

Request for Proposal for Actuarial Services



**Nebraska
Public Employees
Retirement Systems**

**Solicitation Number:
120961 O5**

Due: March 21, 2025, 2:00PM (CT)

Submitted by:



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CONTRACTUAL AGREEMENT FORM

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Contractual Agreement Form, the bidder guarantees compliance with the provisions stated in this solicitation and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder is not owned by the Chinese Communist Party.


Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603, DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Vendors. This information is for statistical purposes only and will not be considered for contract award purposes.

✓ **NEBRASKA VENDOR AFFIDAVIT:** Bidder hereby attests that bidder is a Nebraska Vendor. "Nebraska Vendor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation. All vendors who are not a Nebraska Vendor are considered Foreign Vendors under Neb. Rev Stat § 73-603 (c).

_____ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

_____ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. § 71-8611 and wish to have preference considered in the award of this contract.

THIS FORM MUST BE SIGNED MANUALLY IN INK OR BY DOCUSIGN

COMPANY:	Cavanaugh Macdonald Consulting, LLC./ D.B.A. CavMac
ADDRESS:	3906 Raynor Parkway, Suite 201, Bellevue, NE 68123
PHONE:	402.905.4464
EMAIL:	PatB@CavmacConsulting.com
BIDDER NAME & TITLE:	Patrice Beckham, Senior Consulting Actuary
SIGNATURE:	
DATE:	3/17/2025

VENDOR COMMUNICATION WITH THE STATE CONTACT INFORMATION (IF DIFFERENT FROM ABOVE)

NAME:	
TITLE:	
PHONE:	
EMAIL:	



TRANSMITTAL LETTER

March 21, 2025

Ms. Connie Heinrichs and Ms. Brook Taylor
Procurement Contract Officers
State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508

Re: Solicitation Number: 120961 O5 Actuarial Services

Dear Ms. Heinrichs and Ms. Taylor:

Cavanaugh Macdonald Consulting, LLC (CavMac) is pleased to present our proposal for actuarial consulting services to the State Purchasing Bureau to provide services for the Nebraska Public Employees Retirement System (NPERS) in response to your request for proposal.

While many of our competitors also work on multiemployer or private pension plans, at CavMac we are entirely focused on actuarial services for public sector retirement plans like NPERS. As an indication of the effectiveness of this focus, CavMac was recently ranked as the second largest actuarial firm working with public pension plans in the country according to a Reason Foundation report, which noted that CavMac oversees approximately \$900 billion in total actuarial liabilities across 34 of the largest public plans.

This focus has also made CavMac very successful at attracting quality actuarial consultants who are dedicated to the public sector and who can effectively communicate complex actuarial matters to Boards, staff, legislative committees, and other stake holders. We excel at educating people with diverse backgrounds about the work process actuaries go through and the meaning of the results they produce. We recognize that decision makers and other invested parties come from a wide range of personal and business backgrounds, and so our reports and presentations are prepared with a broad audience in mind. We bring exceptional expertise and value to our clients.



TRANSMITTAL LETTER

Public Plan Experience and Knowledge

The senior staff of CavMac average over 30 years of experience serving public sector benefit plans – the expertise and knowledge of our staff regarding public sector actuarial consulting is as great, if not greater, than any of our competitors.

Experience in the State of Nebraska

CavMac currently serves as the retained actuary for the Nebraska Public Employees Retirement System and five other political subdivisions within the State of Nebraska including, the Central Nebraska Public Power and Irrigation District, the Lincoln Police and Fire Pension Fund, Metropolitan Utilities District of Omaha, Omaha Schools Employees Retirement System, the City of Ralston. Additionally, CavMac prepares OPEB reports for the City of Lincoln and the City of Grand Island. Our consultants have many years of experience working with the Board of Trustees and staff of each of these plans, so we believe our experience with local and state legislation will continue to be very beneficial to NPERS. In addition, we have worked with the Omaha School Employees Retirement System for over 30 years and have significant institutional knowledge with respect to the system's actuarial status. Finally, we have local presence with the full team working out of CavMac's Bellevue, NE office.

Strong National Presence

We currently serve as the retained pension actuary for statewide retirement systems in Alabama, Connecticut, Georgia, Indiana, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma and South Dakota. We also work with municipalities, counties, districts, and agencies from California to North Carolina and from North Dakota to Florida.

Strong Communication

Our consultants intentionally strive to effectively communicate actuarial matters so that complex technical concepts can be understood by non-actuaries. We frequently use customized modeling tools to assist our clients in understanding the complex dynamics of pension funding.

Client Focused Approach

A dedicated staff and an organizational structure that allows flexibility to meet client needs and to provide a high level of client/staff interaction. We refrain from one-size-fits-all approaches so that we can match our service and advice to each client's unique situation and needs.



TRANSMITTAL LETTER

Security Measures

Another metric that has CavMac above any of our competitors is the dedication we have invested to our secure servers and our cyber insurance. Over 5% of our revenue is spent annually partnering with outside IT vendors to secure our client's data from outside threats.

The primary contacts for this proposal are:

Patrice Beckham, FSA, EA, FCA, MAAA

Senior Consulting Actuary

3906 Raynor Parkway, Suite 201

Bellevue, NE 68123

PatB@CavMacConsulting.com

Phone: 402.905.4461

www.CavMacConsulting.com

Brent Banister, PhD, FSA, EA, FCA, MAAA

Chief Actuary

3906 Raynor Parkway, Suite 201

Bellevue, NE 68123

BrentB@CavMacConsulting.com

Phone: 402.905.4462

www.CavMacConsulting.com

We are proud of the actuarial work we have performed for NPERS as their retained actuary. CavMac has served NPERS since 2013 and, as a result, the NPERS Board and staff are both very familiar with the lead actuaries, support actuaries and actuarial staff. We currently also serve as the retained actuary for the Omaha School Employees' Retirement System (OSERS), so the transition to OSERS moving under NPERS' control will be smoother with CavMac compared to any other actuary. We believe we have served NPERS well by developing a great working relationship and we hope you agree. NPERS is an important client, and we value our working relationship. As such, we will continue to provide you with top quality actuarial services in a timely fashion and at a fair price. CavMac has demonstrated the ability to supply these important actuarial services, and we desire to continue supplying them.

CavMac meets all the requirements of this RFP and agrees to comply with all provisions set forth. This response is a firm and irrevocable offer to provide the requested services and will remain in full force and effect, remaining valid for not less than one hundred twenty (120) days from March 21, 2025.

Both Patrice and Brent are authorized to bind CavMac to the provisions of this proposal and to clarify the information provided or answer any questions. We look forward to continuing our relationship with NPERS!

Sincerely,

Patrice A. Beckham, FSA, EA, FCA, MAAA

Senior Consulting Actuary

Brent A. Banister, PhD, FSA, EA, FCA, MAAA

Chief Actuary



SECTION II – TERMS AND CONDITIONS

The Terms and Conditions are provided on the following pages.



II. TERMS AND CONDITIONS

Bidder should read the Terms and Conditions within this section and must initial either "Accept All Terms and Conditions Within Section as Written" or "Exceptions Taken to Terms and Conditions Within Section as Written" in the table below. If exception is not taken to a provision, it is deemed accepted as stated. If the bidder takes any exceptions, they must provide the following within the "Exceptions" field of the table below (Bidder may provide responses in separate attachment if multiple exceptions are taken):

1. The specific clause, including section reference, to which an exception has been taken;
2. An explanation of why the bidder took exception to the clause; and
3. Provide alternative language to the specific clause within the solicitation response.

By signing the solicitation, bidder agrees to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the solicitation response. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the solicitation response. The State reserves the right to reject solicitation responses that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

Accept All Terms and Conditions Within Section as Written (Initial)	Exceptions Taken to Terms and Conditions Within Section as Written (Initial)	Exceptions: (Bidder must note the specific clause, including section reference, to which an exception has been taken, an explanation of why the bidder took exception to the clause, and provide alternative language to the specific clause within the solicitation response.)
PS		

The bidders should submit with their solicitation response any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the solicitation response as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award has been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one (1) Party has a particular clause, then that clause shall control,
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together,
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

1. The contract resulting from this Solicitation shall incorporate the following documents:
 - a. Solicitation, including any attachments and addenda;
 - b. Questions and Answers;
 - c. Bidder's properly submitted solicitation response, including any terms and conditions or agreements submitted by the bidder;
 - d. Addendum to Contract Award (if applicable); and
 - e. Amendments to the Contract. (if applicable)

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) Executed Contract and any attached Addenda 3) Addendums to the solicitation and any Questions and Answers, 4) the original solicitation document and any Addenda or attachments, and 5) the Vendor's submitted solicitation response, including any terms and conditions or agreements that are accepted by the State.

Unless otherwise specifically agreed to in writing by the State, the State's standard terms and conditions, as executed by the State, shall always control over any terms and conditions or agreements submitted or included by the Vendor.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Bidder and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally; electronically, return receipt requested; or mailed, return receipt requested. All notices, requests, or communications shall be deemed effective upon receipt.

Either party may change its address for notification purposes by giving notice of the change and setting forth the new address and an effective date.

C. BUYER'S REPRESENTATIVE

The State reserves the right to appoint a Buyer's Representative to manage or assist the Buyer in managing the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the bidder will be provided a copy of the appointment document and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Nonnegotiable)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state, and federal laws, ordinances, rules, orders, and regulations.

E. BEGINNING OF WORK & SUSPENSION OF SERVICES

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Vendor. The Vendor will be notified in writing when work may begin.

The State may, at any time and without advance notice, require the Vendor to suspend any or all performance or deliverables provided under this Contract. In the event of such suspension, the Contract Manager or POC, or their designee, will issue a written order to stop work. The written order will specify which activities are to be immediately suspended and the reason(s) for the suspension. Upon receipt of such order, the Vendor shall immediately comply with its terms and take all necessary steps to mitigate and eliminate the incurrence of costs allocable to the work affected by the order during the period of suspension. The suspended performance or deliverables may only resume when the State provides the Vendor with written notice that such performance or deliverables may resume, in whole or in part.

F. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

G. CHANGE ORDERS OR SUBSTITUTIONS

The State and the Vendor, upon the written agreement, may make changes to the contract within the general scope of the solicitation. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Vendor may not claim forfeiture of the contract by reasons of such changes.

The Vendor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Vendor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Vendor's solicitation response, were foreseeable, or result from difficulties with or failure of the Vendor's solicitation response or performance.

No change shall be implemented by the Vendor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

In the event any good or service is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract to include the alternate product at the same price.

*****Vendor will not substitute any item that has been awarded without prior written approval of SPB*****

H. RECORD OF VENDOR PERFORMANCE

The State may document the vendor's performance, which may include, but is not limited to, the customer service provided by the vendor, the ability of the vendor, the skill of the vendor, and any instance(s) of products or services delivered or performed which fail to meet the terms of the purchase order, contract, and/or specifications. In addition to other remedies and options available to the State, the State may issue one or more notices to the vendor outlining any issues the State has regarding the vendor's performance for a specific contract ("Contract Compliance Request"). The State may also document the Vendor's performance in a report, which may or may not be provided to the vendor ("Contract Non-Compliance Notice"). The Vendor shall respond to any Contract Compliance Request or Contract Non-Compliance Notice in accordance with such notice or request. At the sole discretion of the State, such Contract Compliance Requests and Contract Non-Compliance Notices may be placed in the State's records regarding the vendor and may be considered by the State and held against the vendor in any future contract or award opportunity. The record of vendor performance will be considered in any suspension or debarment action.

I. NOTICE OF POTENTIAL VENDOR BREACH

If Vendor breaches the contract or anticipates breaching the contract, the Vendor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

J. BREACH

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by email, delivery receipt requested; certified mail, return receipt requested; or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time.

The State's failure to make payment shall not be a breach, and the Vendor shall retain all available statutory remedies.

K. NON-WAIVER OF BREACH

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

L. SEVERABILITY

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

M. INDEMNIFICATION

1. GENERAL

The Vendor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and

expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Vendor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Vendor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Vendor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Vendor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Vendor prompt notice in writing of the claim. The Vendor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Vendor has indemnified the State, the Vendor shall, at the Vendor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Vendor, and the State may receive the remedies provided under this Solicitation.

3. PERSONNEL

The Vendor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Vendor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01. If there is a presumed loss under the provisions of this agreement, Vendor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,239.01 to 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Neb. Rev. Stat. § 81-8,294), Tort (Neb. Rev. Stat. § 81-8,209), and Contract Claim Acts (Neb. Rev. Stat. § 81-8,302), as outlined in state law and accepts liability under this agreement only to the extent provided by law.

- 5.** The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

N. ATTORNEY'S FEES

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

O. ASSIGNMENT, SALE, OR MERGER

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Vendor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Vendor's business. Vendor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Vendor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

P. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUBDIVISIONS OF THE STATE OR ANOTHER STATE

The Vendor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. § 81-145(2), to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Vendor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

Q. FORCE MAJEURE

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event") that was not foreseeable at the time the Contract was executed. The Party so affected shall immediately make a written request for relief to the other Party and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

R. CONFIDENTIALITY

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

S. EARLY TERMINATION

The contract may be terminated as follows:

1. The State and the Vendor, by mutual written agreement, may terminate the contract, in whole or in part, at any time.
2. The State, in its sole discretion, may terminate the contract, in whole or in part, for any reason upon thirty (30) calendar day's written notice shall be delivered by email, delivery receipt requested; certified mail, return receipt requested; or in person with proof of delivery to the Vendor. Such termination shall not relieve the Vendor of warranty or other service obligations incurred under the terms of the contract. In the event of termination, the Vendor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract, in whole or in part, immediately for the following reasons:
 - a. if directed to do so by statute,
 - b. Vendor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business,
 - c. a trustee or receiver of the Vendor or of any substantial part of the Vendor's assets has been appointed by a court,
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Vendor, its employees, officers, directors, or shareholders,
 - e. an involuntary proceeding has been commenced by any Party against the Vendor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Vendor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Vendor has been decreed or adjudged a debtor,
 - f. a voluntary petition has been filed by the Vendor under any of the chapters of Title 11 of the United States Code,
 - g. Vendor intentionally discloses confidential information,
 - h. Vendor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

T. CONTRACT CLOSEOUT

Upon termination of the contract for any reason the Vendor shall within thirty (30) days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State,
2. Transfer ownership and title to all completed or partially completed deliverables to the State,

3. Return to the State all information and data unless the Vendor is permitted to keep the information or data by contract or rule of law. Vendor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Vendor's routine back up procedures,
4. Cooperate with any successor Contactor, person, or entity in the assumption of any or all of the obligations of this contract,
5. Cooperate with any successor Contactor, person, or entity with the transfer of information or data related to this contract,
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this section should be construed to require the Vendor to surrender intellectual property, real or personal property, or information or data owned by the Vendor for which the State has no legal claim.

