

**Proposal Evaluation Form  
Actuarial Services  
FY 05 - 07**

**Responding Firm Name:** Mellon

**Reviewed By:** All

<b>Proposal Evaluation Summary:</b>	<b><u>Max Points Allowed</u></b>	<b><u>Points Awarded</u></b>
I. Firms understanding of contract responsibilities	10	<u>9</u>
II. Approach & Work Plan	20	<u>19</u>
III. Firm's Qualifications	25	<u>23</u>
IV. Assigned Actuary's Qualifications	30	<u>26</u>
V. Cost	<u>15</u>	<u>5</u>
<b>TOTAL</b>	<b><u>100</u></b>	<b><u>82</u></b>
VI. Add 6% if a targeted vendor		
<b>GRAND TOTAL</b>		<b><u>81</u></b>

**Comments/Questions:**

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**I. FIRM / ACTUARY EXPRESSED  
UNDERSTANDING OF CONTRACT  
RESPONSIBILITIES**

Max  
Points  
Allowed  
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	9
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Comments / Concerns / Questions:

Mellon already works with TRA, so understands the structure in Minnesota.

Mellon seems to have a good understanding of the various tasks and the speed in which  
tasks need to be completed, especially this first year. They assigned a coordinator to  
each of the 7 funds.

Very little mention of the LCPR, so unsure if Mellon understands how much work might  
be done with the LCPR.

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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>19</u>
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Comments / Concerns / Questions:

Mellon assigned coordinators for each of the 7 funds, enabling them to complete tasks on time, especially in this first year. They realize how tight the timeframe is and how much work there is to do.

Mellon will do a comparison study (parallel run) with 2003 data to compare results with Milliman's results.

Using different lead actuaries as coordinators, Mellon could probably handle earlier deadlines.

More of the work will eventually transition to Minneapolis, though that staff does not have a lot of experience. Michael Mills has 10 years of total actuarial experience.

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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

23

Comments / Concerns / Questions:

Mellon is a large company with a lot of actuarial experience. Their Human Resources and Investor Solutions sector employs more than 5,000 people. Mellon has over 5,000 clients world wide.

Mellon has worked with several large public pension plans...some for 85 years.

Lead consulting actuaries are located all over the U.S., which might make it difficult to communicate with each other.

Technological infrastructure seems to be solid.

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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

26

Comments / Concerns / Questions:

Lead actuaries are well qualified, but are being drawn from several cities (New York, San Francisco, Denver and Atlanta).

Tom Cavanaugh, Mike Moehle and Flick Forna are all FSAs. Dave Slishinsky, assigned to PERA and DTRFA, has 29 years of actuarial experience. Ed Macdonald, assigned to MTRFA and MERF, has 18 years of actuarial experience.

Michael Mills, the Minneapolis director, only has 10 years of actuarial experience and will be key in pulling together the information from the 4 consulting actuaries.

## 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?

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5

Costs are nearly double the costs of Segal and Milliman for the 3 year period.

[illegible]