



REQUEST FOR PROPOSALS
FOR
NAVAJO NATION ACTUARIAL AND CONSULTING SERVICES

For October 1, 2019 through September 30, 2022

NAVAJO NATION
Division of Human Resources
Department of Retirement Services
PO Box 5100
Window Rock, Arizona 86515

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**NAVAJO NATION
REQUEST FOR PROPOSALS
FOR
ACTUARIAL CONSULTANT SERVICES**

I. RFP SUMMARY:

The Navajo Nation is soliciting written proposals from qualified actuarial consulting firms interested in providing a wide range of actuarial services while functioning as actuarial advisor to the Navajo Nation including the Retirement Plan Administration Committee (RPAC), the Retirement Plan Administrator (RPA), and the Navajo Nation Department of Retirement Services (DRS). The actuarial consultant services contract is for a term of three years with the option of extending the contract for two one-year extensions, at a price mutually agreed upon by both parties.

II. BACKGROUND INFORMATION:

The Navajo Nation is a sovereign, federally-recognized Indian tribe. As a condition of the contract, the actuarial consultant must acknowledge the sovereign immunity of the Navajo Nation, and must agree to abide by Navajo Nation laws and regulations and to submit to the jurisdiction of Navajo Nation courts. The DRS is comprised of an RPA and 11 staff members, and serves Navajo Nation employees and officials with retirement benefit services. The RPAC is a six (6) member committee, comprised of representatives of the Legislative, Executive, and Judicial Branches of government, which monitors and administers the Nation's retirement plans, makes eligibility determinations, advises and oversees DRS, establishes retirement related policies, approves amendments to Plan documents, and makes recommendations to the Budget and Finance Committee of the Navajo Nation Council. The Navajo Nation has three retirement plans including:

- A. Defined Benefit Plan - "Retirement Plan for Employees of the Navajo Nation and Participating Affiliates;"
- B. Defined Contribution Plan - "Navajo Nation 401(k) Savings Plan;" and
- C. Deferred Compensation Plan (Non-Qualified) – "Deferred Compensation Plan for Political Appointees and Council Delegates of the Navajo Nation."

The Navajo Nation retirement system has approximately 13,500 members, including approximately 4,000 pension benefit recipients, 4,831 active members, and 2,000 inactive members. The Defined Benefit Plan and the Defined Contribution Plan are mid-sized plans and the Deferred Compensation Plan is a small-sized plan. For additional information about the Navajo Nation retirement plans or to obtain plan documents please make a written request to the RPA at the address below.

III. KEY DATES:

The following key dates are subject to change.

Request for Proposals (RFP) issued:	July 5, 2019
Notice of Intent to Propose due:	July 19, 2019 (REVISED DATE)
Written Questions and Inquiries due:	July 19, 2019 (REVISED DATE)
Submission of Proposals due:	August 5, 2019
Evaluation of Proposals & Requests for Additional Info:	August 5 – August 9, 2019
Response to Requests for Additional Info due:	August 13, 2019
Notification of Finalists:	August 19, 2019
Finalist Presentations to Evaluation Committee:	August 26 – Sept. 6, 2019
Notification of Intent to Award Contract:	September 9, 2019
Contract Effective Date:	October 1, 2019

IV. SCOPE OF PROJECT:

The objective of this RFP is to solicit proposals from actuarial firms interested in serving as the actuarial consultant to the Navajo Nation government, Retirement Plan Administration Committee, Retirement Plan Administrator, and the Navajo Nation Department of Retirement Services, for a period of three (3) years or more starting October 1, 2019. The firm awarded the resulting contract will provide various actuarial services which include consultation and advisory services, valuation services, experience analysis and other general duties as agreed upon. The actuarial consultant shall provide services with regard to all three retirement plans. However, the majority of the consultant's efforts will focus on the Defined Benefit Plan, whereas the Defined Contribution Plan and Deferred Compensation Plan will require minimal effort.

V. CONSULTING SERVICES AND DELIVERABLES:

The actuarial consultant shall perform tasks, services, and deliverables, including but not limited to the following.