U. AMERICANS WITH DISABILITIES ACT

Vendor shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131–12134), as amended by the ADA Amendments Act of 2008 (ADA Amendments Act) (Pub.L. 110–325, 122 Stat. 3553 (2008)), which prohibits discrimination on the basis of disability by public entities.



SECTION III – VENDOR DUTIES

The Vendor Duties section is provided on the following pages.

We would propose the following alternative to the insurance requirements under Section J:

1. Eliminate the requirement for “All Owned” Auto Liability coverage since our firm does not own any vehicles.
2. We currently have Hired and Non-Owned Auto Liability coverage, but additional insureds cannot be added, so we request that this requirement be waived.
3. Our current coverage for Employee Dishonesty (Commercial Crime) is \$25,000 rather than the requested amount of \$1 million. Because this has been adequate for the past twelve years (under the current contract) and generally meets industry standards, we request that the coverage be maintained at the current level of \$25,000. We are open to negotiation on this issue, if necessary.



III. VENDOR DUTIES

Bidder should read the Vendor Duties within this section and must initial either "Accept All Terms and Conditions Within Section as Written" or "Exceptions Taken to Vendor Duties Within Section as Written" in the table below. If exception is not taken to a provision, it is deemed accepted as stated. If the bidder takes any exceptions, they must provide the following within the "Exceptions" field of the table below (Bidder may provide responses in separate attachment if multiple exceptions are taken):

1. The specific clause, including section reference, to which an exception has been taken;
2. An explanation of why the bidder took exception to the clause; and
3. Provide alternative language to the specific clause within the solicitation response.

By signing the solicitation, bidder agrees to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the solicitation response. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the solicitation response. The State reserves the right to reject solicitation responses that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

Accept All Vendor Duties Within Section as Written (Initial)	Exceptions Taken to Vendor Duties Within Section as Written (Initial)	Exceptions: (Bidder must note the specific clause, including section reference, to which an exception has been taken, an explanation of why the bidder took exception to the clause, and provide alternative language to the specific clause within the solicitation response.)
	PB	<p>I. Ownership of Information and Data/Deliverables</p> <p>The modeling tool created by CavMac for NPERS is proprietary and, therefore, the State will not own and hold exclusive title to that deliverable.</p>
	PB	<p>J. Insurance Requirements</p> <p>We would propose the following alternative to the insurance requirements under Section J:</p> <ol style="list-style-type: none"> 1. Eliminate the requirement for "All Owned" Auto Liability coverage since our firm does not own any vehicles. 2. We currently have Hired and Non-Owned Auto Liability coverage, but additional insureds cannot be added, so we request that this requirement be waived. 3. Our current coverage for Employee Dishonesty (Commercial Crime) is \$25,000 rather than the requested amount of \$1 million. Because this has been adequate for the past twelve years (under the current contract) and generally meets Industry standards, we request that the coverage be maintained at the current level of \$25,000. We are open to negotiation on this issue, if necessary.

A. INDEPENDENT VENDOR / OBLIGATIONS

It is agreed that the Vendor is an independent Vendor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Vendor is solely responsible for fulfilling the contract. The Vendor or the Vendor's representative shall be the sole point of contact regarding all contractual matters.

The Vendor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Vendor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the bidder's solicitation response shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Vendor to the contract shall be employees of the Vendor or a subcontractor and shall be fully qualified to perform the work required herein. Personnel employed by the Vendor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Vendor or the subcontractor respectively.

With respect to its employees, the Vendor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding,
2. Any and all vehicles used by the Vendor's employees, including all insurance required by state law,
3. Damages incurred by Vendor's employees within the scope of their duties under the contract,
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law,
5. Determining the hours to be worked and the duties to be performed by the Vendor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Vendor, its officers, agents, or subcontractors or subcontractor's employees).

If the Vendor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the solicitation response. The Vendor shall agree that it will not utilize any subcontractors not specifically included in its solicitation response in the performance of the contract without the prior written authorization of the State. If the Vendor subcontracts any of the work, the Vendor agrees to pay any and all subcontractors in accordance with the Vendor's agreement with the respective subcontractor(s).

The State reserves the right to require the Vendor to reassign or remove from the project any Vendor or subcontractor employee.

Vendor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Vendor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. FOREIGN ADVERSARY CONTRACTING PROHIBITION ACT CERTIFICATION (Nonnegotiable)

The Vendor certifies that it is not a scrutinized company as defined under the Foreign Adversary Contracting Prohibition Act, Neb. Rev. Stat. Sec. § 73-903 (5); that it will not subcontract with any scrutinized company for any aspect of performance of the contemplated contract; and that any products or services to be provided do not originate with a scrutinized company.

C. EMPLOYEE WORK ELIGIBILITY STATUS

The Vendor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Vendor is an individual or sole proprietorship, the following applies:

1. The Vendor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <https://das.nebraska.gov/materiel/docs/pdf/Individual%20or%20Sole%20Proprietor%20United%20States%20Attestation%20Form%20English%20and%20Spanish.pdf>
2. The completed United States Attestation Form should be submitted with the Solicitation response.
3. If the Vendor indicates on such attestation form that he or she is a qualified alien, the Vendor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Vendor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Vendor understands and agrees that lawful presence in the United States is required, and the Vendor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. § 4-108.

D. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Nonnegotiable)

The Vendor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Vendors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §§ 48-1101 to 48-1125). The Vendor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Vendor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this Solicitation.

E. COOPERATION WITH OTHER VENDORS

Vendor may be required to work with or in close proximity to other Vendors or individuals that may be working on same or different projects. The Vendor shall agree to cooperate with such other Vendors or individuals and shall not commit or permit any act which may interfere with the performance of work by any other Vendor or individual. Vendor is not required to compromise Vendor's intellectual property or proprietary information unless expressly required to do so by this contract.

F. DISCOUNTS

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the solicitation response. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

G. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the Solicitation. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

Prices submitted on the cost sheet shall remain fixed for the first three (3) years of the contract. Any request for a price increase subsequent to the first three (3) years of the contract shall not exceed three percent (3 %) of the previous Contract period. Increases will be cumulative across the remaining periods of the contract. Requests for an increase must be submitted in writing to the State Purchasing Bureau a minimum of 180 days prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

The State will be given full proportionate benefit of any decreases for the term of the contract.

H. PERMITS, REGULATIONS, LAWS

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Vendor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Vendor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

I. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Vendor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Vendor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

J. INSURANCE REQUIREMENTS

The Vendor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Vendor shall not commence work on the contract until the insurance is in place. If Vendor subcontracts any portion of the Contract the Vendor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor,

2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Vendor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Vendor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Vendor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Vendor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within five (5) years of termination or expiration of the contract, the Vendor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and five (5) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Vendor elects to increase the mandatory deductible amount, the Vendor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Vendor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contactors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Vendor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Vendor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Vendor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Vendor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Vendors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Vendors	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
Professional liability (Medical Malpractice)	Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund	
All Other Professional Liability (Errors & Omissions)	
	\$10,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$5,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

3. EVIDENCE OF COVERAGE

The Vendor shall furnish the Contract Manager, via email, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

120961 O5

Nebraska Public Employees Retirement Systems

Attn: Controller

1526 K Street, Suite 400

Lincoln, NE 68508

Teresa.zulauf@nebraska.gov

These certificates or the cover sheet shall reference the solicitation number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Vendor to maintain such insurance, then the Vendor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Vendor.

K. ANTITRUST

The Vendor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

L. CONFLICT OF INTEREST

By submitting a solicitation response, vendor certifies that no relationship exists between the vendor and any person or entity which either is, or gives the appearance of, a conflict of interest related to this solicitation or project.

Vendor further certifies that vendor will not employ any individual known by vendor to have a conflict of interest nor shall vendor take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, vendor shall provide with its solicitation response a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall solicitation response evaluation.

M. STATE PROPERTY

The Vendor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Vendor's use during the performance of the contract. The Vendor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

N. SITE RULES AND REGULATIONS

The Vendor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Vendor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Vendor.

O. ADVERTISING

The Vendor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

P. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Nonnegotiable)

1. The State of Nebraska is committed to ensuring that all information and communication technology (ICT), developed, leased, or owned by the State of Nebraska, affords equivalent access to employees, program participants and members of the public with disabilities, as it affords to employees, program participants and members of the public who are not persons with disabilities.
2. By entering into this Contract, Vendor understands and agrees that if the Vendor is providing a product or service that contains ICT, as defined in subsection 3 below and such ICT is intended to be directly interacted with by the user or is public facing, such ICT must provide equivalent access, or be modified during implementation to afford equivalent access, to employees, program participants, and members of the public who have and who do not have disabilities. The Vendor may comply with this section by complying with Section 508 of the Rehabilitation Act of 1973, as amended, and its implementing standards adopted and promulgated by the U.S. Access Board.
3. ICT means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Vendor hereby agrees ICT includes computers and peripheral equipment, information kiosks and transaction machines, telecommunications equipment, customer premises equipment, multifunction office machines, software, applications, web sites, videos, and electronic documents. For the purposes of these assurances, ICT does not include ICT that is used exclusively by a Vendor.

Q. DISASTER RECOVERY/BACK UP PLAN

The Vendor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

R. DRUG POLICY

Vendor certifies it maintains a drug free workplace environment to ensure worker safety and workplace integrity. Vendor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

S. WARRANTY

Despite any clause to the contrary, the Vendor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Vendor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to the State, or if Vendor is unable to perform the services as warranted, Vendor shall reimburse the State all fees paid to Vendor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

T. TIME IS OF THE ESSENCE

Time is of the essence with respect to Vendor's performance and deliverables pursuant to this Contract.



SECTION IV – PAYMENT

The Payment section is provided on the following pages.



IV. PAYMENT

Bidder should read the Payment clauses within this section and must initial either "Accept All Terms and Conditions Within Section as Written" or "Exceptions Taken to Payment clauses Within Section as Written" in the table below. If exception is not taken to a provision, it is deemed accepted as stated. If the bidder takes any exceptions, they must provide the following within the "Exceptions" field of the table below (Bidder may provide responses in separate attachment if multiple exceptions are taken):

1. The specific clause, including section reference, to which an exception has been taken;
2. An explanation of why the bidder took exception to the clause; and
3. Provide alternative language to the specific clause within the solicitation response.

By signing the solicitation, bidder agrees to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the solicitation response. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the solicitation response. The State reserves the right to reject solicitation responses that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

Accept All Payment Clauses Within Section as Written (Initial)	Exceptions Taken to Payment Clauses Within Section as Written (Initial)	Exceptions: (Bidder must note the specific clause, including section reference, to which an exception has been taken, an explanation of why the bidder took exception to the clause, and provide alternative language to the specific clause within the solicitation response.)
PS		

A. PROHIBITION AGAINST ADVANCE PAYMENT (Nonnegotiable)

Pursuant to Neb. Rev. Stat. § 81-2403, "[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency."

B. TAXES (Nonnegotiable)

The State is not required to pay taxes and assumes no such liability as a result of this Solicitation. The Vendor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Vendor's equipment which may be installed in a state-owned facility is the responsibility of the Vendor.

C. INVOICES

Invoices for payments must be submitted by the Vendor to the agency requesting the services with sufficient detail to support payment. Invoices detailed as shown on the cost proposal should be emailed to the Nebraska Public Employees Retirement Systems, Teresa.zulauf@nebraska.gov. The terms and conditions included in the Vendor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract. **The State shall have forty-five (45) calendar days to pay after a valid and accurate invoice is received by the State.**

D. INSPECTION AND APPROVAL

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

E. PAYMENT (Nonnegotiable)

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. § 81-2403). The State may require the Vendor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Vendor

prior to the Effective Date of the contract, and the Vendor hereby waives any claim or cause of action for any such goods or services.

F. LATE PAYMENT (Nonnegotiable)

The Vendor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §§ 81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Nonnegotiable)

The State's obligation to pay amounts due on the Contract for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Vendor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Vendor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Vendor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Nonnegotiable)

The State shall have the right to audit the Vendor's performance of this contract upon a thirty (30) days' written notice. Vendor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. § 84-304 et seq.) The State may audit, and the Vendor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Vendor shall make the Information available to the State at Vendor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Vendor so elects, the Vendor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Vendor be required to create or maintain documents not kept in the ordinary course of Vendor's business operations, nor will Vendor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to Vendor.

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent (.5%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Vendor, the Vendor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Vendor agrees to correct any material weaknesses or condition found as a result of the audit.



SECTION V – PROJECT DESCRIPTION AND SCOPE OF WORK

CavMac agrees with all contract requirements listed in Section V: Project Description and Scope of Work.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

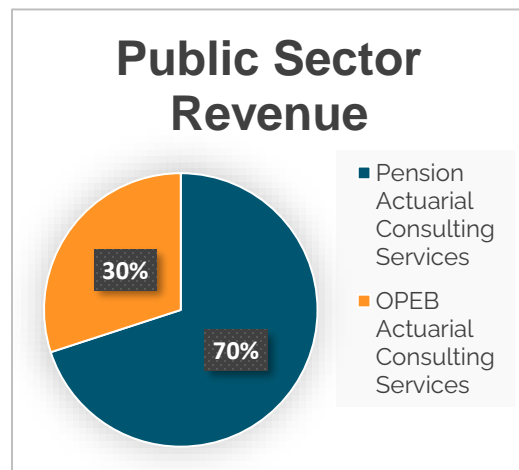
THE CORPORATE OVERVIEW SECTION OF THE TECHNICAL PROPOSAL SHOULD CONSIST OF THE FOLLOWING SUBDIVISIONS:

a. BIDDER IDENTIFICATION AND INFORMATION

THE BIDDER SHOULD PROVIDE THE FULL COMPANY OR CORPORATE NAME, ADDRESS OF THE COMPANY'S HEADQUARTERS, ENTITY ORGANIZATION (CORPORATION, PARTNERSHIP, PROPRIETORSHIP), STATE IN WHICH THE BIDDER IS INCORPORATED OR OTHERWISE ORGANIZED TO DO BUSINESS, YEAR IN WHICH THE BIDDER FIRST ORGANIZED TO DO BUSINESS AND WHETHER THE NAME AND FORM OF ORGANIZATION HAS CHANGED SINCE FIRST ORGANIZED.

