



Request for Proposal

Actuarial Consulting Services

ID: RFP 50-24-01

Issued June 10, 2024

**Responses due via email
by 4:30 p.m. CT on July 26, 2024**

Please include RFP ID on all correspondence

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I. Introduction

The State Universities Retirement System (SURS or the System) is requesting proposals from qualified actuarial consulting firms to provide a range of actuarial services and actuarial advice to the System's board of trustees and staff. This search was authorized by the board of trustees and seeks to identify potential full-service actuarial services. The consultant(s) will report to the board of trustees and will also be required to work with and provide assistance to SURS staff. It is anticipated that SURS will enter into a five (5) year contract with the consultant.

All forms/required documents needed to submit a request for proposal (RFP) are available on the SURS website at www.surs.org.

A responder's preparation and submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the System to award a contract or to pay any associated costs. All proposals and related materials will be retained by the System and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act.

II. Description of SURS

SURS is the administrator of a cost-sharing, multiple-employer, public employee retirement system that provides retirement, survivor, disability and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941, by an act of the Illinois General Assembly, and is governed by the Illinois Pension Code (40 ILCS 5/15-101 et seq.). SURS provides benefit services to over 250,000 members who work for 61 employers. SURS is responsible for investing assets in a diversified portfolio of U.S. and foreign stocks, bonds, real estate and alternative investments. SURS maintains a defined benefit plan, which on June 30, 2023, had assets valued at approximately \$23.2 billion. SURS also administers two defined contribution plans, the Retirement Savings Plan, which on June 30, 2023, had assets of approximately \$3.7 billion and the Deferred Compensation Plan, which had assets of approximately \$28.5 million. Northern Trust serves as SURS' master trustee custodian.

An elected and appointed, eleven-person, board of trustees, governs SURS. Five members of the board are appointed by the governor of the state of Illinois (one of whom is the chairperson of the Illinois Board of Higher Education). The remaining six members of the board are elected by participating members (four individuals) and annuitants (two individuals). The governor designates the chairperson of SURS from among the eleven trustees. Trustees serve six-year terms. SURS is funded by participant payroll deductions and annual employer contributions, the majority of which are provided directly from the

state of Illinois. By statute, SURS is defined as a “body politic and corporate” created by Article 15 of the Illinois Pension Code.

SURS currently employs approximately 162 staff, located in offices in Champaign and Naperville, Illinois. Two SURS employees are in the Naperville office. The remaining SURS employees are currently situated in two Champaign offices at 1901 Fox Drive and 1801 Fox Drive.

A copy of SURS’ most recent annual comprehensive financial report (ACFR) is available for review, or to download, at www.surs.org.

The Illinois Governmental Ethics Act, 40 ILCS 420, provides guidelines for ethical practices concerning state and local pension plans. Responders should be familiar with the provisions of this Act.

Section 1-109.1(6) of the Illinois Pension Code (40 ILCS 5/1-109.1(6)) encourages Illinois public pension systems like SURS to utilize businesses owned by “minorities,” “women,” and “persons with disabilities” for all contracts and services, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (“BEMWPD,” 30 ILCS 575). Additionally, Section 1-109.1(10) of the Illinois Pension Code (40 ILCS 5/1-109.1(10)) sets an aspirational goal of not less than 20 percent of contracts awarded to such businesses for “information technology services,” “accounting services,” “insurance brokers,” “architectural and engineering services,” and “legal services” as defined by the BEMWPD. Accordingly, businesses that meet these definitions are strongly encouraged to submit responses to this RFP.

A section of the Illinois Procurement Code concerning prohibitions of political contributions for vendors, 30 ILCS 500/50-37, may or may not apply to SURS service providers. However, each service provider should be familiar with the provisions of this section and comply with this section if the service provider deems it appropriate.

SURS is subject to its own procurement statutes and rules. Responders should be familiar with those procurement requirements as well. The selected responder will be paid by SURS directly.

Additional legal requirements that responders should be familiar with are contained in the Addendum to Contract under Appendix D.

III. Services Required

The State Universities Retirement System is looking for a qualified actuarial consulting firm to perform specific services as detailed in Appendix G.

IV. Minimum Qualifications

- The responder’s key professionals and/or organization must not have material conflicts with SURS, SURS board, with any member of the SURS staff, with any party or vendor currently rendering services to SURS, and/or with any “immediate family members” affiliated with any of these groups.
- For SURS to determine whether any material conflicts exist, Responders must identify all current and prior affiliations of any kind that exist between the responder and any member of these identified groups in Appendix F. For purposes of this disclosure, “immediate family members” include the following: spouse, children, step-children, parents, step-parents, siblings, step-siblings, half-siblings, sons-in-law, daughters-in-law, grandparents and grandchildren as well as the parents and grandparents of the responder’s key professional’s spouse and any person living with the responder’s key professionals.
- A failure to disclose the above requested affiliations may result in a disqualification of the responder or in a termination of any contract awarded in response to this RFP.

Additional qualifications related to professional certifications, firm operating history, and institutional fund experience are stated in Appendix A.

V. Proposal Content

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed separately. All communications regarding this RFP must include the RFP ID shown on the title page.

Indexed Table of Contents

The proposal package must include an indexed table of contents to facilitate the review process.

