory Notes following § 1-901.01.

APPENDIX F

DISTRICT OF COLUMBIA RETIREMENT BOARD CONFLICT OF INTEREST GUIDELINES

(Adopted September 11, 1987; Revised October, 2001)

WHEREAS, a continuing problem of government is the maintenance among its public servants of high moral standards and ethical standards; and

WHEREAS, it is not only corruption, but the appearance of any impropriety which must be avoided and can not be allowed; and

WHEREAS, the people of the District of Columbia are entitled to expect their public servants to perform their duties with integrity and good judgment.

WHEREAS, the maintenance of unusually high standards of honesty, integrity, impartiality, and conduct is essential to assure the proper performance of the government business and the maintenance of confidence by citizens in their government; and

WHEREAS, as fiduciaries of a retirement fund of the District of Columbia, Board members (the "Board") must be and are bound to even higher standards of conduct; and

WHEREAS, the Board is statutorily required to discharge their duties with respect to the District of Columbia Police and Fire fighters' and Teachers' retirement funds (the "Fund") solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to the participants and their beneficiaries; and

WHEREAS, specific guidelines will assist the Board in maintaining the appropriate standards of conduct; and

WHEREAS, the Board is an independent agency of the District Government and is not within the purview of the District of Columbia Campaign Finance Reform and Conflict of Interest Act, as amended. (D.C. Code §1-1101.01 et seq. (2001 Ed.); and

WHEREAS, the Board approved the language contained in these guidelines at its September 11, 1987 meeting by majority vote.

Now Therefore, be it resolved that the Board hereby adopts the following internal Conflict of Interest Guidelines pursuant to §121(e) of the District of Columbia Retirement Reform Act of 1979 (the "Act"):

1. Applicability

1.1 These guidelines shall apply to all Board members. In the case of members selected pursuant §121(b)(1)(A), (C) and (E), these guidelines shall apply in addition to any other Federal or District statute which may be applicable because of their status as District employees.

Wherever these guidelines conflict with any other applicable Federal or District statute, the statute shall control.

1.2 These guidelines shall apply to staff when acting in a fiduciary capacity; provided, however that the Board must have designated the staff member as a fiduciary in writing, and to other staff members as may be provided for herein.

2. Responsibility of Board members

2.1. Members of the Board shall avoid action, whether or not specifically prohibited by these guidelines or any applicable Federal or District statute, which might result in or create the appearance of:

- 2.1.1 Using their position as Board members (or staff where designated) for private gain (financial or otherwise);
- 2.1.2 Giving preferential treatment to any individual, firm or organization, etc.;
- 2.1.3 Impeding government efficiency or economy;
- 2.1.4 Losing complete independence or impartiality;
- 2.1.5 Making a decision, regarding Board business or that might impact the Board, outside official channels;
- 2.1.6 Effecting adversely the confidence of the public in the integrity of the Board, or the District government;
- 2.1.7 Giving the impression that any person could improperly influence or unduly enjoy the favor of any Board member (or designated staff person) in the performance of the Board member's (or designated staff person's) official duties; or
- 2.1.8 Giving the impression that the Board member (or designated staff person) is affected by the kinship, rank, position or influence of any individual, firm or organization.

2.2. Members of the Board (and designated staff) shall act solely for the benefit of the participants and beneficiaries of the Fund and give their undivided loyalty to such participants and beneficiaries.