CavMac is a professional actuarial service firm incorporated in Georgia and is qualified to provide actuarial valuation services, pension and healthcare consulting, proposed legislation and modeling, and public plan support. CavMac was created specifically to provide actuarial consulting services to public sector retirement plans and we have been doing so ever since.

CavMac is a wholly independent, privately held firm. Twenty years ago, Tom Cavanaugh and Ed Macdonald founded CavMac and helped build our firm into one of the leading public sector



actuarial consulting firms in the country today. CavMac currently has 39 employees, of which 36 are either credentialed actuaries or actuarial analysts, most of whom are working toward their actuarial certifications. While this employee count may seem small compared to our competitors, all but three from our firm are working full-time on the public retirement actuarial consulting services presented here (comparable to our competitor's teams working in the public sector space).

Five Principals of the firm continue the legacy Tom and Ed started at CavMac, offering innovative, creative and technically proficient advice to help benefit plans thrive

in the future. At the end of 2024, Principals Cathy Turcot and John Garrett retired and their ownership shares transferred to the remaining Principals. However, Bryan Hoge was recently promoted to Principal, further strengthening the leadership team. The firm's ownership remains fully held by its Principals. The current Principals are:





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

Board of Managers



Ed Koebel
EA, FCA, MAAA

*CEO,
Consulting Actuary*



Alisa Bennett
FSA, EA, FCA, MAAA

*President,
Consulting Actuary*



Todd Green
ASA, EA, FCA, MAAA

*President,
Consulting Actuary*

Principals



Larry Langer
ASA, EA, FCA, MAAA

*Principal,
Consulting Actuary*



Bryan Hoge
FSA, EA, FCA, MAAA

*Principal,
Consulting Actuary*

There has not been any change in the form of organization since CavMac was first organized in 2005. In July of 2024, Cavanaugh Macdonald Consulting, LLC. launched a refreshing rebrand and officially began doing business as CavMac. CavMac's business has been solely focused on providing exceptional actuarial consulting services to the public sector, and we do not plan any changes in our focus in the future. As an employee-owned firm, from time to time, additional ownership opportunities are offered to senior staff members.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

Our headquarters is in Kennesaw, Georgia (Atlanta metro area) and has 21 employees, including the CEO and both Presidents. The office is located at:

Cavanaugh Macdonald Consulting, LLC

D.B.A. CavMac

3550 Busbee Parkway, Suite 250

Kennesaw, GA 30144

Phone: 678.388.1700

www.CavMacConsulting.com

In addition, we also maintain a significant office with 8 employees in Bellevue, Nebraska (Omaha metro area).

Cavanaugh Macdonald Consulting, LLC

D.B.A. CavMac

3906 Raynor Parkway, Suite 201

Bellevue, NE 68123

Phone: 402.905.4464

We also have 10 professionals working remotely, a practice we started even prior to the pandemic. Technology allows us to work seamlessly across geographic locations.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

b. FINANCIAL STATEMENTS

THE BIDDER SHOULD PROVIDE FINANCIAL STATEMENTS APPLICABLE TO THE FIRM. IF PUBLICLY HELD, THE BIDDER SHOULD PROVIDE A COPY OF THE CORPORATION'S MOST RECENT AUDITED FINANCIAL REPORTS AND STATEMENTS, AND THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE FISCALLY RESPONSIBLE REPRESENTATIVE OF THE BIDDER'S FINANCIAL OR BANKING ORGANIZATION.

IF THE BIDDER IS NOT A PUBLICLY HELD CORPORATION, EITHER THE REPORTS AND STATEMENTS REQUIRED OF A PUBLICLY HELD CORPORATION, OR A DESCRIPTION OF THE ORGANIZATION, INCLUDING SIZE, LONGEVITY, CLIENT BASE, AREAS OF SPECIALIZATION AND EXPERTISE, AND ANY OTHER PERTINENT INFORMATION, SHOULD BE SUBMITTED IN SUCH A MANNER THAT SOLICITATION EVALUATORS MAY REASONABLY FORMULATE A DETERMINATION ABOUT THE STABILITY AND FINANCIAL STRENGTH OF THE ORGANIZATION. ADDITIONALLY, A NON-PUBLICLY HELD FIRM SHOULD PROVIDE A BANKING REFERENCE.

Although CavMac is not a publicly held company, we do produce audited financial reports each year. CavMac's latest CONFIDENTIAL Financial Statements are provided in a separate document as they are considered "proprietary information" per the Scope of Work Section of the RFP. As a privately held company, CavMac could be placed at a significant competitive disadvantage if other actuarial firms had access to the firm's current financial condition and detailed information on revenue and expenses.

THE BIDDER MUST DISCLOSE ANY AND ALL JUDGMENTS, PENDING OR EXPECTED LITIGATION, OR OTHER REAL OR POTENTIAL FINANCIAL REVERSALS, WHICH MIGHT MATERIALLY AFFECT THE VIABILITY OR STABILITY OF THE ORGANIZATION, OR STATE THAT NO SUCH CONDITION IS KNOWN TO EXIST.

THE STATE MAY ELECT TO USE A THIRD PARTY TO CONDUCT CREDIT CHECKS AS PART OF THE CORPORATE OVERVIEW EVALUATION.

None of the litigation in our history has been initiated by a client or former client and will not affect our ability to provide the required services. As with most businesses, our work exposes us to occasional litigation from entities other than our clients. The following situation is the one instance that has occurred over the last 20 years.

In December of 2017, eight members of the Kentucky Employees Retirement System ("KRS") brought suit against 31 defendants alleging a conspiracy among all the defendants to cause KRS to acquire hedge fund investments that were not suitable for the KRS retirement plan, and which caused KRS to incur excessive fees. The suit alleged that these investments were the cause of the funding deficit in the KRS plan. Cavanaugh Macdonald Consulting LLC and three of its





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

employees were included as defendants. On April 24th, 2019, the Kentucky Court of Appeals dismissed the case against all the defendants by granting the defendants' request for a "writ of prohibition" that prevented the trial court from proceeding with the case. **The Appeals Court ruled that these Plaintiffs do not have standing to bring the case.** This ruling ended the case in the trial court; however, the Plaintiffs appealed the ruling to the Kentucky Supreme Court. **On July 9, 2020, the Kentucky Supreme Court dismissed the lawsuit agreeing with the Appeals Court.**

However, on July 23, 2020, the Attorney General of Kentucky intervened, and we are awaiting further information from the judge whether he will hear a similar suit. We believe any claims against CavMac are without merit and we intend to fully defend the suit. Because it is an ongoing lawsuit, our attorneys have insisted that we cannot provide any further information.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

c. CHANGE OF OWNERSHIP

IF ANY CHANGE IN OWNERSHIP OR CONTROL OF THE COMPANY IS ANTICIPATED DURING THE TWELVE (12) MONTHS FOLLOWING THE SOLICITATION RESPONSE DUE DATE, THE BIDDER SHOULD DESCRIBE THE CIRCUMSTANCES OF SUCH CHANGE AND INDICATE WHEN THE CHANGE WILL LIKELY OCCUR. ANY CHANGE OF OWNERSHIP TO AN AWARDED BIDDER(S) WILL REQUIRE NOTIFICATION TO THE STATE.

No change in ownership or control of the company is anticipated in the twelve months following the proposal due date. CavMac understands that if awarded the contract, any change of ownership will require notification to the State.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

d. OFFICE LOCATION

THE BIDDER'S OFFICE LOCATION RESPONSIBLE FOR PERFORMANCE PURSUANT TO AN AWARD OF A CONTRACT WITH THE STATE OF NEBRASKA SHOULD BE IDENTIFIED.

Our proposed CavMac team includes 8 employees who are located primarily in our Nebraska office. More information on individual team member roles is provided later in our proposal.

Cavanaugh Macdonald Consulting, LLC
D.B.A. CavMac

3906 Raynor Parkway, Suite 201
Bellevue, NE 68123
Phone: 402.905.4464





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

e. RELATIONSHIPS WITH THE STATE

THE BIDDER SHOULD DESCRIBE ANY DEALINGS WITH THE STATE OVER THE PREVIOUS TEN (10) YEARS. IF THE ORGANIZATION, ITS PREDECESSOR, OR ANY PARTY NAMED IN THE BIDDER'S SOLICITATION RESPONSE HAS CONTRACTED WITH THE STATE, THE BIDDER SHOULD IDENTIFY THE CONTRACT NUMBER(S) AND/OR ANY OTHER INFORMATION AVAILABLE TO IDENTIFY SUCH CONTRACT(S). IF NO SUCH CONTRACTS EXIST, SO DECLARE.

CavMac has held a contract with the State of Nebraska for actuarial consulting services since 2013.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

f. BIDDER'S EMPLOYEE RELATIONS TO STATE

IF ANY PARTY NAMED IN THE BIDDER'S SOLICITATION RESPONSE IS OR WAS AN EMPLOYEE OF THE STATE WITHIN THE PAST TWELVE (12) MONTHS, IDENTIFY THE INDIVIDUAL(S) BY NAME, STATE AGENCY WITH WHOM EMPLOYED, JOB TITLE OR POSITION HELD WITH THE STATE, AND SEPARATION DATE. IF NO SUCH RELATIONSHIP EXISTS OR HAS EXISTED, SO DECLARE.

No such relationship exists or has existed.

IF ANY EMPLOYEE OF ANY AGENCY OF THE STATE OF NEBRASKA IS EMPLOYED BY THE BIDDER OR IS A SUBCONTRACTOR TO THE BIDDER, AS OF THE DUE DATE FOR SOLICITATION RESPONSE SUBMISSION, IDENTIFY ALL SUCH PERSONS BY NAME, POSITION HELD WITH THE BIDDER, AND POSITION HELD WITH THE STATE (INCLUDING JOB TITLE AND AGENCY). DESCRIBE THE RESPONSIBILITIES OF SUCH PERSONS WITHIN THE PROPOSING ORGANIZATION. IF, AFTER REVIEW OF THIS INFORMATION BY THE STATE, IT IS DETERMINED THAT A CONFLICT OF INTEREST EXISTS OR MAY EXIST, THE BIDDER MAY BE DISQUALIFIED FROM FURTHER CONSIDERATION IN THIS SOLICITATION. IF NO SUCH RELATIONSHIP EXISTS, SO DECLARE.

No such relationship exists or has existed.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

g. CONTRACT PERFORMANCE

IF THE BIDDER OR ANY PROPOSED SUBCONTRACTOR HAS HAD A CONTRACT TERMINATED FOR DEFAULT DURING THE PAST TEN (10) YEARS, ALL SUCH INSTANCES MUST BE DESCRIBED AS REQUIRED BELOW. TERMINATION FOR DEFAULT IS DEFINED AS A NOTICE TO STOP PERFORMANCE DELIVERY DUE TO THE BIDDER'S NON-PERFORMANCE OR POOR PERFORMANCE, AND THE ISSUE WAS EITHER NOT LITIGATED DUE TO INACTION ON THE PART OF THE BIDDER OR LITIGATED AND SUCH LITIGATION DETERMINED THE BIDDER TO BE IN DEFAULT.

IT IS MANDATORY THAT THE BIDDER SUBMIT FULL DETAILS OF ALL TERMINATION FOR DEFAULT EXPERIENCED DURING THE PAST TEN (10) YEARS, INCLUDING THE OTHER PARTY'S NAME, ADDRESS, AND TELEPHONE NUMBER. THE RESPONSE TO THIS SECTION MUST PRESENT THE BIDDER'S POSITION ON THE MATTER. THE STATE WILL EVALUATE THE FACTS AND WILL SCORE THE BIDDER'S SOLICITATION RESPONSE ACCORDINGLY. IF NO SUCH TERMINATION FOR DEFAULT HAS BEEN EXPERIENCED BY THE BIDDER IN THE PAST TEN (10) YEARS, SO DECLARE.

IF AT ANY TIME DURING THE PAST TEN (10) YEARS, THE BIDDER HAS HAD A CONTRACT TERMINATED FOR CONVENIENCE, NON-PERFORMANCE, NON-ALLOCATION OF FUNDS, OR ANY OTHER REASON, DESCRIBE FULLY ALL CIRCUMSTANCES SURROUNDING SUCH TERMINATION, INCLUDING THE NAME AND ADDRESS OF THE OTHER CONTRACTING PARTY.

We have never had a contract terminated for default.

CavMac has lost 14 clients over the last 10 years, all due to the competitive bid process. However, we have gained 36 clients over the last 10 years, as well as several new actuarial audit clients.