- A. Consultant must be able to access information from the Navajo Nation primary computer system supporting the government human resources department business application, Oracle JD Edwards that supports the Financial Management System (FIMS) and the Human Resources Information Systems (HRIS).
- B. Consultant must be able to host and maintain an automated pension system database/software to store Navajo Nation participant, plan, and payroll data. Please specify and describe the firm's database/software and whether it is proprietary. Please disclose the costs, if any, the firm would charge the Navajo Nation to utilize the database/software. *Please note that this RFP was revised and reissued to clarify that compatibility with Eepoint software is no longer a requirement of the RFP.*
- C. Load and reconcile all the actuarial survey data available. (The DRS will provide the actuarial consultant with all the data and statistical information deemed necessary to perform specified contract services. Data is available in the records and files section of the retirement system. The DRS will report/transfer the data to the actuarial consult through a file transfer protocol.)
- D. Maintain member confidentiality. Seek written consent prior to public release of information resulting from the contract.
- E. Communicate directly with the Retirement Plan Administrator or designee.
- F. Document discussions with RPA, DRS staff, and the RPAC. Document all services performed for the Navajo Nation and the increments of time to achieve each task.
- G. Provide actuarial consultation and advisory services.
- H. Prepare various actuarial operating tables and factors.
- I. Prepare actuarial cost estimates of proposed legislation and plan amendments.
- J. Recommend possible improvements to the Navajo Nation retirement system financing and benefit structure.
- K. Advise the Navajo Nation of changes in applicable federal laws and regulations impacting its three plans. Analyze and recommend options pertaining to Navajo Nation retirement plans to ensure the Navajo Nation is in compliance with all applicable federal laws and regulations and that the plans are administered according to industry standards and best practices.

- L. Assist the RPAC, RPA, DRS staff, and other advisors in drafting plan amendments and proposed changes to existing retirement policies for the three plans.
- M. Assist in establishing actuarial specifications for the Navajo Nation survey data files.
- N. Prepare annual actuarial valuation reports for the Defined Benefit Plan.
- O. Upon request, conduct projection valuation studies for the Defined Benefit Plan, to analyze and report results to the RPAC.
- P. On an annual basis, and upon request, prepare necessary reports projecting demographic trends for the Defined Benefit Plan that will impact future service demands. These reports may include projecting the number of members reaching retirement age, at various points to the future, studies to learn the number of proportion of members in various age categories at certain points in the future, projected rates of new number growth and other demographic studies. The report will involve regular employees, law enforcement personnel, judges, and elected officials.
- Q. Once during the contract period, prepare or review experience studies of the Defined Benefit Plan and make recommendations to actuarial assumptions, as appropriate, for presentation to the RPAC.
- R. Maintain communication by phone and email with the RPA and DRS staff on a weekly basis and as needed. Participate in RPAC meetings by phone to give presentations and answer questions approximately six (6) times per year or as needed. Participate in Budget and Finance Committee meetings by phone approximately twice per year. Attend RPAC meetings in person to present reports to RPAC approximately three (3) times per year.
- S. On an annual basis, advise RPAC on calculation of the retirement fringe rate to be used in the Navajo Nation's budget planning process.
- T. Provide other standard actuarial consulting services as needed. Responders may propose additional tasks or activities if they will substantially improve the services desired by the Navajo Nation's retirement plans.

VI. EXTENDED CONTRACT SERVICES AND DELIVERABLES:

The Navajo Nation anticipates that the actuarial consultant will be available to perform additional services for the Nation on an as-needed basis. Please identify what other services your firm offers. The Navajo Nation encourages the firm to separately bid for these services, rather than include these services in the cost projection for the services detailed in Section II of this RFP.

VII. BID SPECIFICATION:

A. General Proposal Contents:

The proposals being submitted in response to this RFP must contain necessary information essential to understanding and evaluating the proposals. Unnecessarily lengthy proposals will not enhance the evaluations the Navajo Nation will conduct. The emphasis should be on the actuarial consultant's ability to provide the requirements of this RFP. Information submitted in response to this RFP will become property of Navajo Nation government. Materials received will be considered public information and will be open to public inspection in accordance with the Navajo Nation Retirement plan provision and Navajo Nation Code.