3. Financial Interest

- 3.1. No Board member shall accept assignment to serve on a committee of the Board, the jurisdiction of which, consists of matters (other than of a de minimis nature) in which he or she (or a member of his or her family, or a business with which he or she is associated) has a direct personal financial interest.
- 3.2. No Board member shall vote on a matter being considered by the Board, in which he or she (or a member of his or her family, or a business with which he or she is associated) has a direct personal interest.
- 3.3. No Board member (or designated staff person) or any member of his or her immediate family or substantial business associates may knowingly acquire any stocks, bonds, commodities, real estate, or other property, whether held individually or in consent with others, if the possession of such could unduly influence or give the appearance of unduly influencing the Board member (or designated staff person) in the performance of his or her official duties and responsibilities with the Board.
 - 3.3.1 **Exception** - This requirement does not apply to blind trusts over which the Board member (or designated staff person) has no power of revocation during his or her tenure on the Board or as staff.
- 3.4. A Board member who is called upon to act for or on behalf of the Board in a matter relating to or involving a non-governmental entity in which such member or a member of his or her immediate family has a financial interest, shall make that fact known in writing to the Chairman of the Board and the General Counsel. The Chairman upon advice of the General Counsel shall determine whether or not such person should disqualify himself or herself in any official decision or action involving the entity, or whether divestiture of such interest should be made.
- 3.5. Notwithstanding the restriction contained herein, a Board member shall not be deemed to be prevented from making, or participating in the making of, a Board decision to the extent that his or her participation is legally required for the action or decision to be made. Such circumstances may include waiving disqualification for the purposes of a quorum, but does not include such a waiver to break a tie vote. This rule of necessity does not apply to gifts which have been accepted when it was reasonably foreseeable at the time the gift was received that the Board or staff member involved would be asked to make or participate in a decision affecting the giver of the gift.
- 3.6. Any Board member who, in the discharge of his or her official duties, would be required to take an action or make a decision that would affect directly or indirectly his or her financial interests or those of a members of his or her household, or a business with which he or she is associated, or must take an official action on a matter as to which he or she has a conflict situation created by a personal family or client interest, shall:

- #### 4. Conflict of Interest

- #### 4.1.1. Exceptions

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- 4.1.1.6. The thing of value qualifies as (i) payment of reasonable air fare or accommodations to a seminar, outing or convention given by an educational or charitable institution, (ii) free tickets or passes customarily sent to city officials of a nature which would be expected to be reciprocated at the Board member's own expense; provided that the principal purpose of the meeting must be to discuss financial matters for the benefit of the Funds' participants and beneficiaries and such occasion is of a nature normally provided to other institutional investors; and further provided that only in-kind gifts for actual expenditures for travel and reasonable subsistence may be given to the Board.
- 4.2. No Board member shall use his or her position on the Board to obtain financial gain for himself or herself, any member of his or her household, or any business with which he or she or a member of his or her household is associated, other than that compensation provided by law for said Board member.
- 4.2.1. Exception This restriction shall not affect a vote by a Board member on any matter which affects a class of persons (such a class shall include no less than 50 persons) of which such Board member is a member if the financial gain to be realized is de minimis.
- 4.3. No Board member shall solicit or receive any money, in addition to that lawfully received by the Board member in his or her official capacity, for advice or assistance given in the course of the Board member's tenure as trustee or relating to his or her position as trustee.
- 4.4. No Board member shall use or disclose confidential information given in the course of, or by reason of, his or her official position or activities, in any way that could result in financial gain for himself or herself or for any other person.
- 4.5. If there is a conflict or potential conflict of interest, removal from influence over actions or decisions is accomplished when the Board member refrains from taking any action or making any decision that would affect or appear to affect, directly or indirectly the conflict.
- 4.6. A Board member shall remove himself or herself from influence over actions and decisions, on the matter in which there is a conflict or potential conflict, whenever the Board member has reasonable knowledge of any direct or indirect financial interest or gain which is incompatible with the discharge of the Board member's duties, or upon written notice from the Chairman that an investigation has been initiated.
- 4.7. A Board member, other than as provided by law for the proper discharge of official Board duties, shall not directly or indirectly ask, demand, exact, solicit, seek, accept, receive or agree to receive anything of value for himself or herself for or because of any

official act performed or to be performed by him or her, or represent any person on entity before the Board.