10-Year Loss		
System	Year Lost	Contact
Glynn County, GA	2015	Ms. Orah L. Reed, PHR 1725 Reynolds Street, Suite 302 Brunswick, GA 31520 912.554.7172
Kentucky Retirement System	2017	Ms. Karen Roggenkamp 1260 Louisville Road Frankfort, KY 40601 502.696.8455
Colorado Public Employees Retirement Association	2019	Mr. Karl Paulson 1301 Pennsylvania Street Denver, CO 80203-2386 303.837.6203
Cincinnati Retirement System	2019	Ms. Paula Tilsley 801 Plum Street, Room 328 City Hall Cincinnati, OH 45202 513.352.6296





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

District of Columbia Retirement Board	2018	Ms. Sheila Morgan Johnson 900 7th Street, NW, Suite 200 Washington, DC 20001 202.343.3200
Kansas City Area Transportation Authority	2019	Ms. Teresa Bing 1200 East 18th Street Kansas City, MO 64108 816.346.0205 816.346.0205
Wichita Retirement Systems	2019	Ms. Pam Beim 455 N. Main Street Wichita, KS 67202 316.268.4544
City of Hampton, VA	2020	Mr. Karl S. Daughtrey 22 Lincoln Street Hampton, VA 23669 757.727.6230
Omaha Employees Retirement System	2021	Mr. Stephen Curtiss 1819 Farnam Street Omaha, NE 68183 402.444.5417
Omaha Police & Fire Retirement System	2021	Mr. Stephen Curtiss 1819 Farnam Street Omaha, NE 68183 402.444.5417
City of Suffolk, VA	2021	Tealen Hansen 100 N. Main Street Suffolk, VA 23434 757.514.7500
New Mexico Public Employees' Retirement Association	2022	Mr. Greg Trujillo 33 Plaza La Prensa Santa Fe, NM 87507 505.476.9303
North Carolina Retirement Systems	2022	Mr. Patrick Kinlaw, FSA 3200 Atlantic Avenue Raleigh, NC 27604 919.814.4157
Virginia Retirement System	2022	Ms. Patricia S. Bishop 1200 E. Main Street Richmond, VA 23219 804.771.7332





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

THE BIDDER SHOULD PROVIDE A SUMMARY MATRIX LISTING THE BIDDER'S PREVIOUS PROJECTS SIMILAR TO THIS SOLICITATION IN SIZE, SCOPE, AND COMPLEXITY. THE STATE WILL USE NO MORE THAN THREE (3) NARRATIVE PROJECT DESCRIPTIONS SUBMITTED BY THE BIDDER DURING ITS EVALUATION OF THE SOLICITATION RESPONSE.

Answers to this question are provided in the Technical Approach section of this RFP.

THE BIDDER SHOULD ADDRESS THE FOLLOWING:

- i. PROVIDE NARRATIVE DESCRIPTIONS TO HIGHLIGHT THE SIMILARITIES BETWEEN THE BIDDER'S EXPERIENCE AND THIS SOLICITATION. THESE DESCRIPTIONS SHOULD INCLUDE:**
 - a) THE TIME PERIOD OF THE PROJECT,**
 - b) THE SCHEDULED AND ACTUAL COMPLETION DATES,**
 - c) THE BIDDER'S RESPONSIBILITIES,**
 - d) FOR REFERENCE PURPOSES, A CUSTOMER NAME (INCLUDING THE NAME OF A CONTACT PERSON, A CURRENT TELEPHONE NUMBER, A FACSIMILE NUMBER, AND E-MAIL ADDRESS); AND**
 - e) EACH PROJECT DESCRIPTION SHOULD IDENTIFY WHETHER THE WORK WAS PERFORMED AS THE PRIME VENDOR OR AS A SUBCONTRACTOR. IF A BIDDER PERFORMED AS THE PRIME VENDOR, THE DESCRIPTION SHOULD PROVIDE THE ORIGINALLY SCHEDULED COMPLETION DATE AND BUDGET, AS WELL AS THE ACTUAL (OR CURRENTLY PLANNED) COMPLETION DATE AND ACTUAL (OR CURRENTLY PLANNED) BUDGET.**

Answers to these questions are provided in the Corporate Overview section of the Additional Corporate Experience form. Note that we do not use any subcontractors to perform the services in the RFP.

- ii. BIDDER AND SUBCONTRACTOR(S) EXPERIENCE SHOULD BE LISTED SEPARATELY. NARRATIVE DESCRIPTIONS SUBMITTED FOR SUBCONTRACTORS SHOULD BE SPECIFICALLY IDENTIFIED AS SUBCONTRACTOR PROJECTS.**

All work was, and will continue to be, performed by CavMac employees.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

- iii. IF THE WORK WAS PERFORMED AS A SUBCONTRACTOR, THE NARRATIVE DESCRIPTION SHOULD IDENTIFY THE SAME INFORMATION AS REQUESTED FOR THE BIDDERS ABOVE. IN ADDITION, SUBCONTRACTORS SHOULD IDENTIFY WHAT SHARE OF CONTRACT COSTS, PROJECT RESPONSIBILITIES, AND TIME PERIOD WERE PERFORMED AS A SUBCONTRACTOR.

Not applicable.

- iv. ADDITIONAL CORPORATE EXPERIENCE MUST BE COMPLETED ON ATTACHMENT C.

We have complied with this requirement.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

THE BIDDER SHOULD PRESENT A DETAILED DESCRIPTION OF ITS PROPOSED APPROACH TO THE MANAGEMENT OF THE PROJECT.

Answers to this question are provided in the Technical Approach section of this RFP.

THE BIDDER SHOULD IDENTIFY THE SPECIFIC PROFESSIONALS WHO WILL WORK ON THE STATE'S PROJECT IF THEIR COMPANY IS AWARDED THE CONTRACT RESULTING FROM THIS SOLICITATION. THE NAMES AND TITLES OF THE TEAM PROPOSED FOR ASSIGNMENT TO THE STATE PROJECT SHOULD BE IDENTIFIED IN FULL, WITH A DESCRIPTION OF THE TEAM LEADERSHIP, INTERFACE, AND SUPPORT FUNCTIONS, AND REPORTING RELATIONSHIPS. THE PRIMARY WORK ASSIGNED TO EACH PERSON SHOULD ALSO BE IDENTIFIED.

We propose that the current team continue to serve NPERS. This allows the staff to gain valuable institutional knowledge of the system while enhancing the valuation process and becoming more efficient. All team members possess strong technical abilities and experience.


The work to be performed on the contract by each of the team members is summarized in the following table.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

   			
Name/Credentials	Title/Role	Years of Experience	Location
Patrice Beckham FSA, EA, FCA, MAAA	Senior Consulting Actuary <i>Co-lead Actuary</i>	39	Bellevue, NE
Brent Banister PhD, FSA, EA, FCA, MAAA	Chief Actuary <i>Co-lead Actuary</i>	30	Bellevue, NE
Bryan Hoge FSA, EA, FCA, MAAA	Principal, Consulting Actuary <i>Support Actuary</i>	20	Bellevue, NE
Virginia Fritz FSA, EA, FCA, MAAA	Senior Actuary <i>Support Actuary</i>	19	Bellevue, NE
Larry Langer ASA, EA, FCA, MAAA	Principal, Consulting Actuary <i>Resource Actuary</i>	36	Naperville, IL
Aaron Chochon ASA, EA, ACA, MAAA	Senior Actuary <i>Project Manager</i>	14	Bellevue, NE
Megan Skiles ASA, FCA, MAAA	Actuary <i>Production</i>	8	Bellevue, NE
Gabe Masek ASA, FCA, MAAA	Actuary <i>Production</i>	6	Berkley, MI

Key to Actuarial Credentials:

FSA: Fellow, Society of Actuaries
 ASA: Associate, Society of Actuaries
 EA: Enrolled Actuary

FCA: Fellow of Conference of Consulting Actuaries
 ACA: Associate, Conference of Consulting Actuaries
 MAAA: Member, American Academy of Actuaries





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

Patrice Beckham and Brent Banister will serve as the day-to-day contact for NPERS and will direct all projects. Both Pat and Brent meet the “Scope of Work” requirements. A brief description of the responsibilities of each team member follows.

Patrice Beckham and Brent Banister—Co-lead Actuaries



Main contact for NPERS, responsible for actuarial production team and technical and automation issues, legislative testimony, and recommendation of assumptions and methods. Pat and Brent will serve as final reviewers of all work. In addition, as Chief Actuary, Brent is an expert on Actuarial Standards of Practice (ASOP) compliance.



Bryan Hoge and Virginia Fritz – Support Actuaries

Alternate contacts for NPERS, responsible for actuarial production team and technical and automation issues, legislative testimony, and recommendation of assumptions and methods.

Larry Langer – Resource Actuary



Another experienced professional who is available to provide insight into special pension project work or unusual situations and reviews recommendations of assumptions and methods. Will work with lead actuaries to maintain an appropriate level of resources.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW



Aaron Chochon – Project Manager

Alternate contact for NPERS if needed, responsible for management of all projects, valuations, projections and experience studies, production of valuation results. Initial technical review of work product.

Megan Skiles and Gabe Masek – Production



Data reconciliation and preparation, programming of valuation software and review of all results and creation of initial draft of the valuation reports.

Because we only work with public sector benefit plans, we have structured our firm in such a way that we can be assured of meeting our clients' needs. To accomplish that, we assign all large public sector clients two experienced consultants that are each qualified and experienced as lead consultants. They collaborate on all projects, and both are involved with client projects and requests. By having two senior consultants assigned, the team can always respond to emergency requests and short notice meetings with fully informed and experienced consultants.

Patrice Beckham and Brent Banister will serve as the Co-Lead Actuaries and will be responsible for providing services to NPERS. They will be the main contacts for NPERS. As such, they will provide services directly to NPERS and will assign other professionals as appropriate. As Co-Leads, Patrice and Brent will have the responsibility for the client relationship, will oversee all actuarial services provided, and will provide their experience and expertise to NPERS. They will be responsible for the final actuarial reports and presentations, attend meetings with the Board, as needed, including the presentation of the valuation and experience study reports. They will also be responsible for any special studies that may be requested.

Bryan Hoge and Virginia Fritz will serve as the Support Actuaries for the team. They will provide back up to the co-lead actuaries, as needed, and will manage the technical aspects of the actuarial





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

work performed for NPERS. Bryan and Virginia will supervise the various valuations, experience studies, and special project work with a focus on the technical issues.

Aaron Chochon will serve as the Project Manager. As such, he will be responsible for the annual valuation results including the development of key items like the funded ratio, unfunded actuarial liability, actuarial contribution rate, and gain/loss analysis. As the project manager, he will also review the data preparation work that is completed by the production staff to ensure its accuracy.

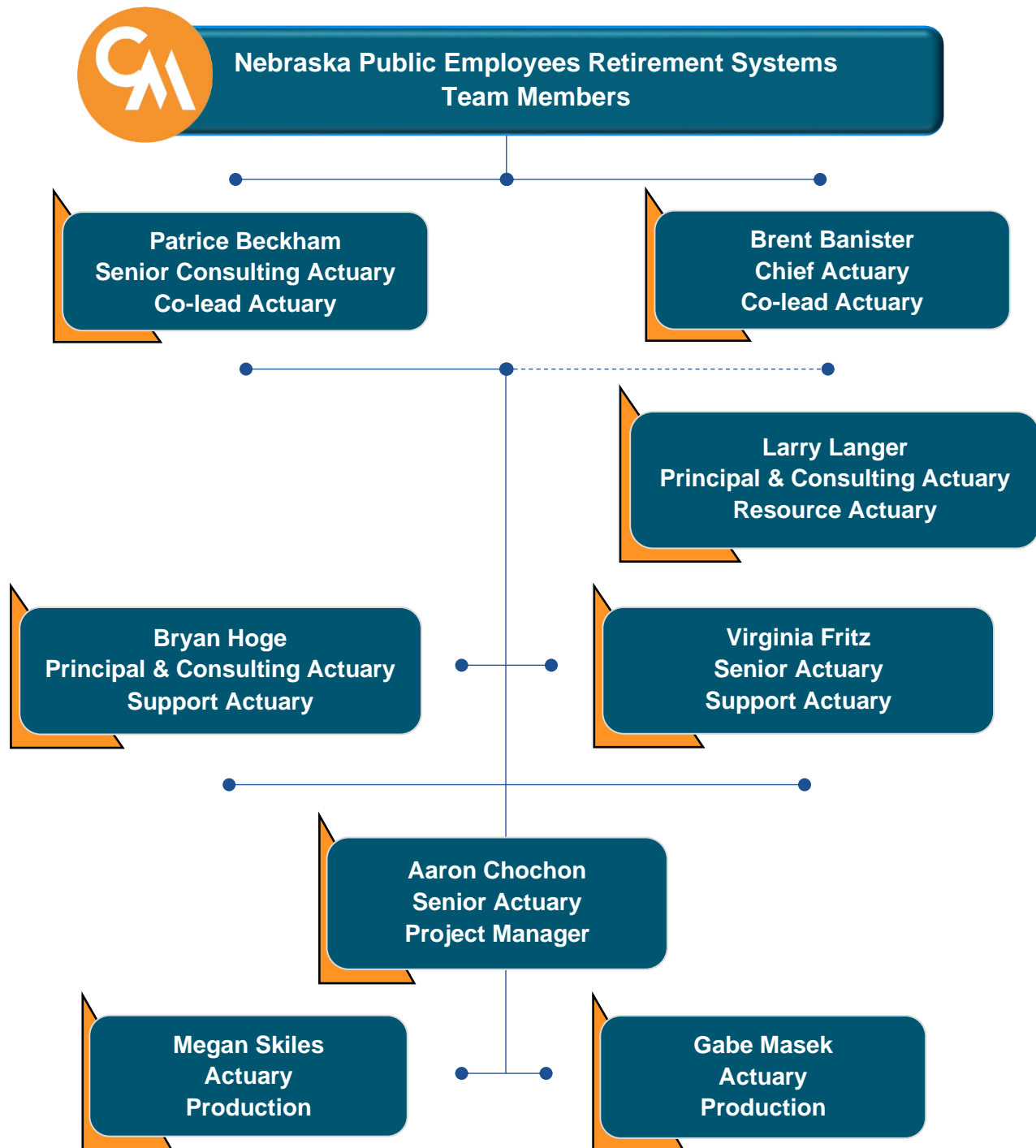
Gabe Masek and Megan Skiles will comprise the production staff of the team. They are responsible for the review and reconciliation of the member data and financial (asset) information. In addition, they will also be responsible for running the valuation software and performing the initial review of valuation results. The organization chart, which shows the reporting relationships for the NPERS team, is included on the following page. Note all members of the NPERS team are credentialed actuaries. It should also be noted that Pat, Brent, Bryan, Aaron and Megan has all worked on the OSERS plan as well as NPERS. Not only does this team have institutional knowledge with NPERS, but also OSERS.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

THE BIDDER SHOULD PROVIDE RESUMES FOR ALL PERSONNEL PROPOSED BY THE BIDDER TO WORK ON THE PROJECT. THE STATE WILL CONSIDER THE RESUMES AS A KEY INDICATOR OF THE BIDDER’S UNDERSTANDING OF THE SKILL MIXES REQUIRED TO CARRY OUT THE REQUIREMENTS OF THE SOLICITATION IN ADDITION TO ASSESSING THE EXPERIENCE OF SPECIFIC INDIVIDUALS.