Cover Letter

SURS holds trustees, employees, and vendors to the strongest standards of ethics, transparency, and accountability. Trustees, employees and vendors are prohibited from self-dealing and are required to provide services for the sole interest of SURS members with honesty and integrity at all times. The identification and disclosure of actual or perceived conflicts of interest is integral to ensuring that SURS administers the benefits promised to members in a financial and fiduciarily-prudent manner. Informational disclosures pertaining to perceived or actual conflicts of interest must be included as part of the cover letter required under this section.

A cover letter in the form of a standard business letter must be signed by an individual authorized to bind the responder contractually. This cover letter must indicate the signer is so authorized and must indicate the signer's title or position. An unsigned proposal will be rejected. The cover letter must also include:

- A. A statement that the proposal meets all requirements of this RFP, and that the offer tendered by the proposal will remain in full force and effect until and may be accepted by SURS at any time prior to 30 days beyond the deadline for submittal.
- B. A disclosure of:
 - 1. Any current or previous personal, business or employment relationships with SURS, any member of the SURS Board of Trustees, any member of SURS staff, any party or vendor currently rendering services to SURS, or any immediate family members of any person included in any of these groups.
 - 2. Any current negotiations for prospective business with SURS, any member of the SURS Board of Trustees, any member of the SURS staff, any party or vendor currently rendering services to SURS, or any immediate family members of any person included in any of these groups.
- C. A statement that the responder knows of no conflict of interest or ethical concern that exists between the responder and SURS, members of the SURS Board of Trustees, any member of SURS staff and/or any immediate family members living with any person included in any of these groups and with any party currently rendering services to SURS. However, if any such conflict or ethical concern exists, the cover letter must contain a detailed statement identifying any such conflicts of interest or other ethical concerns between SURS and anyone affiliated with SURS as set forth herein. If the responder is unsure as to whether a conflict of interest or ethical concern exists, responder is hereby instructed to identify the situation in the cover letter so SURS can determine whether there is cause for concern or cause for further inquiry into the identified situation.
- D. A statement that the responder is not listed as a prohibited or suspended vendor with the state of Illinois, a retirement system, pension fund, investment board, or any other state or federal government entity. Responder must also verify this information in Appendix G.
- E. A statement that the responder acknowledges that all documents submitted in response to this RFP may be subject to disclosure under the Illinois Freedom of Information Act and/or the Illinois Open Meetings Act.
- F. A failure to include the information required in the cover letter as outlined in this section may be cause for disqualification from the RFP selection process and/or cause for termination of an awarded contract.

Statement of Minimum Qualifications

Responders must complete and return the Minimum Qualifications Certification in the form contained in Appendix A.

Reference checks will be conducted for each finalist.

Company Organization and Diversity Questionnaire

The questionnaire contained in Appendix B to this RFP must be completed and returned as part of the proposal.

Fee Proposal

Responders must submit a fee proposal in the format prescribed in Appendix C. Any deviation from the prescribed format may result in the rejection of the proposal. The proposed fee shall include all costs and expenses for providing the services as described in this RFP. Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of the System.

The fee proposal must expressly state that the proposed fees are guaranteed for the term of any resulting contract.

Candidate Information

Resumes for potential members of the engagement team, detailing applicable experience and credentials, should be included in the proposal.

Contract

This request for proposal is neither a contract nor meant to serve as a contract. It is anticipated that one of the proposals submitted in response to this RFP may be selected as the basis for negotiation of a contract with the responder. Such a contract is presently contemplated to contain, at a minimum, the terms of the proposal submitted, as finally negotiated and approved by the System. SURS reserves the right to negotiate additions, deletions, or modifications to the terms of proposals submitted. The terms contained in Appendix D, Addendum to Contract, must be agreed to and accepted by the candidate or organization selected to perform the work contemplated by this RFP, unless exceptions are noted as part of the responder’s response.

VI. Submission of Proposals

All proposals must be received no later than the deadline stated in the Anticipated Timeline and Contact Information section. Submissions must be made via email to the identified contact person by the stated deadline. Only email submissions will be accepted.

The proposals become the property of SURS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the responder and shall not be chargeable to SURS.

Only one proposal from an individual, firm, partnership, corporation, or combination thereof, will be considered for this assignment.

VII. Evaluation Process

Pre-Evaluation Review

All proposals will be reviewed to determine if they contain all the required submittals specified in this RFP. Those not submitting all required information in the prescribed format will be rejected.

Proposal Evaluation

All proposals received by the SURS representative on or before the deadline listed above will be reviewed to determine whether they meet the minimum requirements of this RFP.

All proposals that are received by the deadline and pass the pre-evaluation review will undergo an evaluation process conducted by SURS staff. They will be reviewed to determine whether they meet the requirements of this RFP. SURS will consider the following factors in the evaluation process, ranked in no specific order, and will render a decision based on the perceived best fit and best value for the engagement. Fees will be one of the determining factors in this decision but will not be the primary determinative. Proposals will be evaluated based on criteria including:

- Understanding of the services requested.
- Proposed methodology and work plan to be used in the process.
- Willingness to assume a fiduciary role.
- Awareness of the Illinois legislative climate, insight on the latest trends and topical issues, and access to best thinking.
- Willingness to provide recommendations regarding actuarial assumptions and methodology.
- Proposed deliverables.
- Relevant knowledge, experience and qualifications of firm and team members including established record of success in similar work.
- Commitment to diversity.
- Willingness to negotiate contract terms.
- Independence.