- 4.8. A Board member shall not receive, demand, exact, solicit, or accept, or entice into any agreement, express or implied, for compensation, anything of value for himself or herself or any other person or entity, or services to be rendered in return for:
 - 4.8.1. Being influenced in his or her performance of any official act;
 - 4.8.2. Being influenced to commit or aid in committing, or collude in, or allow, or make opportunity for the commission of, any fraud on the Board or the District of Columbia; or
 - 4.8.3. Being induced to or omit to do any act in violation of his or her official duty.
- 4.9. Lock-Out Rule. This rule is intended to protect the integrity of the Board's search and selection procedures for the retention of outside service providers (including, without limitation, investment managers, investment consultants, legal counsel, accountants, auditors, and actuaries). The lock-out rule requires Board members and senior staff to refrain from intentional, unauthorized contact with such service providers during the search and selection period to avoid the appearance of a conflict in the decision making process. Authorized contact includes communication for: (a) ordinary and necessary business purposes and, (b) matters of public record. Notwithstanding any other provision set forth in these guidelines, the lock-out rule shall be in effect for Board members and senior staff upon the commencement of search procedures as follows:
 - 4.9.1. For purposes of a "core" investment manager search, the lock-out rule shall commence at such time as a list of potential qualifying candidates (based upon search criteria) has been distributed to the Board members and staff for review.
 - 4.9.2. For purposes of an internal (no official involvement by consultant) investment manager search, the lock-out rule shall commence at such time as the universe of potential qualifying candidates (based upon the search criteria) has been identified and distributed to the Board and staff for review.
 - 4.9.3. For purposes of a search for other service providers, the lock-out rule shall commence upon distribution to the Board of potential qualifying candidates for review.
 - 4.9.4. Upon commencement of a search, potential qualifying candidates shall be notified in writing of the lock-out rule.

5. Indebtedness

- 5.1 Board members (and designated staff persons) shall pay each just financial obligation in a proper and timely manner.

6. Travel

- 6.1. Notwithstanding the restrictions set forth in these guidelines, a Board member (or designated staff person may participate in a program, the principal objective of which is educational, involving travel paid by the sponsors if such participation is in the best interest and for the sole benefit of the beneficiaries and participants of the Fund and if the Board has determined by majority vote that such participation is in the best interest and for the sole benefit of the beneficiaries and participants of the Fund.

- 6.1.1 Exception Where the program is provided for in an existing contract between the Board and the sponsor of the program.

- 6.2. Any Board member who receives an invitation to participate in any program shall immediately notify the Chairman of the Board. The Board member shall provide the nature and itinerary of the program and a written explanation of how the best interests of the beneficiaries and participants will be served. If participation is approved, subsequent to the program, the Board member(s) who participate shall make a presentation to the Board, at the next regularly scheduled meeting, regarding the program. If a Board meeting is not scheduled prior to the date on which acceptance of the invitation must be made, the Chairman may approve attendance.

7. Outside Employment and Other Outside Activity

- 7.1. Board members may not engage in any outside employment or other activity which is not compatible with the full and proper discharge of their duties and responsibilities with the Board. Activities or actions which are not compatible with Board duties include, but are not limited to, the following:
- 7.1.1. Engaging in any outside employment, private business activity, or other interest which may interfere with the Board member's ability to perform his or her job, or which may impair the efficient operation of the Board;
- 7.1.2. Using Board time or resources for other than official business, or approved or sponsored activities, except that a Board member may spend a reasonable amount of time and resources on such projects, reports, and studies as may be considered in aid of other government pension systems or employee benefit organizations; provided that the work so performed is within the scope of the Board member's regular assignments and duties;