RESUMES SHOULD NOT BE LONGER THAN THREE (3) PAGES. RESUMES SHOULD INCLUDE, AT A MINIMUM, ACADEMIC BACKGROUND AND DEGREES, PROFESSIONAL CERTIFICATIONS, UNDERSTANDING OF THE PROCESS, AND AT LEAST THREE (3) REFERENCES (NAME, ADDRESS, AND TELEPHONE NUMBER) WHO CAN ATTEST TO THE COMPETENCE AND SKILL LEVEL OF THE INDIVIDUAL. ANY CHANGES IN PROPOSED PERSONNEL SHALL ONLY BE IMPLEMENTED AFTER WRITTEN APPROVAL FROM THE STATE.

As requested, client references are included for all credentialed actuarial staff in the following table:

Team Member	References		
Patrice Beckham	Mr. Alan Conroy Executive Director KPERs 611 S. Kansas Ave, Ste. 100 Topeka, KS 66603 785.296.1019	Mr. Greg Samorajski Chief Executive Officer IPERS 7401 Register Drive Des Moines, IA 50321 515.281.0070	Ms. Abby Spieler Executive Director MOSERS 907 Wildewood Drive Jefferson City, MO 65109 573.632.6113
Brent Banister	Mr. Joe Fox Executive Director Oklahoma PERS 5400 N. Grand Blvd. Suite 400 Oklahoma City, OK 73112 405.858.6737	Mr. Greg Samorajski Chief Executive Officer IPERS 7401 Register Drive Des Moines, IA 50321 515.281.0070	Mr. Tim Maurer Interim Director Minnesota Teachers 60 Empire Drive, Ste. 400 St. Paul, MN 55103 651.297.7448
Larry Langer	Mr. Jerry Allen Executive Director City of Milwaukee 789 N. Water Street Suite 300 Milwaukee, WI 53202 414.286.5454	Ms. Mary Beth Foley Executive Director Ohio P&F Retirement System 140 E. Town Street Columbus, Ohio 43215 614.628.8352	Mr. Michael Ruff Executive Director Missouri County Employees’ Retirement Fund 2121 Schotthill Woods Drive Jefferson City, MO 65101 573.632.4128
Bryan Hoge	Mr. Bill Holahan Acting Executive Director Montana PERA 100 North Park Avenue Suite 200 Helena, MT 59620 406.444.9175	Mr. Alan Conroy Executive Director KPERs 611 S. Kansas Ave Suite 100 Topeka, KS 66603 785.296.1019	Mr. Shane Rhian Chief Financial Officer Omaha SERS 3215 Cuming Street Omaha, NE 68131 531-299-9430
Virginia Fritz	Ms. Alisa Bennett President CavMac 3550 Busbee Parkway Suite 250 404.317.6351	Mr. Andy Blough Chief Actuary INPERS One North Capitol, Suite 001 Indianapolis, IN 46204 317.234.6022	Mr. Ed Koebel CEO & Consulting Actuary CavMac 3550 Busbee Parkway Suite 250 678.388.1706





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

Aaron Chochon	Mr. Jerry Allen Executive Director Employees' Retirement System City of Milwaukee 789 N. Water Street Suite 300 Milwaukee, WI 53202 414.286.5454	Mr. Eric Arner General Counsel WaterOne 10747 Renner Parkway Lenexa, KS 66219 913.895.5519	Mr. Michael Hampton Executive Director PERSI 607 N. 8th Street Boise, ID 83702 208.287.9290
Gabe Masek	Mr. Brent Banister Chief Actuary CavMac 3906 Raynor Parkway Suite 201 Bellevue, NE 68123 402.905.4462	Ms. Virginia Fritz Senior Actuary CavMac 3906 Raynor Parkway Suite 201 Bellevue, NE 68123 402.934.5419	Mr. Ed Koebel CEO & Consulting Actuary CavMac 3550 Busbee Parkway Suite 250 678.388.1706
Megan Skiles	Mr. Mark Myers Senior VP - Chief Financial Officer Metropolitan Utilities District of Omaha 7350 World Communications Drive Omaha, NE 68122-4041 402.779.9434	Mr. Paul Lutomski P&F Pension Officer Lincoln, NE Police and Fire Pension Fund 555 South 10 th Street, Room 302 Lincoln, NE 68508 402.441.8749	Ms. Cecelia Carter Chair, Board of Trustees Public School Retirement System 3100 Broadway, Suite 1211 Kansas City, MO 64111 816.803.4426

CavMac understands that any change in proposed personnel can only be implemented after written approval from the State.

Resumes for your proposed team are provided on the following pages.





PATRICE A. BECKHAM, FSA, EA, FCA, MAAA SENIOR CONSULTING ACTUARY

PATB@CAVMACCONSULTING.COM

ROLE

Co-lead Actuary

DATE OF HIRE

September, 2010

OFFICE LOCATION

Bellevue, Nebraska



RELEVANT EXPERIENCE

Patrice has a broad range of experience in proposed legislation analysis and testimony, actuarial audits, experience studies, valuations, and the design, administration and funding of public retirement plans and postretirement health plans. Pat is responsible for the preparation of annual pension and other post-employment benefit (OPEB) valuations, proposed legislative pricing, experience studies, and modeling.

Patrice has been providing consulting services for public pension systems since 1987. She has worked extensively with large statewide systems, including Missouri Employees Retirement System, Colorado Public Employees Association, Iowa Public Employees Retirement System, Kansas Public Employees Retirement System, Minnesota Teachers and Oklahoma Public Employees Retirement System, in preparing the annual valuation, developing projection models, and conducting legislative cost studies and experience studies. She also has a significant amount of experience with retirement systems for municipal system covering civilians, public safety members, and utilities.

EDUCATION

- B.S. in Mathematics from University of Nebraska – Lincoln (magna cum laude)

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Fellow of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries





PATRICE A. BECKHAM, FSA, EA, FCA, MAAA

SENIOR CONSULTING ACTUARY

RECENT PUBLICATIONS, STUDIES OR PRESENTATIONS

Pat has presented at several conferences and before many legislative bodies, including:

- Conference of Consulting Actuaries
- P2F2 Annual Conference
- Midplains GFOA Conference
- Missouri Association of Public Employees Retirement System
- Mayor's Task Force on Pension Reform, Omaha, Nebraska
- Kansas Public Employees Retirement System Study Commission
- Kansas House Committee on Pensions and Benefits
- Minnesota Legislative Commission on Pension and Retirement
- Colorado Legislative Audit Committee
- Iowa Public Retirement Systems Committee
- Nebraska Retirement Systems Committee
- Citizens Task Force, Lincoln, Nebraska





BRENT BANISTER, PhD, FSA, EA, FCA, MAAA CHIEF ACTUARY

BRENTB@CAVMACCONSULTING.COM

ROLE

Co-Lead Actuary

DATE OF HIRE

September, 2010

OFFICE LOCATION

Bellevue, Nebraska

RELEVANT EXPERIENCE



Brent has a broad range of experience in proposed legislation analysis and testimony, actuarial audits, experience studies, valuations, and the design, administration and funding of public retirement plans and postretirement health plans. Brent is responsible for the preparation of annual pension and other post-employment benefit (OPEB) valuations, experience studies, and modeling current and proposed plan designs. Brent is the Chief Actuary for CavMac, and his duties include reviewing actuarial matters for the firm and training staff on new actuarial standards of practice.

Brent has public sector consulting experience since 1994 providing services to large public clients. He has worked extensively with cost-sharing multiple employer statewide and other large systems, including Indiana Public Retirement System, Iowa Public Employees Retirement System, Kansas Public Employees Retirement System, Los Angeles County Employees Retirement Association, Minnesota Teachers Retirement Association, Nebraska Public Employees Retirement System, and Oklahoma Public Employees Retirement System, in preparing the annual valuation, developing projection models, and conducting cost and experience studies. Over his career, Brent has performed a significant amount of review work for other consultants covering retirement and postemployment benefits on systems from municipalities through statewide systems all across the country.

EDUCATION

- BS in Mathematics from Washington State University
- PhD in Mathematics from Washington State University





BRENT BANISTER, PhD, FSA, EA, FCA, MAAA CHIEF ACTUARY

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Fellow of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries

RECENT PUBLICATIONS, STUDIES OR PRESENTATIONS

- Brent has presented at several conferences and before many legislative bodies and organizations including:
- P2F2 Annual Conference
- Oklahoma Public Fund Trustee Conference
- Nebraska Actuaries Club
- Kansas Public Employees Retirement System Study Commission
- Minnesota Legislative Commission on Pension and Retirement
- Iowa Public Retirement Systems Committee
- Nebraska Retirement Systems Committee
- Accounting organizations and seminars
- Articles on alternatives to DROPs and the importance of appropriate risk





BRYAN HOGE, FSA, EA, FCA, MAAA PRINCIPAL AND CONSULTING ACTUARY

BRYANH@CAVMACCONSULTING.COM

ROLE

Support Actuary

DATE OF HIRE

April, 2014

OFFICE LOCATION

Bellevue, Nebraska



RELEVANT EXPERIENCE

Bryan has a broad range of experience in public plan consulting, actuarial funding and GASB valuations, proposed legislation analysis, experience studies, data analysis, and modeling current and proposed plan designs.

Bryan has been providing pension and OPEB consulting to clients since 2005. He has worked with a number of public clients including Missouri State Employees' Retirement System, Montana Public Employee Retirement Administration, Montana Teachers' Retirement System, Iowa Public Employees Retirement System, Kansas Public Employees Retirement System, Minnesota Teachers Retirement Association and Nebraska Public Employees Retirement System, in preparing the annual funding valuations, annual GASB valuations, cost and experience studies and developing projection models. He also has experience with municipal systems covering civilians, public safety members and utilities.

EDUCATION

- B.S. in Actuarial Science from Drake University

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Fellow of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries





BRYAN HOGE, FSA, EA, FCA, MAAA PRINCIPAL AND CONSULTING ACTUARY

RECENT PUBLICATIONS, STUDIES OR PRESENTATIONS

Bryan has presented before the following:

- National Council on Teacher Retirement (NCTR) Conference
- National Council on Teacher Retirement (NCTR) Executive Directors Panel
- Opal Group's Public Funds Summit
- Missouri Association of Public Employees Retirement Systems (MAPERS)
- Lincoln, Nebraska City Council
- Citizens Task Force, Lincoln Nebraska
- Ralston, Nebraska City Council and Pension Committee





VIRGINIA FRITZ, FSA, EA, FCA, MAAA SENIOR ACTUARY

VIRGINIAF@CAVMACCONSULTING.COM

ROLE

Support Actuary

DATE OF HIRE

August, 2017

OFFICE LOCATION

Bellevue, Nebraska



RELEVANT EXPERIENCE

Virginia is responsible for the preparation and review of annual pension valuations for funding and GASB purposes, experience studies, and proposed legislation pricing. Other topics Virginia covers include service purchase calculations, optional form factors, and plan design analysis.

Virginia has 19 years of pension consulting experience for mid to large sized clients, having worked on a variety of projects from both a funding and accounting perspective including annual pension and other post-employment benefit (OPEB) valuation reports, plan projections and plan design analysis.

EDUCATION

- B.S.B.A. in Actuarial Science from University of Nebraska–Lincoln

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Fellow of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries





LARRY LANGER, ASA, EA, FCA, MAAA PRINCIPAL AND CONSULTING ACTUARY

LARRYL@CAVMACCONSULTING.COM

ROLE

Resource Actuary

DATE OF HIRE

June, 2017

OFFICE LOCATION

Naperville, Illinois



RELEVANT EXPERIENCE

Larry began his actuarial career in 1989. Larry has served as an actuarial consultant to numerous state and local government retirement systems since 1997. Larry has a broad range of experience in such areas as public plan consulting, valuations, plan design, legislative impact analysis, experience studies, asset/liability models, federal compliance and GASB issues, deferred retirement option plans (DROP), stable contribution policies, and retiree health care benefit plan design, and funding strategies. Larry currently serves the following systems:

- Retirement Systems of Alabama
- Connecticut MERS and SERS
- Missouri County Employees Retirement Fund
- Ohio Police & Fire Pension Fund
- South Dakota Retirement Systems (as auditing actuary)
- Cook County Pension Fund
- City of Milwaukee Employees' Retirement System.
- Escanaba Public Safety Retirement System and Defined Benefit Plan
- Grosse Pointe Farms General and Public Safety Pension and VEBA
- Redford Township Police and Fire Retirement System and Retiree Health Care Trust
- City of Trenton Fire and Police Retirement System and Health Care Fund
- Washtenaw County Employees Retirement System and VEBA
- Woodhaven Retirement Plan for Employees and Policemen and Retiree Health Care Plan

Larry has also assisted in the transition of every system listed above other than the Retirement Systems of Alabama and Connecticut MERS and SERS.





LARRY LANGER, ASA, EA, FCA, MAAA PRINCIPAL AND CONSULTING ACTUARY

Larry has served numerous state and local government retirement systems since 1997 before coming to CavMac. He served dozens of systems in the state of Michigan as the primary actuary or signing actuary from 1997 through 2008. He served as the primary actuary for the Jackson County Retirement system from 1997 through 2004.

EDUCATION

- B.S. in Actuarial Science from The Central Michigan University, where he was the first to graduate with a BS in Actuarial Science.