- Fee proposals.
- References.
- Adherence to RFP submission requirements.
- Adherence to the Cover Letter requirements pertaining to the disclosure of potential conflicts of interest and ethical concerns and completion of all appendices, including but not limited to Appendix E that relates to potential conflicts.

Proposals that contain false or misleading statements or that provide references which do not support an attribute or condition claimed by the responder will be rejected. Issuance of the request for proposal creates no obligation to award a contract or to pay any costs incurred in the preparation of a proposal. Nothing in this RFP or any resulting contract shall preclude SURS from procuring services similar to those described herein from other sources.

During the evaluation process, responders may be requested to provide additional information and/or clarify the contents of their proposal. Other than information requested by SURS, no responder will be allowed to alter the proposal or add new information after the filing date.

Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of SURS.

Any responder selected by SURS will be subject to the terms of the SURS Travel Policy which are attached hereto as “Appendix E.” Responders should be familiar with these terms as they will be included in any contract awarded by SURS. Responders may either include all expected travel costs as part of their overall “not to exceed” cost for the work to be performed under this RFP or they must provide their best estimate for all travel expenses they expect to incur in performing the services required by this RFP.

VIII. Anticipated Timeline and Contact Information

Schedule	Dates
Quiet Period Begins	June 10, 2024
RFP Issued	June 10, 2024
Responder Questions Due	June 28, 2024, 4:30 p.m. CT
Responses to Questions	July 12, 2024, 4:30 p.m. CT
RFP Responses Due on or Before	July 26, 2024, 4:30 p.m. CT
Evaluations and Interviews	Aug. 12- 16, 2024
Finalist Present to SURS Board of Trustees	Sept. 12 or 13, 2024
Anticipated Contract Start	Jan. 1, 2025

SURS may extend these deadlines and on occasion provide supplemental information at its discretion. Any such extensions or information will be posted to the SURS website.

Please refer to the website before finalizing your proposal to ensure that you are informed of the latest updates.

SURS RFP Contact Information

Procurement Officer Procurement_Officer@surs.org
SURS
1901 Fox Drive
Champaign, IL 61820

IX. Submission Process

Deadline

To be considered for selection, proposals must be received via email in Adobe Acrobat format at Procurement_Officer@surs.org no later than 4:30 p.m. CT, July 26, 2024. Please reference "50-24-01 Actuarial Consulting Services RFP Response" with the name of the responder in the subject line of your communications. An email confirmation will be sent confirming receipt of the proposal.

Withdrawal

A proposal may be withdrawn any time prior to the deadline by written notification signed by the individual applicant or authorized agent of the firm and received at Procurement_Officer@surs.org no later than the deadline of 4:30 p.m. CT, July 26, 2024. Please reference "50-24-01 Actuarial Consulting Services RFP Response" with name of responder in the subject line of your communications. An email confirmation will be sent confirming withdrawal of the proposal. The proposal may be resubmitted with any modifications no later than the deadline. Modifications offered in any other manner will not be considered.

Questions

To clarify any issues in this request for proposal, SURS will respond only to questions that are presented in writing via email to Procurement_Officer@surs.org. All questions should be submitted to SURS by 4:30 p.m. CT, June 28, 2024. Please reference "50-24-01 Actuarial Consulting Services RFP Response" with the name of the responder in the subject line of your communications. These questions will be consolidated into a single Q&A document and responded to by SURS on or about, July 12, 2024, by 4:30 p.m. CT. The Q&A document will be posted on the SURS web site at www.surs.org/rfp-non-investment. This document will include all questions received and SURS' answers to the same without indicating the source of the query.

X. General Conditions

FOIA Disclosure, Redacted RFP Response, BAFO Requirement & Cyber-Security Training Requirement

All materials submitted in response to the RFP become property of SURS. Proposals remain confidential during the selection process. However, upon completion of the selection process, all responses and documents following or associated therewith, including Best and Final Offers (BAFOs), if any, and including those of the individual, vendor or firm selected, become public information and are open to public inspection in accordance with the state of Illinois Freedom of Information Act (FOIA).

If, in any document submitted in response to this RFP, the responder is furnishing trade secrets or commercial or financial information under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the responder or responder's business, such claim must be clearly made, and such information must be clearly identified. (5 ILCS 140/7 and 7.5) Responses to this RFP with every page marked as proprietary, privileged or confidential will not satisfy this requirement and will not be honored. Bidders are required to make a good faith attempt to properly identify only those portions of the response that are truly furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information contained within that portion of the response would cause competitive harm to the person or business responding to this RFP.

Redacted Version of RFP Response

In the event the responder believes and claims that certain materials or information contained in the submitted response and any documents which may follow it, including BAFOs, if any, are exempt from public disclosure under the Illinois FOIA, the responder is required to provide a separate redacted version of the response (including all its appendices or attachments) that the responder believes will be suitable for release under the Illinois Freedom of Information Act. (5 ILCS 140/7 and 7.5) Note: Pricing and fee structures are generally disclosable under FOIA. If the responder claims that any fee or pricing information qualifies for an exemption under FOIA, the responder must submit its legal analysis, citing applicable Illinois exemption(s) along with the redacted version of its RFP response.

