

Proposal Evaluation Form

Actuarial Services

FY 05 - 07

Responding Firm Name: EFI

Reviewed By: All

Proposal Evaluation Summary:	Max Points Allowed	Points Awarded
I. Firms understanding of contract responsibilities	10	8
II. Approach & Work Plan	20	17
III. Firm's Qualifications	25	21
IV. Assigned Actuary's Qualifications	30	26
V. Cost	15	5
TOTAL	100	77
VI. Add 6% if a targeted vendor		
GRAND TOTAL		

Comments/Questions:

[illegible]

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I. FIRM / ACTUARY EXPRESSED UNDERSTANDING OF CONTRACT RESPONSIBILITIES

Max Points Allowed
<hr/>
10

Points
Awarded

CONSIDERATIONS:

How well does the proposal respond to the specifications of the RFP?

Is respondent's restatement of engagement scope & objectives consistent with RFP?

Are responsibilities and deliverables clearly stated?

If the responder's understanding of responsibilities differs from RFP, are those differences highlighted and rationale given?

TOTAL POINTS

10

8

Comments / Concerns / Questions:

Though probably done as a "place holder", the EFI proposal refers to "Public Employees Retirement Association of Minnesota" as the client rather than all 7 public funds.
EFI seems to understand the LCPR structure.

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II. APPROACH & WORK PLAN

Max Points <u>Allowed</u>	Points <u>Awarded</u>
20	

CONSIDERATIONS:

Is the work plan realistic? Are timetables and tasks attainable, both the first year and subsequent years?

Can the respondent accommodate extemporaneous requests by the funds or LCPR?

Has the responder proposed an adequate number of personnel with appropriate skills to effectively provide expected contract deliverables?

If applicable, how well do proposed additional tasks or activities improve services?

Can the firm accommodate earlier deadlines?

TOTAL POINTS

<u>20</u>	<u>17</u>
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Comments / Concerns / Questions:

Timeline is not provided. EFI does state, however, that they believe they can meet all
of the deadlines in the RFP. They have mapped out the estimated hours needed to
complete each valuation, and those hours seem reasonable if most of our data is clean.
Since there are a limited number of actuaries available, it is unclear if EFI would be able
to accommodate earlier deadlines in the future.

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**IV. ACTUARIAL FIRM
QUALIFICATIONS**

Max
Points
Allowed
25

Points
Awarded

CONSIDERATIONS:

Are key personnel able to begin work 7/1/05?

Is firm stable? Good reputation? Experience working with large public pension plans?

Does the firm have a suitable organization structure to ensure completion of contract obligations if key personnel leave?

Is the firms' location suitable to promote timely exchange of information and service delivery?

Is the technological infrastructure adequate?

TOTAL POINTS

25

20

Comments / Concerns / Questions:

EFI has been in existence since 1990. Edward Friend & Company was created in 1961. Works with 90 public retirement systems, but only 2 listed are at the state level (CalPERS and Massachusetts Teachers) and they no longer work with Mass. Teachers. Most plans are smaller cities.

Small number of employees, so teamed up with Cheiron, another small firm. Since Ed Friend is essentially EFI, if something happened to Mr. Friend, EFI might no longer exist. Cheiron is less than 2 years old, formed by former Milliman employees.

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**III. ASSIGNED ACTUARY'S
QUALIFICATIONS**

Max
Points
Allowed
30

Points
Awarded

CONSIDERATIONS:

Do the assigned actuaries have public plan experience? What's their reputation?

Do key staff assigned to this engagement have necessary skills and experience?

Do key staff appear to be "overbooked"?

Are there adequate backups in place?

Will the key staff be accessible for meetings?

Does the firm have necessary resources/expertise to provide advice & research to the funds regarding changes in the industry, and changes/developments in federal legislation? Does the firm play an active role in this arena?

TOTAL POINTS

30

25

Comments / Concerns / Questions:

Lead EFI actuaries have lots of actuarial experience.

Ed Friend has experience working with legislative commissions.

Lead Cheiron actuaries have lots of experience working with state plans while they were with Milliman.

Backups may be a problem since both firms have a small staff.

V. COST

Points
Awarded

Are there any "hidden costs" that could escalate?
Does the proposal include all costs, including set-up fees, database maintenance, etc?

15

5

Costs are nearly double the costs of Segal and Milliman for the 3 year period.
EFI is the most expensive of the 4 firms being evaluated.