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Associate of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries

RECENT PUBLICATIONS, STUDIES OR PRESENTATIONS

Larry has recently presented the following:

- ***Actuary Hour Seminar IV: “Funding Policy”*** at Michigan Association of Public Employee Retirement Systems (MAPERS) conference, September 2024
- ***“Actuarial Panel”*** panel discussion at the National Association of State Retirement Administrators (NASRA) 2024 Annual Meeting, August 2024
- ***“Actuary Panel”*** at Missouri Association of Public Employee Retirement Systems (MoMAPERS) with three other esteemed actuaries, July 2023
- ***“What Happens When You Assume”*** at the National Association of Public Plan Attorneys (NAPPA) 2022 Legal Education Conference, part of three-person panel, June 2022
- ***“Actuary 201 – Key Drivers of Sustainability”*** at the 2021 Public Pension Finance Forum (P2F2), part of a three-person panel, October 2021
- ***“Actuarial Standard of Practice 4”***, a National Council on Teacher Retirement (NCTR) Federal Webinar, part of five-person panel, March 2020

Larry is a past member of the Public Plans Subcommittee of the American Academy of Actuaries. He participated in the development of the February 2014 Issue Brief entitled “Objectives and Principles for Funding Public Sector Pension Plans”. He is a current member of the Corporate Advisory Committee of NASRA. During his career he has testified to numerous legislative committees regarding various pension actuarial issues.





AARON CHOCHON, ASA, EA, FCA, MAAA SENIOR ACTUARY

AARONC@CAVMACCONSULTING.COM

ROLE

Project Manager

DATE OF HIRE

May, 2011

OFFICE LOCATION

Bellevue, Nebraska



RELEVANT EXPERIENCE

Aaron has a broad range of experience in data analysis, pension valuations, pension cost studies, and pension projections.

Aaron has provided analyst services since 2011 to many public clients, such as Kansas PERS, Nebraska PERS, Iowa PERS, Missouri State Employees Retirement System (MOSERS), Oklahoma PERS, Los Angeles County Employees Retirement Association, and numerous local governmental clients.

EDUCATION

- B.A. in Mathematics from Hastings College

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- B.A. in Mathematics from Hastings College
- Associate of the Society of Actuaries
- Enrolled Actuary under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries





MEGAN SKILES, ASA, FCA, MAAA ACTUARY

MEGANS@CAVMACCONSULTING.COM

ROLE

Production

DATE OF HIRE

May, 2017

OFFICE LOCATION

Bellevue, Nebraska



RELEVANT EXPERIENCE

Megan's current responsibilities include data analysis, valuation coding, cost study projections, experience studies and preparation of actuarial valuation reports and GASB disclosure reports. Megan has provided analyst services to many public clients, such as Nebraska PERS, Iowa PERS, Oklahoma PERS, and numerous local governmental clients.

EDUCATION

- B.A. in Mathematics from University of Nebraska at Omaha
- SOA Financial Mathematics Exam
- SOA Probability Exam
- SOA Investment & Financial Markets Exam
- SOA Statistics for Risk Modeling Exam
- SOA Predictive Analytics Exam

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Associate of the Society of Actuaries
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries
- Currently pursuing FSA credential





GABE MASEK, ASA, MAAA ACTUARY

GABEM@CAVMACCONSULTING.COM

ROLE

Production

DATE OF HIRE

December, 2024

OFFICE LOCATION

Berkley, Michigan



RELEVANT EXPERIENCE

Gabe's current responsibilities include data analysis, valuation coding, cost study projections, experience studies and preparation of actuarial valuation reports and GASB disclosure reports. Gabe has provided analyst services since 2019 to numerous governmental clients.

EDUCATION

- B.S. in Actuarial Science from Oakland University

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

- Associate of the Society of Actuaries
- Currently pursuing FSA credential





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

1. CORPORATE OVERVIEW

j. SUBCONTRACTORS

IF THE BIDDER INTENDS TO SUBCONTRACT ANY PART OF ITS PERFORMANCE HEREUNDER, THE BIDDER SHOULD PROVIDE:

- i. NAME, ADDRESS, AND TELEPHONE NUMBER OF THE SUBCONTRACTOR(S),
- ii. SPECIFIC TASKS FOR EACH SUBCONTRACTOR(S),
- iii. PERCENTAGE OF PERFORMANCE HOURS INTENDED FOR EACH SUBCONTRACT; AND
- iv. TOTAL PERCENTAGE OF SUBCONTRACTOR(S) PERFORMANCE HOURS.

CavMac will not be using any subcontractor(s).





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

THE TECHNICAL RESPONSE SECTION OF THE SOLICITATION RESPONSE SHOULD CONSIST OF THE FOLLOWING SUBSECTIONS:

- a. UNDERSTANDING OF THE PROJECT REQUIREMENTS;
- b. ATTACHMENT A: MANDATORY QUALIFICATIONS;
- c. ATTACHMENT B: PROPOSED TECHNICAL APPROACH;
- d. ATTACHMENT C: ADDITIONAL CORPORATE EXPERIENCE; AND
- e. DELIVERABLES AND DUE DATES (COST PROPOSAL).

a. UNDERSTANDING OF THE PROJECT REQUIREMENTS

The retained actuary hired by NPERS is expected to be a key member of the NPERS team and, as such, will provide broad, comprehensive actuarial services to the Board, staff and other interested parties. The scope of services includes but is not limited to:

- Valuation services
- GASB services
- Projection services
- Actuarial experience study services
- Benefit Adequacy Study
- Actuarial consulting services
- Supplemental services

We will discuss each service category in the Technical Approach section of Attachment B.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

b. ATTACHMENT A: MANDATORY QUALIFICATIONS

The Mandatory Qualification Certification and Questionnaire is provided on the following page.



ATTACHMENT A

Mandatory Qualification Certification and Questionnaire

Request for Proposal Number 120961 O5

All bidders are required to complete this attachment.

The bidder hereby certifies that it meets all of the following mandatory qualifications:

1. As of December 31, 2024, the bidder has a minimum of three (3) public pension fund clients.

☒ Yes. ☐ No.

2. The bidder has a minimum of five (5) years of experience in providing actuarial consulting services to a public pension fund. This means that the bidder as an organization has been providing actuarial consulting services to a public pension fund for at least five (5) years. This requirement is not satisfied simply because its employees have at least five (5) years' experience in providing actuarial consulting services to a public pension fund.

☒ Yes. ☐ No.

3. The bidder's lead consultant on the account must have a minimum of ten (10) years of experience in providing actuarial consulting service to public pension funds. This experience shall include general consulting, experience analysis, and valuation assignments for such funds. This person shall also have experience in testifying before legislative and administrative bodies in support of actuarial positions and the principles used in valuing a public retirement system or pricing legislation, and an ability to discuss in laymen's terms the following: actuarial theory; basis for assumptions; and other actuarial matters. The lead consultant must be a member of the American Academy of Actuaries.

☒ Yes. ☐ No.

4. Professional staff assigned to the account shall have a minimum of five (5) years of experience in the field of actuarial science and will include persons with appropriate professional credentials such as Fellow or Associate of Society of Actuaries, and/or Fellow of the Conference of Actuaries in Public Practice, and/or Member of the American Academy of Actuaries, and/or meet standards of a qualified actuary under the provisions of the Employee Retirement Income Security Act of 1974.

☒ Yes. ☐ No.

5. All services to be provided on behalf of the account shall be in accordance with generally accepted actuarial principles.

☒ Yes. ☐ No.

6. The actuarial firm must carry liability insurance as set forth in this RFP for the duration the contract (Section III, J Insurance Requirements).

☒ Yes. ☐ No.

3/17/2025

Date

Patrice Beckham, Senior Consulting Actuary

Name and title of individual signing for the firm.

Cavanaugh Macdonald Consulting, LLC./ D.B.A. CavMac

Name of firm



Signed Manually in Ink or by DocuSign



SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

c. ATTACHMENT B: PROPOSED TECHNICAL APPROACH;

The Proposed Technical Approach form is provided on the following pages.



ATTACHMENT B

Technical Approach

Request for Proposal Number 120961 O5

Bidder Name: Cavanaugh Macdonald Consulting, LLC./ D.B.A. CavMac

Bidders shall complete and submit a Technical Approach Document to provide Actuarial Services for the Nebraska Public Employees Retirement Systems (NPERS). Bidders are required to describe in detail how their proposed solution meets the specifications outlined within each Requirement.

The Technical Approach Document must indicate how the bidder intends to comply with the requirement and the effort required to achieve that compliance. It is not sufficient for the bidder to simply state that it intends to meet the requirements of the RFP. The State will consider any such response to the requirements in this RFP to be non-responsive. The narrative should provide the State with sufficient information to differentiate the bidder's solution from other bidders' solutions.

TECHNICAL APPROACH

1. Describe bidder's understanding of the Scope of Work for this RFP.

Bidder response:

The management of any retirement system is dependent on reliable, realistic estimates of the liabilities represented by future benefit payments which are provided by the actuarial work performed for the System. However, actuarial services require a highly technical and specialized skill set and given the education and experience requirements, most systems do not have actuaries on staff. Therefore, the Board of Trustees typically hires a retained actuary to provide actuarial services to the staff and Board, as needed.

As a trusted advisor to the Public Employees Retirement Board, the actuary is hired to provide certain technical services to NPERS, including annual actuarial valuations for both funding and GASB reporting, periodic experience investigations, and a broad range of actuarial consulting services. The actuary, working closely with staff, must develop a level of trust with all the System's constituencies so that any conclusions or recommendations of the actuary are deemed credible and readily accepted by all stakeholders. All this must be done at a reasonable cost and within a reasonable timeframe.

Annual actuarial valuations of the plans, both funding and accounting, are at the core of the work provided by the retained actuary. Although these valuations can become almost "routine", the results form the basis for all the other actuarial and consulting work performed by the actuary, so their accuracy is critical.

NPERS, like most of the statewide retirement systems we currently serve, needs not only the annual funding valuation, but additional information for accounting determinations and disclosures, exhibits for the state's Annual Comprehensive Financial Report, analyses of the cost or other impact of proposed legislation, assistance with actuarial factors and periodic calculations in the course of operations, periodic experience studies, a resource who is familiar with issues and trends in the public plan industry, and general help with the complexities of operating a large retirement system in an environment where public retirement systems are frequently under intense scrutiny. This is the world we live in, too, and we have prepared ourselves to be able to meet the diverse needs of all of our clients.

While NPERS is similar to other retirement systems in many ways, it also has its own unique features. A distinct history is the result of merging of different interests and styles of the Board members and system staff, the context of the state laws, practices, and expectations, and a culture that is molded from policy makers and

ATTACHMENT B

members alike. Consequently, the nature of this work is not to offer “one size fits all” solutions, but rather to craft the tools, skills, and resources we have into an approach that is consistent with the way NPERS functions and will meet NPERS’ needs.

In addition to including numerical results, our reports and presentations will directly address the important topic of risk assessment. Each state pension system has a unique set of risks arising from the benefit design, funding policy, tolerance for variation in contribution rates, and demographic considerations. In light of this, CavMac finds it appropriate to provide the needed background, information and tools to help our clients assess their own risks. Sometimes this is accomplished through additional exhibits in the valuation report or simply pointing the Board and staff to new studies and papers. Other times, more sophisticated tools and information are necessary or more appropriate. For example, in the past as well as the future, we will provide an Excel-based model that will allow NPERS’ staff the ability to anticipate actuarial results under various possible investment return options or other alternative scenarios. An in-depth risk report will likely be prepared periodically to allow us to perform a “deeper dive” into the measurement of various key risks.

2. Describe bidder’s approach for providing Actuarial Consulting Services for public pension funds.

Bidder response:

At CavMac, our consultants have extensive experience working with public retirement systems and in performing the full range of actuarial services that those systems typically need. We staff all our client relationships with two lead consultants to ensure our work product reflects the collective wisdom and perspective of multiple senior actuaries with extensive public sector experience. Beyond the lead consultants, we also have a supporting team of credentialed actuaries providing a high level of technical actuarial support. We have great people so we can provide great work for our clients.

We are successful at attracting very capable consultants who are dedicated to the public sector and have the ability to effectively communicate complex actuarial matters to Boards, staff, legislatures, and others diverse groups. One of the reasons our consultants came to work for CavMac is because we are a firm that allows them to specialize in actuarial services for public plans. This is our passion, and we strongly believe that our ability to be part of a firm that only performs public plan actuarial work allows us to serve our clients more efficiently than we could within the constraints of more traditional actuarial consulting firms. Ultimately, it is our clients who benefit from this model, and we believe NPERS (and OSERS) has benefitted, and will continue to benefit, from CavMac being their retained actuary.

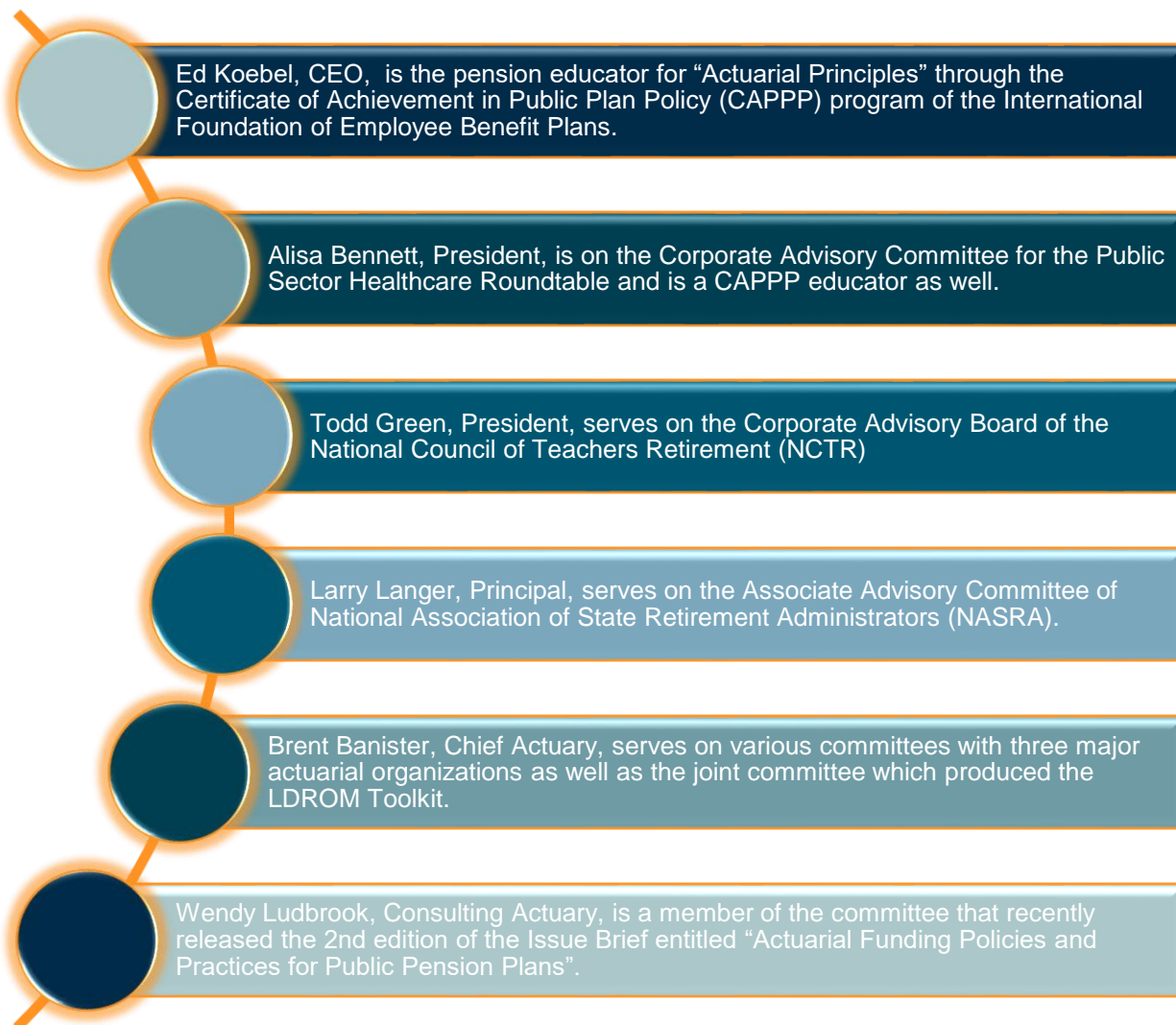
We are strongly participative as partners of the national organizations serving public plans in the United States, including the National Association of State Retirement Administrators (NASRA), the National Council on Teacher Retirement (NCTR), and the Public Sector Healthcare Roundtable. We work with the staff members of these organizations to identify items of interest for conferences and for our clients, and then share what we learn with our staff and our clients. This means that we bring NPERS a national perspective of current issues for public plans and not just the perspective of clients our office or region.