However, any claim of privilege from disclosure is not definitive. SURS has the right and legal obligation to determine whether such information is exempt from disclosure under the Illinois Freedom of Information Act and no information will be considered or determined by SURS to be proprietary, privileged or confidential unless it is identified and separated as indicated herein. (5 ILCS 140/7 and 7.5)

A responder's failure to provide a redacted version of the RFP material, including but not limited to any subsequent BAFOs will result in SURS disclosing the responder's entire RFP response if the same is requested under the Illinois Freedom of Information Act, and neither the responder nor any third parties shall have any recourse against SURS for its disclosure of the non-redacted RFP response.

Ordinary Course of Business Communications Allowed

Other than existing normal business matters, responders, potential responders, or their representatives should not contact anyone at SURS (including SURS staff, members of the SURS board, SURS consultants, attorneys and current vendors) other than the listed RFP contact. In addition, responders must not discuss this RFP with any employee of SURS, trustee of SURS, employee of SURS' custodian, managers, legal counsel, or other advisors or persons/entities having contracts or other affiliations with SURS.

SURS Quiet Period Policy

Please note the following Quiet Period Policy establishing guidelines by which the SURS Board of Trustees and SURS staff will communicate with prospective vendors or service providers during a search process. The quiet period for this RFP began on the date the RFP was issued: June 10, 2024.

1. The quiet period shall commence upon committee action (or board action if the selection is not initiated through a committee) to authorize a search for a service provider and end once a selection has been made by the board and accepted by the service provider.
2. Initiation, continuation and conclusion of the quiet period shall be publicly communicated via the SURS website (www.surs.org) to prevent inadvertent violations.
3. All board members, and SURS staff not directly involved in the search process, shall refrain from communicating with potential service providers regarding any product or service related to the search offered by the provider throughout the quiet period and shall refrain from accepting meals, travel, hotel, or other items of value from the providers.
4. Throughout the quiet period, if any board member or SURS staff member is contacted by a potential service provider, the board member or SURS staff member shall refer the provider to the SURS staff member directly involved in the search process.
5. All authority related to the search process shall be exercised solely by the relevant Committee or board as a whole, and not by individual board members.

6. All information related to the search process shall be communicated by SURS staff to the relevant Committee or board as a whole, and not to individual board members.
7. The quiet period does not prevent board approved due diligence, client conference attendance, or communications with an existing service provider that happens to be a provider in the ordinary course of services provided by such service provider; however, discussions related to the pending selection shall be avoided during those activities.
8. The provisions of this policy will apply to potential service providers throughout the quiet period and shall be communicated to providers in conjunction with any competitive proposal process.
9. A potential service provider or vendor may be disqualified from a search process for a violation of the quiet period or any portion of this policy.

Rights Reserved

SURS reserves the right to amend any segment of the RFP prior to the announcement of a selected responder. In such an event, all responders will be afforded the opportunity to revise their proposals to accommodate the RFP amendment.

SURS reserves the right to remove any or all services from consideration for this contract. At its discretion, SURS may issue a separate contract for any service or groups of services included in this RFP. SURS may negotiate additional provisions to the contract awarded pursuant to this RFP.

SURS may request additional information from any or all bidders to assist in the evaluation of proposals, and SURS reserves the right to conduct background investigations of selected individuals or firms prior to awarding a contract under this RFP.

SURS does not bear any obligation to complete the RFP process or to select any individual(s) or firm(s). SURS also reserves the right without prejudice to reject any or all proposals submitted.

SURS will not reimburse any expenses incurred in responding to this RFP.

Equal Opportunity

SURS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the System's intent to comply with all state, federal and local equal employment and opportunity laws and public policies.

Terms and Conditions

Following a review of submitted materials, if requested, selected individuals or organizations must be prepared to make a presentation or otherwise participate in an in-person interview in Champaign, IL or in Chicago, IL with SURS staff members and/or members of the SURS Board of Trustees at a date and location to be determined by SURS. SURS will not provide reimbursement for any costs incurred by the individuals or organizations associated with this presentation. Prior to the award of a contract pursuant to this RFP, selected individuals or firms must provide all requested documentation.

State Universities Retirement System requires contractors that have access to the SURS network and/or applications to complete SURS-provided cyber security training before performing any work for SURS, and annually thereafter, as long as said contractors continue to have access to the SURS network and/or applications.

Appendix A: Statement of Minimum Qualifications

Firm Name: _____
certifies that it meets the following minimum qualifications.

- The responder’s key professionals and/or organization have no material conflicts with the SURS Board of Trustees. *
- The responders must be registered with the Illinois State Board of Elections prior to submitting a response as required by 30 ILCS 500/20-160 and must attach proof of the registration certificate. Vendor Registration with State Board of Elections: <https://berep.elections.il.gov/login.aspx?ReturnUrl=%2f>.*
- Attach proof of limits of insurance coverage for professional liability insurance and other insurance policies that would provide coverage for work performed on behalf of SURS.
- Respondent is an actuarial service provider registered with the Society of Actuaries.
- Respondent and its proposed team have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time the respondent submits a proposal.
- If retained for consulting services, respondent agrees to serve as a fiduciary as defined by the Illinois Pension Code.
- Respondent agrees to provide the services as detailed in the Services Required section of this RFP and any other requirements as stated in this RFP.
- As of June 30, 2024, and for at least the five (5) most recent continuous years, the respondent must have a verifiable operating history with at least three (3) institutional fund clients with similar size, complexity and asset mix to SURS.
- As of June 30, 2024, the primary contact dedicated to the SURS contract must have at least ten (10) years’ experience in providing consulting services to institutional fund clients.