B. Proposal Contents:

A specific outline must be followed in each proposal in order for the Navajo Nation to facilitate evaluation procedures for all proposals. At a minimum, proposals must include the following sections:

- Transmittal Letter;
- Executive Summary;
- Actuary's Understanding of Firm's Responsibility to the Nation;
- Firm's Detailed Cost Projection and Proposed Work Plan;
- Biography and Qualifications of Key Actuarial Personnel Assigned;
- Firm Information and History; and
- Sample of Firm's Work.

1. Transmittal Letter:

The transmittal letter must be submitted on the firm's official business letterhead. The letter must identify all materials and enclosures being forwarded collectively as a response to this RFP. The transmittal letter must be signed in ink by an individual authorized to commit the consulting actuary to the scope of the work proposed at the price quoted in the firm's cost proposal.

2. Executive Summary:

The executive summary must contain a condensed overview of the contents of each major section of the proposal to provide the Evaluation Committee with a broad understanding of the entire proposal. The Executive Summary should begin with an overview of the firm's organization and prior experience, identifying and providing qualifications for the key employees who will work closely with the Navajo Nation, highlighting the firm's proposed work plan and projected cost.

3. Actuary's Understanding of Firm's Responsibilities to the Nation:

The firm must provide a clear, concise statement describing the firm's understanding of the engagement's scope and objectives, and the actuarial consultant's responsibilities to comply with

the content and timelines. This statement will demonstrate the responder's view of the nature of the engagement.

4. Firm's Detailed Cost Projection and Proposed Work Plan:

This section must identify the major tasks to be accomplished within delineated timeframes for use as a scheduling and managing tool, in addition to serving as the basis for invoicing.

- a. The firm's proposal must include the total cost for general duties, valuations, consulting and advisory services, as detailed in section V of this RFP, to be performed in the initial contract period.
- b. There will be no additional reimbursement for travel, communicating costs, computer charges and other expenses incidental to the contract.
- c. The gross receipts from the actuarial consultant's sale of services for work performed within the Navajo Nation shall be subject to the Navajo Nation Sales Tax at a rate of six percent (6%).
- d. The total cost must be all inclusive. No additional amounts will be allowed except for services provided in section VI of this RFP relating to Extended Contract Services and Deliverables. Responders may propose additional tasks or activities if they will substantially improve service delivery. The proposal must be clear that the cost of these additional tasks or activities is included in the total cost.
- e. This section must also provide a work plan consisting of an established time frame for delivery of the requested services.
- f. The work plan must also indicate how the firm will organize the staff and the various duties they will perform to carry out the responsibilities, as defined in the RFP. Specifically, it must identify the person(s) who will serve as actuarial consultant(s) and any other support personnel performing work under the contract. The Navajo Nation prefers that more than one actuarial consultant is assigned to work with the Navajo Nation so that one is available for immediate response to the Nation's needs.
- g. Explain if there will be any changes to the personnel once the contract is agreed to and how the changes will be made.

5. Actuary Qualifications:

This section should provide summary information regarding the experience and professional qualifications of the support actuaries who will perform work under the Contract. Each actuary should have a minimum of ten (10) years of relevant experience. Disclose all complaints filed with the Actuarial Board for Counseling and Discipline against the firm and its actuaries that resulted in a negative finding, censure, sanction, or discipline against the firm and its actuaries.

6. Firm Information:

This section of the proposal should present the highlights of the firm's corporate resources, including total staff, organizational structure, financial stability, technical environment and details of previous experience information must include:

- a. The date the firm was established and ownership (partnership, professional association, etc.) of the firm.
- b. The number of employees (total and breakdown).
- c. The location of the facilities and its employees.
- d. Audited Annual Financial Statement for the two most recent years.
- e. Describe the computer hardware and software that will be utilized to provide the services identified in this RFP. Specify the system's location configuration and its capabilities. Describe any back-up computer systems, disaster recovery protocols, and firm's ownership of the system.
- f. Describe the firm's experience with a particular emphasis on work performed for other public employee retirement systems, including tribal government retirement systems. This description should include a list of public employee retirement systems for which the firm currently provides actuarial services. Each reference must include the system name, contract time period, scope of services performed, approximate number of plan participants, and the number of years the firm has been retained. For three retirement system comparable in size to the Navajo Nation government retirement system, the reference must include the name, address, and the current telephone number of the client's contract administrator or senior official who is familiar with the firm's performance and who may be contacted by the Navajo Nation during the evaluation process.
- g. Describe your firm's quality control standards and internal quality assurance process to ensure accuracy and quality of work, particularly those aspects that specifically pertain to actuarial services. What checks and balances does your firm have in place to assure accuracy?
- h. Provide results of actuarial industry peer review and evaluations for your firm and its actuarial consultants.

7. Sample of the Firm's Work:

The section should contain a sample of the firm's actuarial work. This would preferably be a sample actuarial valuation of the public employee's retirement system or other governmental agency.

8. Recognition of Navajo Nation Sovereignty, Laws, and Jurisdiction:

The section should contain an affirmative statement that the firm shall recognize the sovereignty and sovereign immunity of the Navajo Nation, shall comply with all Navajo Nation laws and regulations, and shall submit to the jurisdiction of Navajo Nation courts.

VIII. PROPOSAL ISSUES:

A. Contract Term and Price:

The contract shall commence October 1, 2019 and continue through a three (3) year period to end on September 30, 2022. The resulting contract may be extended beyond the initial three-year term at a price mutually agreed upon by both parties. Additional services to the contract may be negotiated separately by both parties in writing at a mutually agreed upon price.

B. Disclosure of Conflicts of Interest:

The responding firm must provide the Navajo Nation with a written assurance that no conflict of interest exists between its relationship with the Navajo Nation and its relationship with other clients. The responding firm must disclose all possible and apparent conflicts of interest. If the Navajo Nation executes a contract with the firm and a conflict arises in the future, the Navajo Nation reserves the right to unilaterally terminate the resulting contract on thirty (30) days written notice to the actuarial consultant.

C. Disposition of Responses:

All materials submitted in response to this RFP will become property of the Navajo Nation government and will become public record in accordance with the Navajo Nation laws.

D. Rights Reserved:

This RFP does not obligate the Navajo Nation to award a contract. The Navajo Nation reserves the right to amend any segment of the RFP prior to announcement of a successful contractor. In such an event, all responders will be afforded the opportunity to revise their proposal to accommodate the RFP amendment. The Navajo Nation reserves the right to remove one or more of its services and contract deliverables from consideration for this RFP should the evaluation show that it is in Navajo Nation's best interest to do so. The Navajo Nation may, at its discretion, issue a separate contract for any deliverable included in this RFP. Separate contracts may be awarded to multiple vendors if it is the Navajo Nation's best interest to do so. Furthermore, Navajo Nation may negotiate additional provisions to the contract awarded under this RFP, or cancel this RFP, if it is considered to be in Navajo Nation's best interest.

IX. GENERAL PROPOSAL INFORMATION:

A. Notice of Intent to Propose:

The responding firm must submit a Notice of Intent to Propose on or before **July 19, 2019** to the RPA at the address below. *Please note that this RFP was revised and reissued to extend the deadline to submit a Notice of Intent to Propose, which was originally July 15.*

B. Proposal Submissions:

1. Manner of Submission:

Qualified firms responding to this RFP must email a digital copy of the written proposal in a single pdf document and must mail five (5) hard copies to the RPA at the address below.

2. Delivery Location for Submission:

Please direct all inquiries, communications, and submissions of Notice of Intent to Propose and Proposal to:

Ms. Karen King, Retirement Plan Administrator
Post Office Box 5100
Hwy 264, Hogan Tso Office Complex, #47552-E
Window Rock, Arizona 86515

Email Address: karenking@navajo-nsn.gov
Work Phone Number (928) 871-6947 or 6944

3. Deadline for Proposal:

The deadline for submitting a Proposal for Actuarial Consulting Services for the Navajo Nation is **August 5, 2019 at 5:00 p.m. (MST)**.