As leaders in the industry, CavMac will keep NPERS informed of any new developments or changes in federal legislation and/or tax regulations regarding financing, benefits, vesting, fiduciary responsibility, or disclosure requirements. As corporate advisory members of NASRA and NCTR, we regularly participate in meetings where this type of information is discussed. We routinely share insights gleaned from these meetings with our clients.

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Our Principals and senior consultants participate in the national organizations serving public plans in the United States, including the National Association of State Retirement Administrators (NASRA), the National Council on Teacher Retirement (NCTR), the National Council of Public Employees Retirement Systems (NPERS), the International Foundation of Employee Benefits Plan (IFEBP) and the Public Sector Healthcare Roundtable. We work with the staff members of these organizations to identify items of interest for conferences and for our clients.

Below is a list of CavMac's extensive involvement in organizations that support public sector retirement systems.



Our involvement in these organizations keeps us “plugged in” to relevant topics and developments for public plans. Items of interest are discussed among our consulting actuaries at internal meetings to assess relevance to our clients. Lead consultants are then responsible for discussing relevant issues with individual clients. In certain cases, we will address topics in correspondence that is tailored to each client.

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We are also involved in the actuarial profession at the national level, particularly in segments connected with public retirement plans. Our Chief Actuary is on committees with the three major actuarial organizations and is working on projects such as the next generation of public retirement system mortality tables and a practice note for a recent update to an Actuarial Standard of Practice. This high level of technical expertise and attention to be on the leading edge of actuarial practice means that NPERS can be confident that their actuarial work is not just adequate, but excellent.

3. Describe bidder's approach for providing Actuarial Valuation Services for defined benefit and cash balance public pension funds. Give examples.

Bidder response:

The core of our work effort will be the annual actuarial valuations of the three traditional NPERS defined benefit plans (School, Patrol and Judges), the Omaha School Employees Retirement System (OSERS), the two Cash Balance Plans (State and County) and the two ERBF plans. The valuation date for the two Cash Balance plans, the OSERS plan and the two ERBF plans is January 1 and the valuation date for the School Employees, State Patrol, and Judges systems is July 1. The two valuation dates result in the valuation work for NPERS being spread over most of the calendar year, which is an advantage because one core set of team members can perform the valuation work on all of the plans. This has created efficiency in processing, a better understanding of the member data, and has enabled us to develop strong working relationships with key NPERS staff. The valuations will be completed by the dates mutually established in the valuation timeline each year, assuming timely receipt of all necessary member data and financial information. The valuations will determine the liability for all future benefits promised to the active, retired and inactive members of each system as of the valuation date. Applying the actuarial funding method and reflecting the actuarial value of assets produces the actuarial contribution rates necessary to fund the promised benefits in accordance with state statutes. All valuation work will be performed in accordance with Actuarial Standards of Practice as promulgated by the American Academy of Actuaries. The end work product will be actuarial valuation reports for each plan that detail the liabilities of the system, demonstrate the application of the funding method and provide the resulting actuarial contributions.

The valuation reports will include an executive summary highlighting key findings, a summary of principal results for the system including actuarial contribution rates (normal cost and unfunded actuarial accrued liability), actuarial value of assets, actuarial liabilities, membership demographics, and detailed gain/loss analysis. The reports will contain sufficient explanatory text to provide a reasonable understanding of all actuarial assumptions, methods, trends and conclusions to individuals with a fiduciary responsibility for the funding status of the retirement plans. As appropriate, the valuation reports will contain comments and recommendations concerning the retirement plans' actuarial condition and funding progress. Our valuation reports are customized and typically include an executive summary with graphs as well as a narrative discussing the current year's valuation results. We strive to create reports that contain information that is important to the client in a format that is friendly and readily usable. We solicit client input as to the presentation of results by allowing sufficient time for the staff to review the reports before it is provided to the Board.

Assuming timely receipt of all necessary data and financial information, draft reports will be provided to staff for review and comment by dates set in the work plan. The final reports will also be submitted to NPERS prior to the Board mailing date as set out in the work plan. The detailed findings of the final reports will be presented to the PERB at their request and to other interested parties as directed by the PERB.

As part of the valuation process, CavMac will prepare a model to be provided to NPERS' staff which will provide detailed information on cash flows (benefit payments and contributions) as well as allow for sensitivity analysis (modeling future valuation results if actual results vary from expected results). We strongly believe that such a modeling tool can help the staff and trustees more clearly understand the implications of their decisions, as well

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as demonstrate and quantify the risk associated with funding the system. We believe this modeling is so valuable that we routinely give our clients a copy of the model so they can use it independently and perform their own analysis in house.

4. Describe bidder's approach for providing GASB Services for single and multiple employer public pension funds. Give examples.

Bidder response:

As the retained actuary, CavMac will provide the necessary calculations and information for compliance with the current Government Accounting Standards Board (GASB) Statements 67 and 68. GASB 67 information is prepared for financial reporting by the retirement system and GASB 68 provides the necessary information for employers who sponsor or participate in one of the NPERS' systems. In addition, for multiple-employer cost sharing plans, like the School Retirement System and County Retirement System, the actuary will maintain the records for the various schedules that are required such as the deferred inflows/outflows and changes in proportionate share, and will provide the necessary information for each participating employer under GASB 68. As we have in the past, we will provide supporting services to NPERS, including the depletion date analysis and certification letter, requested by the State auditors.

We currently provide GASB services to nearly all of our clients, including NPERS, so we are very familiar with the details of the calculations under the two Standards as well as auditors' requests for additional information. Our reports are written to streamline the process of gathering the required information by the auditors by referencing the specific sections of the GASB Statements.

5. Describe bidder's approach for providing Projection Services for public pension funds. Give examples.

Bidder Response:

Projection models have become a necessary and important part of delivering key actuarial services to public retirement systems. We have recognized the value of these models, and the projections they allow, for many years. As a result, we have used them for many of our clients for a long time. Some, such as the Kansas Public Employees Retirement System, have had a projection model since 1994.

NPERS has requested several different types of actuarial projections:

- (1) Five-year projection of estimated employee, employer, and State required contribution amounts and additional State contribution requirements for the School System, the State Patrol System, the Judges System, the OSERS System and the State and County Cash Balance Systems. Our modeling tool will permit either NPERS or CavMac to provide updates throughout the fiscal year using actual investment returns to date. While the model will be used to produce these projections, a separate report can be prepared and presented with the actuarial valuation. The modeling software will be given to NPERS so it can be used by staff throughout the year to provide updates. For the School System, the contributions required to fund the Omaha Service Annuity and the percentage of payroll state contributions for the Omaha School Employees Retirement System will also be included. A key result in the OSERS model will be the additional contribution payable by the Omaha School District by the end of their fiscal year (August 31 following the valuation date). The model will provide these amounts to assist the Omaha School District with budgeting over the next five years.

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- (2) The actuarial valuation report provides important and valuable information, but the information is taken as a “snapshot” measurement at a single point in time. The valuation report provides little information as to the expected trends for key funding measurements and contributions in future years. This is where projection models fill a critical need. A thirty-year projection model will be prepared each year in conjunction with the annual valuation report. This model will be on an open group basis, i.e. a constant number of active members in all future years so new entrants are assumed to replace those members who leave active status. In addition, this projection model will be developed as a deterministic model where one or several variables can be changed and then compared to another scenario. For instance, the investment return earned in the next ten years could be changed from 7.00% to 6.00% or 8.00% to evaluate the impact of such investment returns on the System’s funding. We do not use an “off the shelf” model, but rather create a customized model so the variables in the model are those that are critical to NPERS. We have been providing open group, deterministic models to many of our clients for over 20 years, including NPERS for the last 12 years. Some sample screen shots from some of our models are shown at the end of this section, but the NPERS models will continue to be customized based on input from the Board and staff.

We are also very capable and experienced in building full stochastic asset-liability models, as well as deterministic models. We routinely perform long-range projection of valuation results to include required funding using both closed-group and open-group techniques. We utilize a fully customized model to enhance the usefulness of the projections and allow for the analysis of additional variables that are of most interest to each client. Depending on the system’s situation, these variables might be different investment returns, amortization methods/periods, actuarial or statutory contribution rates or benefits (such as ad hoc COLAs). Valuation modeling tools will be prepared for all of the retirement systems administered by NPERS, including the Omaha School Employees Retirement System.

- (3) NPERS has also indicated that they want an interactive model prepared on an open group basis over a 30-year projection period for the School Employees, State Patrol, Judges and Omaha Schools plans that can be used as a tool to analyze the long-term cost impact of changes in the plan design for both current and future members. While the RFP identified a number of parameters that should be included with the model, our recommendation is to have in-depth conversations with NPERS before beginning this project to ensure the design and functionality of the final modeling tool addresses the specific needs and concerns of the Board and staff.

Given our broad experience working exclusively with many state-wide public retirement systems, we have extensive experience with respect to plan design changes, both for current and future hires. Nearly all of our clients implemented changes to their plan design after the significant market losses in calendar year 2008 and fiscal year end 2009. As a result, our plan design capabilities are unmatched, and paired with our modeling capabilities, we can develop tools to allow decision makers to assess the long-term implications of changes to benefits and funding levels “on the fly”. Below we provide some screen shots of such tools and some graphical output of some of our models which were developed to assist our clients with considering plan design changes. In each situation, the model was customized to address the specific needs and focus of the client.

Examples

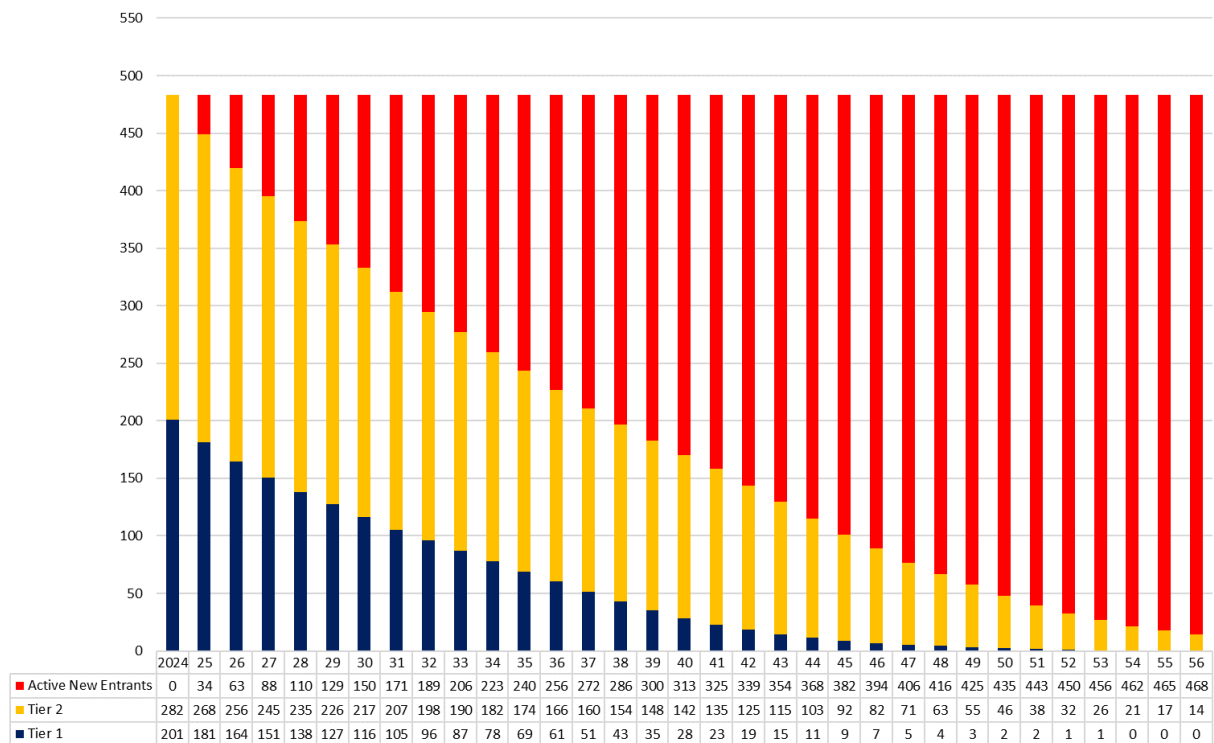
As leaders of the actuarial community in the public sector, CavMac is constantly working on various projects, plan designs, and funding strategies that are crucial to the sustainability of the pension plans for which we are