*** Indicates Mandatory Qualification**

Signed: _____ Date: _____

Title: _____

Appendix B: Company Organization and Diversity Questionnaire

The following questionnaire must be completed and included with your response to this RFP. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

Contact and Company Information

Name of Individual/Organization: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Federal Employer Identification Number: _____

Contact Person(s)

Name: _____

Title: _____

Phone: _____ Fax: _____

Email: _____ Website: _____

Organization Background

1. Please provide a general description and history of the organization, its operations (please include any history of mergers and/or acquisitions), year founded, ownership structure, biographies of the principals and percentage ownership by current employees.
2. Provide a brief, descriptive statement detailing evidence of the responder's ability to deliver the goods or services sought under this RFP.

3. Is responder a "minority-owned business," meaning a business which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it? If so, please provide a detailed explanation.
4. Is responder a "female-owned business," meaning a business which is at least 51% owned by one or more females, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more females; and the management and daily business operations of which are controlled by one or more of the females who own it? If so, please provide a detailed explanation.
5. Is responder a "business owned by a person with a disability," meaning a business that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it? A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability." If so, please provide a detailed explanation.
6. Does responder's firm/company have a formal diversity and inclusion policy or initiative? Does this policy extend to subcontractors? If so, please provide a copy of the same.
7. Does responder's firm/company have a formal mentorship program or offer enhanced training opportunities for minorities and/or women? If so, please provide details.
8. If selected, does responder expect to assign any female employees, minority employees, or employees with disabilities to provide any of the requested services to SURS? Please explain.

Appendix C: Fee Proposal

SURS will evaluate fee proposals for full retainer services as well as project-based services. SURS preference is to pay for recurring services on a fixed fee basis, well-defined projects on a separate fixed fee basis, and non-recurring ad hoc projects on an hourly rate basis. The retainer fees quoted in this proposal must be in force for the entire five-year contract period. Additionally, the hourly-based rates shall be based upon a defined set of positions (i.e., senior consultant, consultant, data analyst, etc.) and must remain in effect for the duration of the contract period.

Years listed in the table below are calendar years.

Please refer to the list of services required in Appendix G of the RFP.

	2025	2026	2027	2028	2029	Total
Annual retainer, which includes:						
1. ACFR actuarial report and tables						
2. COGFA data						
3. IRC 415 limit tables						
4. State Actuary response						
5. Six legislative cost studies						
6. IL OPEB data (as needed)						
7. Attendance at three board meetings	\$	\$	\$	\$	\$	\$

(continued next page)

	2025	2026	2027	2028	2029	Total
Project Based:						
Annual Actuarial Valuation (includes GASB 67/68 Report)	\$	\$	\$	\$	\$	\$
Sensitivity Analysis	\$	\$	\$	\$	\$	\$
Economic Assumptions Review	\$	\$	n/a	\$	\$	\$
Experience Study	n/a	n/a	\$	n/a	n/a	\$
RSP Disability Study	n/a	n/a	\$	n/a	n/a	\$
Plan Choice Decision Tool update	n/a	n/a	\$	n/a	n/a	\$
IRC 415 Testing Tool	\$	\$	\$	\$	\$	\$
Total (incl. retainer)	\$	\$	\$	\$	\$	\$

Please give hourly rates of compensation and estimated hours for each anticipated project or task for the purpose of illustrating how the annual fee was determined. Include a listing of hourly rates for members of the firm that would be effective January 1, 2025, and would be valid for each of the five years in the contract period. There will be no additional reimbursement for travel, communication costs, computer charges and other expenses incidental to the contract. The total fee must be all-inclusive, no additional amounts will be allowed.

I, _____, a qualified Actuary in the state of Illinois and an authorized representative of the above-indicated firm, have reviewed and understand the 50-24-01 Actuarial Consulting Services Request for Proposals, and I/we am/are prepared to provide the required services for the above costs.

Appendix D: Addendum to Contract

In consideration of SURS entering into such contract, the responder also agrees to the following:

1. If the responder is an individual, he or she certifies that he or she is not in default on an educational loan as provided in Section 3 of the Educational Loan Default Act, 5 ILCS 385/3.
2. The responder certifies that it is not barred from being awarded a contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the state of Illinois or any other state in that officer or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5 and further certifies that it is in compliance with Section 50-37 of the Illinois Procurement Code, 30 ILCS 500/50-37.
3. The responder certifies that it will provide a drug free workplace by engaging in the conduct prescribed in Section 3 of the Drug Free Workplace Act, 30 ILCS 580/3.
4. The responder certifies that it is not barred from contracting with SURS because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
5. The responder certifies that it is in compliance with the requirements of 30 ILCS 500/20-160, if applicable (registration with the State Board of Elections) and hereby agrees that the responder's failure to comply with this statutory requirement renders this Agreement voidable.
6. The responder certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.
7. The responder certifies that no fees, commissions, or payments of any type have been or will be paid to any third party in connection with the contract to which this is an addendum, except as disclosed in the contract or an exhibit thereto as provided in 30 ILCS 500/50-25 and in 40 ILCS 5/1-145. The responder shall promptly notify SURS if it ever has reason to believe that this certification is no longer accurate.
8. To the extent Illinois law is applicable to the responder, pursuant to 775 ILCS 5/2-105, the responder agrees to:
 - a. Refrain from unlawful discrimination and discrimination based on citizenship status in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination.