- 7.1.3. Ordering, directing, or requesting other Board members or employees to perform during regular working hours any personal services not related to official Board functions and activities;
 - 7.1.4. Engaging in any outside employment, private business activity, or interest which permits a Board member or others, to capitalize on his or her official title or position;
 - 7.1.5. Divulging any official governmental information, whether labeled confidential or not, to any unauthorized person or in advance of the time prescribed for its authorized issuance, or otherwise making use of, or permitting other to make use of, information not available to the general public;
 - 7.1.6. Engaging in any outside employment, private business activity, or other interest which might impair the Board member's mental or physical capacity to such an extent that he or she can no longer carry out his or her duties and responsibilities as a trustee in a proper and efficient manner;
 - 7.1.7. Serving in a representative capacity or as an agent or attorney for any outside entity involving any matter before the Board; or
 - 7.1.8. Engaging in any outside employment, private business activity, or other interest which is in violation of Federal or District law.
- 7.2. A member of the Board may not do indirectly what he or she may not do directly under the foregoing restrictions.
- 7.3. Except as otherwise provided herein, a Board member may engage in: teaching activities; writing for publication; consultative activities; and speaking engagements that are not prohibited by law, regulation, or Board standards, only if such activities are conducted during Board non-compensated hours.
- 7.4. The information used by a Board member engaging in an activity under paragraph C of this section shall not draw on official data or ideas which have not become part of the body of public information, except under circumstances where the Chairman of the Board or Executive Director has given written authorization for such use on the basis that its use is in the public's interest.
- 7.5. If a Board member receives compensation or anything of monetary value for engaging in an activity under paragraph C of this section, the subject matter shall not be devoted substantially to the responsibilities, programs, or operations of the Board, to his or her official duties or responsibilities, or to information obtained as a result from his or her position as a trustee.

8. Disclosure of Information

- 8.1. Board members shall file the disclosure statement required pursuant to §161, of the Retirement Reform Act, as amended.
- 8.2. In the event a Board member is unable to file the required personal financial disclosure statement by the April 30th deadline, such Board member shall make a written request to the Board for extension of the time to file. The written request shall contain an explanation of the circumstances surrounding the need for an extension and an estimated date of filing; provided however that no extension may be greater than 6 months for the April 30th deadline.
- 8.3. If, after the filing of the annual personal disclosure statement, but before the due date of the next filing, a Board member acquires a loan, purchases stocks, bonds, subscriptions rights, warrants, options, or acquires any other form of financial interest or liability from a service provider, such information shall be immediately disclosed, in writing, the Chairman of the Board.
- 8.4. All staff members shall also be required to annually disclose, in writing, all loans, stocks, bonds, options, or any other financial interest or liability that has been acquired from a service provider or fiduciary of the Fund. Staff shall make such disclosure to the Executive Director and the Chairman of the Board, and the Executive Director shall make such disclosure to the Board.

9. Definitions

- 9.1. For purposes of these guidelines the term "gift" means a payment, subscription, advance, forbearance, rendering or deposit of money, service, or anything of value, including food, lodging, transportation, entertainment, and reimbursement for other than necessary expenses, but does not include:
 - 9.1.1. A political contribution otherwise reported as required by law;
 - 9.1.2. A loan made in a commercially reasonable manner (including requirement that the loan be repaid, at a reasonable rate of interest);
 - 9.1.3. A bequest, inheritance, or other transfer at death;
 - 9.1.4. A bona fide award in recognition of public service and available to the general public;
 - 9.1.5. A reception at which a public official, Board member or employee is to be honored; or

- 9.1.6. Meals, beverages, or entertainment consumed or enjoyed; provided that the meals, beverages, or entertainment are not consumed or enjoyed in connection with a gift or overnight lodging.
- 9.2. For purposes of these guidelines, the term “de minimis” shall be financial gain no greater than one thousand dollars (1,000) per year from any one service.
- 9.3. For purposes of these guidelines, a “substantial business associate” means a co-officer or manager in a business entity, a business partner, or a member of a trust, over which the Board is trustee, or of a business in which a Board member owns a 10% interest. Fifty percent (50%) ownership shall be a “material financial interest”.
- 9.4. For purposes of these guidelines, a “just financial obligation” means one acknowledged by the Board member (or staff person), or reduced to judgment by a court, or one imposed by law; and “in a proper and timely manner” means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Board or the District of Columbia Government. In the event of a dispute, these guidelines do not require an agency to determine the validity or amount of the disputed debt.