- b. Comply with the procedures and requirements of the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action.
 - c. Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request.
 - d. Have written sexual harassment policies that shall include, at a minimum, the following information:
 - i. The illegality of sexual harassment.
 - ii. The definition of sexual harassment under state law.
 - iii. A description of sexual harassment, utilizing examples.
 - iv. The responder's internal complaint process, including penalties.
 - v. The legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission.
 - vi. Directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission.
 - vii. Protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Illinois Department of Human Rights upon request.
9. To the extent it applies to the responder and this contract, the responder agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1, *et seq.*
10. The responder shall maintain, for a minimum of five (5) years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract. The responder shall further make all such books, records, and supporting documents related to the contract available for review and audit by the internal auditor of SURS and by the Illinois Auditor General and shall cooperate fully with any audit conducted by the internal auditor of SURS and the Illinois Auditor General and will further provide the internal auditor of SURS and the Illinois Auditor General full access to all relevant materials.
11. The responder agrees to notify the SURS ethics officer if it solicits or intends to solicit for employment any of the employees of SURS during the term of the contract.
12. The responder understands that SURS and this contract are subject to the provisions of the Illinois Open Meetings Act (5 ILCS 120/1, *et seq.*) and the Illinois Freedom of Information Act (5 ILCS 140/1, *et seq.*).

13. If vendor receives access of any kind to the SURS network or to any component of the SURS computer systems to perform work contemplated under the Agreement to which this Addendum is attached, vendor agrees that its employees and/or pre-approved subcontractors who will be performing work for SURS will complete designated cybersecurity training required by SURS before any such work shall commence.
14. If contractor is a vendor that receives access of any kind to the SURS network or to any component of the SURS computer systems to perform work contemplated under the Agreement, Contractor agrees to comply with all applicable SURS policies pertaining to system access, technology use and information security for the duration of the engagement outlined in this Agreement.
15. Data Location. If the agreement with SURS involves the access and/or storage of SURS Personal Identifiable Information (PII) data, Vendor shall provide its services to SURS and its end users solely from data centers located in the United States of America. Storage of SURS PII data at rest and all backups shall be located solely in data centers located in the United States of America. Vendor shall not allow its personnel or pre-approved subcontractors to store SURS' PII data on any portable devices, including personal computers, tablets, or cell phones, except for devices that are used and permanently stored at all times only at its United States of America data centers. Vendor shall permit its personnel and SURS pre-approved subcontractors to access SURS' PII data remotely only as required to provide technical support or as authorized in writing, by SURS.
16. Data Security. If vendor has access to SURS PII data held or maintained by SURS, vendor must maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, or disclosure pursuant to 815 ILCS 530/45. Vendor agrees to email a written notification within 24 hours of any verified security incidents or breaches involving SURS PII relating to the vendor's corporate or customer environments, applications, or systems and/or of any security incidents or breaches involving any of its subcontractors.
17. Counterparts. This Agreement and Addendum may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. The counterparts of this Agreement and Addendum may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

Under penalties of perjury, the responder certifies that _____ is its correct Federal Taxpayer Identification Number.

Responder is doing business as a(n) (please circle applicable entity):

Individual

Sole Proprietorship

Partnership

Corporation

Not-for-Profit Corporation

Medical and Health Care Services Provider Corporation

Real Estate Agent

Governmental Entity

Tax Exempt Organization (IRC 501(a) only)

Trust or Estate

Other: _____

Appendix E: Conflict of Interest Identification

SURS holds trustees, employees and vendors to the strongest standards of ethics, transparency, and accountability. Trustees, employees and vendors are prohibited from self-dealing and are required to provide services for the sole interest of SURS members with honesty and integrity at all times. The identification and disclosure of conflicts of interest is integral to ensuring that SURS administers the benefits promised to members in a financial and fiduciarily-prudent manner.

All responders are required to fill out the information below. A failure to disclose any material conflict as outlined in this section may be cause for disqualification from the RFP selection process and/or cause for termination of an awarded contract. Please respond to each question below by initialing the space next to the appropriate answer and completing the certification.

Does the organization and/or any of its key professionals or their immediate family members have a conflict of interest or ethical concerns that may prevent it from contracting with SURS?

Yes No Unsure

Does the organization and/or any of its key professionals or their immediate family members have a conflict of interest or ethical concerns with any member of the SURS Board of Trustees that may prevent it from contracting with SURS?

Yes No Unsure

Does the organization and/or any of its key professionals or immediate family members have a conflict of interest or ethical concerns with any SURS staff members that may prevent it from contracting with SURS?

Yes No Unsure

If answering "Yes" or "Unsure" to any of the questions above, please explain below:

I hereby certify that the information set forth above is true and complete to the best of my knowledge and belief.

Printed Name: _____ Title/Position: _____

Signature: _____ Date: _____

Appendix F: Prohibited Responder Listing

All responders are required to fill out the information below. A failure to disclose any material conflict as outlined in this section may be cause for disqualification from the RFP selection process and/or cause for termination of an awarded contract.

Is the organization presently listed on a state or federal prohibited responder listing, or a retirement system, pension fund, or investment board prohibited responder listing?

Yes No

Has the organization ever been listed on a state or federal prohibited responder listing, or a retirement system, pension fund, or investment board prohibited responder listing?

Yes No

If answering "Yes" to either of the previous questions, please explain why the organization is/was on the prohibited responder listing, including dates of prohibition.

I hereby certify that the information set forth above is true and complete to the best of my knowledge and belief.

Printed Name: _____ Title/Position: _____

Signature: _____ Date: _____

Appendix G: Services Required

Listed below are the specific services requested from the Actuarial Consultant:

General Duties

- (i) Receive and reconcile all the data in the SURS database. SURS will furnish the consulting actuary with all data and statistical information deemed necessary to perform specified contract services, provided the data is available in the records and files of the System. This data will be reported to the actuary via file transfer protocol.
- (ii) Treat all member information as confidential.
- (iii) Seek written consent prior to public release of information resulting from the engagement. With respect to any publicity given to the actuarial services provided under terms of the resulting contract, the consulting actuary shall identify SURS as the sponsoring agency and shall not release any information without prior approval of the executive director of the System or appointed designee. This information includes, but is not limited to, press releases, research, and reports.
- (iv) SURS expects the consulting actuary to route all requests, reports and other communication in connection with this contract through the executive director of the System or appointed designee.
- (v) All work products must be signed by the consulting actuary.
- (vi) Perform all services within the scope of the contract under the direct supervision of a qualified actuary. An approved actuary must be regularly engaged in the business of providing actuarial services, have at least 10 years' experience with major public employee retirement systems, and have designation as a Fellow in the Society of Actuaries. SURS reserves the right to reject the firm's choice of a consulting actuary and may terminate the contract if a consulting actuary acceptable to the SURS Board of Trustees cannot be made available by the firm.

Consultation and Advisory Service

- (i) Provide actuarial consultation and advisory services. These services may be delivered in meetings or by telephone calls and written correspondence, as requested by SURS. SURS expects these services may include public testimony to committees, boards, commissions, and legislators on any technical, policy, legal or administrative problems arising during operation of

the System. The consulting actuary should be readily accessible to SURS' executive director, chief financial officer or other designated SURS staff as assigned, as well as available for meetings with SURS staff within a reasonable time frame after the request is made. SURS expects the consulting actuary to attend a minimum of three board of trustees' meetings per contract year in Chicago or Champaign, Illinois, including two meetings to review the annual actuarial valuation and State Actuary report. SURS also expects the consulting actuary to be available for educational discussions with the board of trustees and/or SURS staff. The consulting actuary must have the ability to discuss actuarial theory and other matters in plain English.

- (ii) Prepare various actuarial operating tables and factors. From time to time, these tables and factors may be required for operation of the System. These tools include, but are not limited to, mortality tables, option tables for annuitants, present value factors and survivor benefit factors.
- (iii) Support preparation of Commission on Government Forecasting and Accountability (COGFA) data requests and the Illinois Other Post Employment Benefit (OPEB) valuation as needed.
- (iv) Prepare actuarial cost estimates of proposed legislation. The consulting actuary shall provide timely financial impact estimates of planned statutory amendments as requested by SURS' executive director. SURS expects the consulting actuary to prepare an average of six estimates per contract year (fee for analyses in excess of six will be negotiated separately). Many of these pricing requests will occur during the legislative audit session and will require the actuary's prompt response.
- (v) Recommend possible improvements in SURS' financing and benefit structure. Provide advice with respect to the actuarial funding methods, assumptions and techniques. Throughout the duration of the contract, the consulting actuary will inform SURS of any new developments in the retirement industry and their effect on the financing and benefit structure of a retirement system. The consulting actuary should keep the board of trustees and the executive director of the System apprised of current trends and advancements within the actuarial profession.
- (vi) Prepare explanatory text describing key actuarial assumptions, methodology and conclusions sufficient to provide a reasonable understanding to individuals with fiduciary responsibility for the System.
- (vii) Work with staff and auditor to ensure compliance with Governmental Accounting Standards Board (GASB) reporting and disclosure requirements.

- (viii) Assist SURS staff in review of valuations and drafting new legislation or proposed changes to existing retirement laws which govern the System. Furthermore, the consulting actuary should assist SURS in developing strategies for resolving any policy or administrative problems associated with implementing new legislation.
- (ix) Keep SURS informed of any new developments or changes in federal legislation and/or tax regulations regarding financing, benefits, vesting, fiduciary responsibility or disclosure. SURS also expects the consulting actuary to assist SURS in implementing federal law appropriately.

Valuation Services

- (i) Perform annual actuarial valuation for the System. The resulting valuation reports must contain: (a) a detailed explanation of any significant changes in actuarial losses or gains because of deviations from expected experience; and (b) projections for required contributions, assets and liabilities for a period of up to thirty years into the future. Should there be a change in actuarial consultants, the successful firm shall conduct a parallel valuation of SURS' June 30, 2024, valuation.
- (ii) Complete, by mid-October each year, the defined benefit plan preliminary actuarial valuation for the fiscal year ended June 30 so the SURS Board of Trustees may certify the actuarially determined employer contribution rate for the upcoming fiscal year. The final defined benefit plan actuarial valuation will be completed once the final accounting adjustments are made (in late October).
- (iii) Perform an annual review of the economic assumptions (interest rate and inflation) prior to commencing the valuation. The review will be presented to the board and assumptions adjusted accordingly. In the years that a full experience study is completed the economic review will be included in that study along with the demographic assumption review.
- (iv) Provide sensitivity analysis (stress testing) regarding actuarial assumption factors annually as part of the actuarial valuation.
- (v) Prepare an Experience Study at a minimum of every three (3) years. The most recent experience study was completed in June 2024 and covers June 30, 2020 - June 30, 2023. It will be effective with the June 30, 2024, valuation. The next experience study will be completed in 2027 covering June 30, 2023 – June 30, 2026.

- (vi) Review annually, at a high level, the Retirement Savings Plan disability contribution percentage for any recommended changes. Prepare a detailed Retirement Savings Plan disability study every three (3) years to be completed at the same time as the experience study.
- (i) Prepare/update an actuarial comparison of retirement outcomes in our Traditional defined benefit plan, Portable defined benefit plan and Retirement Savings Plan (defined contribution) for utilization in our online new member Plan Choice Decision Tool. Complete analysis a minimum of every three years, typically following the experience study.
- (ii) Provide a tool that SURS will use internally to test benefits (recurring and lump sum) against age-graded IRC Section 415(b) limits. Update the tool annually when the new limits are released. Provide annual age-graded IRC Section 415(b) limit tables, annual age-graded actuarial factors for converting member contributions to an immediate annuity per IRC Section 411(c), and annual interest rates for computing accumulated employee contributions per IRC Section 411(c).
- (iii) Prepare actuarial statistical tables, actuarial summary statements and other actuarial data for the annual comprehensive financial report (ACFR) based on Governmental Accounting Standards Board (GASB) Statements 67 and 68.
- (iv) Provide support to the state actuary.
- (v) Provide asset/liability modeling as needed.
- (vi) Provide any special actuarial studies requested by SURS (the fee for which shall be separately negotiated).

Fiduciary Education

- (i) Educate SURS Board of Trustees and staff regarding significant trends in the defined benefit and defined contribution marketplace.
- (ii) Provide access to all research for staff and the board of trustees as necessary.

Other Requirements

As part of the response, please answer the following:

General Information

- Identify the location of the main office, and, if different, the office from which services would be provided to SURS. Does your firm have an office located in Illinois?
- State the firm's mission statement.
- Provide a brief history of your firm and its operations. Include the year formed, ownership structure, and any ownership, restructuring or personnel changes that occurred during the past five years. Describe anticipated future significant changes in your organization in the next five years.
- Describe the services your firm provides and give the percentage of revenue derived from actuarial services.
- Identify any actuarial services you are unable to perform.
- How many actuarial consultants does your firm have?
- Discuss the ways you manage growth, including any limits to the client/consultant ratio.
- How are consultant's recommendations to clients reviewed and monitored by your organization?
- Are you willing to assume a fiduciary role in your services as actuarial consultant to SURS? Do you consider yourself a fiduciary under the Illinois Pension Code with respect to the recommendations you provide to clients?
- Please provide details on the financial condition of your firm. The most recent annual report is acceptable, but any recent material changes should be included.
- Does your firm have a business continuation and disaster recovery plan? Please describe the key features of the plan.
- Does your firm have experience with plans with serious funding challenges? Does your advice to these plans differ from advice provided to well-funded plans? If so, how?
- Provide a listing of full-retainer clients lost or gained during the past three (3) years. Indicate if the primary and backup consultant identified above was the primary consultant for either the clients gained or lost.
- Provide a listing of all public fund clients. Include the size of the fund and the length of service to them.
- How does your firm evaluate the quality of its consulting services? Describe any benchmarks the firm has developed to evaluate its

- performance and the performance of its primary/lead consultants.
- Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries. List the insurance carriers supplying the coverage and supply certificates evidencing the coverage.
- Has there been any litigation against the firm or its principals/owners/officers within the past three (3) years?
- Has your firm been charged with or been sued for fraud, ERISA violations, Department of Labor violations, state law violations, or sustained a fidelity bond loss? If yes, provide details.

Consulting Team

- Provide the contact information for each consultant that will be assigned to the SURS account.
- Describe the role of each consultant for this assignment.
- Please describe your team's experience with similar work performed by other public retirement systems.
- State whether the individuals assigned to the work have any responsibilities other than providing actuarial services, and if so, specify such responsibilities.
- Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm.

Actuarial Valuations

- Describe the approach you would follow to conduct an actuarial valuation of the SURS pension plan.
- Provide a timeline needed to prepare reports after the fiscal year end (June 30).
- Describe your approach to measuring funding status and funding progress in order to facilitate the assessment of trends over several actuarial valuations with respect to the overall solvency of SURS.
- Discuss the theory and methodology for the actuarial assumptions your firm employs.
- Describe your firm's approach to providing recommendations regarding the amortization of unfunded liabilities.
- Describe your approach to analysis of applicable legal parameters/restrictions under which SURS must operate.
- Describe your process for maintaining a continuous review of actuarial policies.

Other Issues

- Please provide a sample contract for Actuarial Consulting Services.
- Please describe your team's experience with similar work performed by other public retirement systems.
- Describe how your actuarial consulting work is distinguished from that of your competitors.
- Describe how clients are informed of new developments in pension benefits.

References

- Provide a list of the five (5) largest public fund clients to which you provide full-retainer actuarial consulting services including name, contact, telephone number, asset values, number of years the client has retained your firm and the product(s) or service(s) the client uses. SURS may contact any of these clients for reference purposes.