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the retained actuary. Below are just some examples:

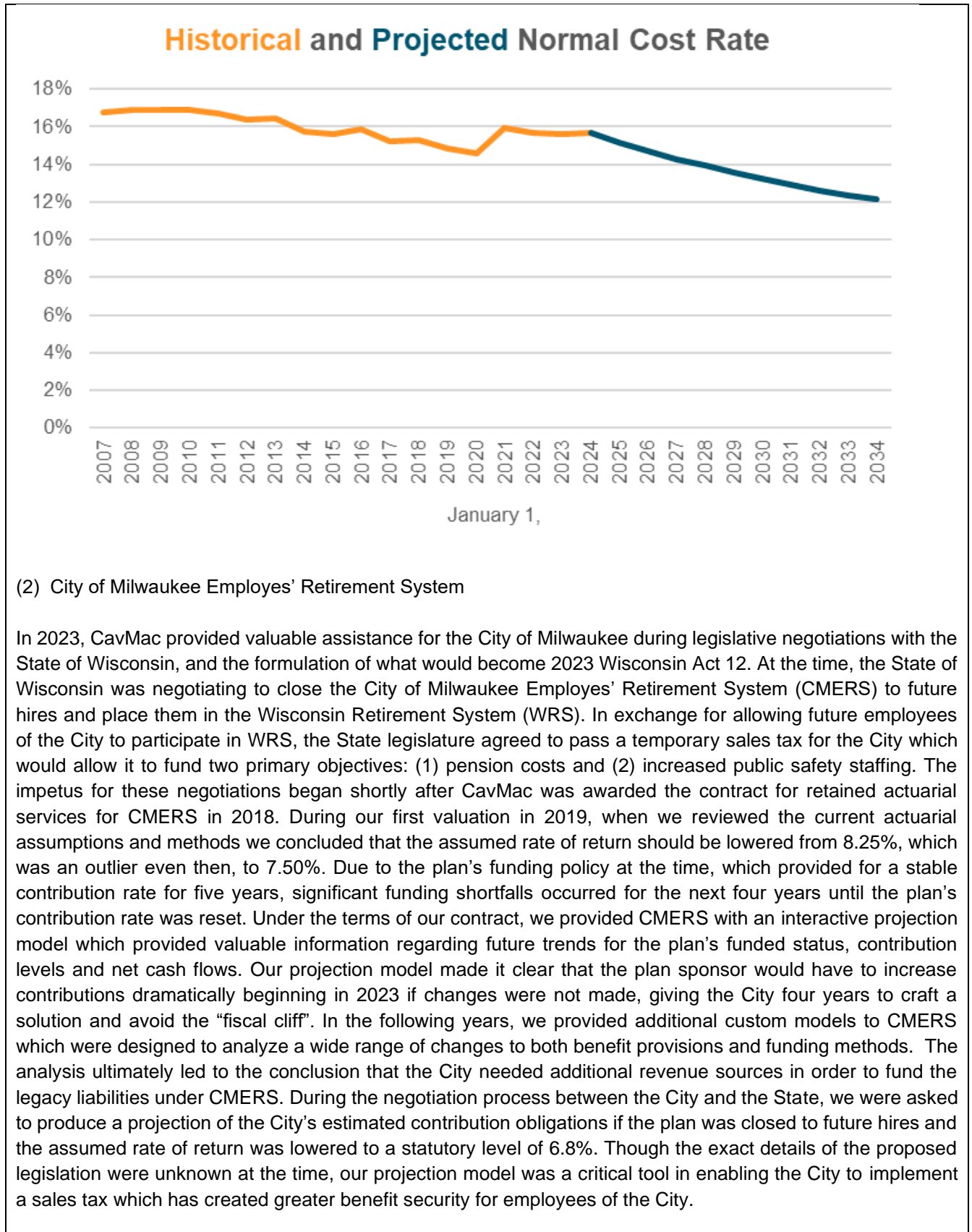
(1) Board of Public Utilities Retirement Plan

This model provided information to a client who had implemented a new, lower cost benefit tier in 2009. The Plan is funded with fixed contribution rates so the difference between the fixed contribution rate and the ongoing or normal cost rate is the amount available to pay down the unfunded actuarial accrued liability. When the new tier was implemented, the normal cost was nearly equal to the fixed contribution rate. As the membership changes over time, the normal cost rate is expected to decrease thus providing more of the contributions to fund the unfunded actuarial liability. There is also significant interest in improving the new benefit tier as rather dramatic changes were made to ensure the Plan's long-term sustainability. In addition to total funding results, graphs such as this allowed an understanding of how the impact of the new tier would continue to emerge over time.

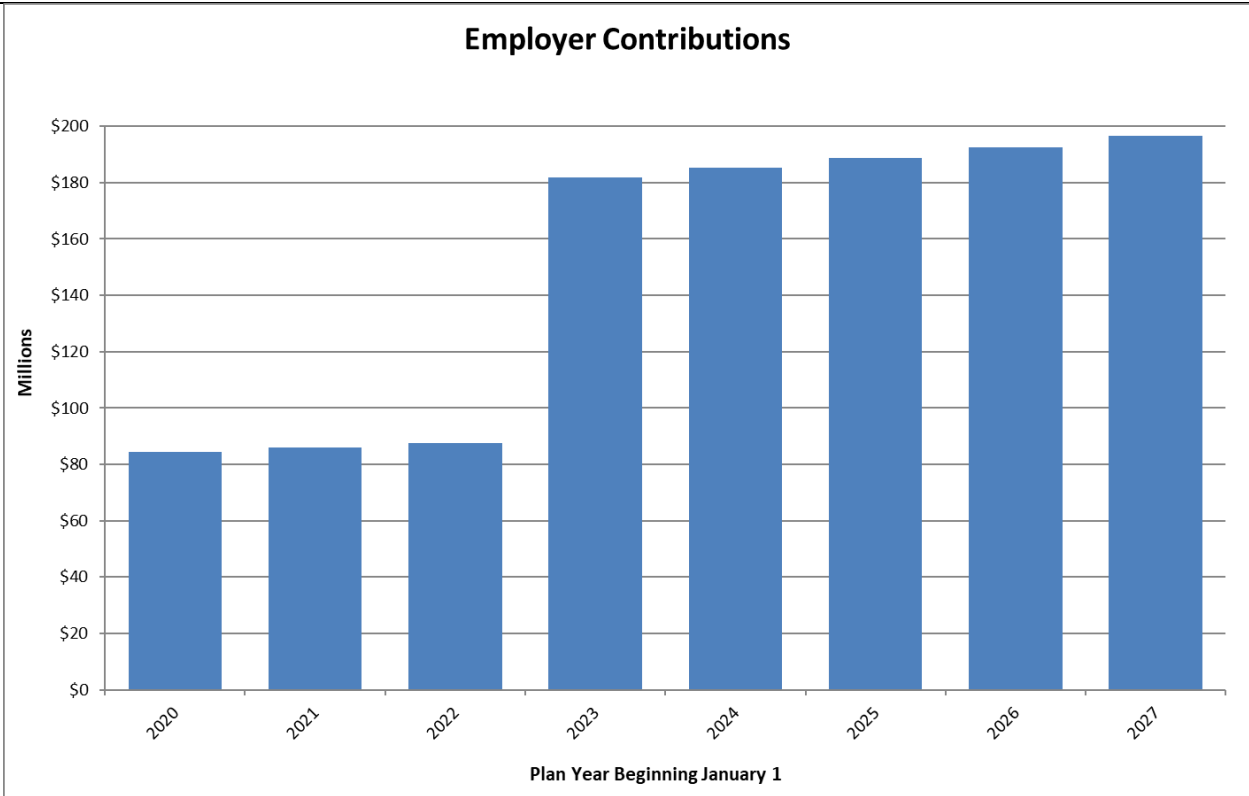


The graph above was used to help illustrate how the membership in the new tier would change over time. The graph below provided insight into how the normal cost was expected to decline over time as more active members were covered by the new tier, thus providing more resources to finance the unfunded actuarial liability.

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(3) Cook County Pension Fund (CCPF)

CCPF is one of the largest county funds in the United States. When Larry Langer presented the December 31, 2012 actuarial valuation at a prior firm, the focus was not on when CCPF would be 100% funded, but rather when it would run out of money. The County and Forest Preserve Funds were projected to run out of money by 2033. Working with the Cook County Chief Financial Officer and Brent Lewandowski, a trustee in 2013 and currently the CCPF Executive Director, we developed a Funding Policy to achieve full funding. An Intergovernmental Agreement (IGA) was entered into with the County in 2015, resulting in County contributions tripling in 2017. This agreement was not binding and not applicable to the Forest Preserve. Working with the Chief Executive Officer of the Forest Preserve, we developed a similar funding policy in 2022. This resulted in legislation being passed, Public Act 103-1131 effective June 1, 2023, and the funding policy was amended to increase the annual contribution to the Forest Preserve Fund beginning in 2024. Subsequently, pursuant to Public Act 103-0529, effective August 11, 2023 the County Fund funding policy was amended to codify the IGA and continue the County annual contribution to the County Fund initiated by the IGA. Both the County and Forest Preserve Funds are now projected to have their pensions fully funded in the early 2050s.

(4) Minnesota Teachers Retirement Association (TRA)

TRA is one of three major retirement systems in Minnesota and has been historically funded through a legislatively set fixed contribution rate. In the past few years, we have provided significant support for the Association's staff and board in developing proposed solutions of combinations of contribution increases and benefit modifications to address long-term funding concerns that were ultimately adopted legislatively. To get this legislation passed, we had to provide information that could be understood and utilized by not only the staff

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and Board, but also by an array of stakeholder groups and legislators. In our support of this process, we developed customized ways of showing the impact of changes of retirees, current active members, and future active members so that the desire for “shared sacrifice” could be met.

6. Describe bidder’s approach for providing Actuarial Experience Studies for public pension funds. Give examples.

Bidder Response:

We recently performed an experience study for NPERS in late 2024 with results presented to the PERB in February 2025. We routinely perform experience studies for all of the systems we serve. The purpose of such a study is to compare actual system experience for the study period with that predicted by the current assumptions used in the actuarial valuation process to measure system liabilities. This investigation will compare actual with expected experience for all economic and non-economic assumptions used in the annual actuarial valuation, make recommendations for changes where appropriate, and determine the impact of the recommended changes on system funding.

The only thing an actuary can state with certainty is that in any one year, the assumptions made about events will be wrong. The magnitude and direction of the impact of these mismatches (with the possible exception of investment returns) should produce minor fluctuations in employer contribution rates. The actuary’s goal in recommending assumptions should be to minimize this fluctuation. Since these assumptions provide a reasonable expectation of events over the long-term future period, properly determined assumptions should require relatively modest adjustments from study to study. Placing too much credibility on the most recent experience analyzed in a study can exacerbate contribution volatility, the opposite outcome from the purpose for performing the study.

CavMac understands that the data analyzed during a study is only an indication of the most recent trend in experience and not necessarily the best estimate of long-term future experience. Our methodology is to perform an in-depth analysis of all material assumptions utilized in the actuarial valuations. We combine our proven tools and techniques with our experience and professional judgment in recommending actuarial assumptions that reflect the long-term expected future experience of the system.

All of the actuarial assumptions and methods used in the valuation process will continue to be reviewed and analyzed annually as part of the valuation process. While NPERS performs periodic experience studies, assumptions are tracked and monitored between experience studies and interim studies are performed when appropriate. As required by statute, we will perform an experience study for all of the NPERS plans every four years. The study period for the experience study for the Omaha School Employees Retirement System (OSERS) falls one year later than the NPERS study period. The PERB may want to consider adjusting the timing of the OSERS experience study in the future, but such a change is not required. There may be advantages to leaving the current timing in place and any change in timing will have to comply with the statutory requirement to perform an experience study at least every four years. We intend to discuss this with the PERB after the 2025 OSERS experience study is completed.

Scheduled experience study reports will include, as appropriate:

- (1) analysis of the economic and demographic experience of the retirement system over the study period, including both a summary and detailed comparison of actual to expected results,
- (2) assessment of the credibility of the data and resulting numerical results as well as an explanation of the rationale behind any recommended changes,

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- (3) development of a set of actuarial assumptions based on the study results, including a financial analysis of the impact of the proposed changes, and
- (4) a review of the actuarial funding method, asset valuation method, and amortization methodology, discussion of current industry and professional trends, as well as recommended changes, if appropriate.

Our experience investigation process complies with the guidance provided by Actuarial Standards of Practice (ASOP) No. 27 (Selection of Assumptions for Measuring Pension Obligations). As we have in the past, we will prepare a comprehensive experience study report that will detail our findings for each material actuarial assumption and method separately, showing actual experience over the period in comparison with the expected experience based on current assumptions. We will present our assessment of the observed experience in the context of current long-term expectations. If there are any recommended changes to the assumption, we will provide the comparative analysis and fiscal impact of the recommendation.

7. Describe bidder's approach for providing Benefit Adequacy Studies for public pension funds.

Bidder Response:

Benefit Adequacy Study

The last Benefit Adequacy Study was issued in August of 2000 so an updated analysis is warranted, particularly due to the many changes in the NPERS retirement systems, in addition to other public retirement systems that may be used for comparative purposes. The following discussion is general in nature. We recommend that we discuss the project with the PERB and staff before any work commences to ensure the final report will address all issues in a comprehensive manner.

The Study will include a review and analysis of the benefits, funding and investment adequacy for the five major public employee retirement systems of the State of Nebraska: (1) State Employees Retirement System (defined contribution and cash balance plans), (2) County Employees Retirement System (defined contribution and cash balance plans), (3) School Employees Retirement System (defined benefit plan), (4) Judges Retirement System (defined benefit plan) and (5) State Patrol Employees Retirement System (defined benefit plan with deferred retirement option plan). The specific areas expected to be included in the Study are:

- (1) Income Replacement Needs, including value of retirement benefit, income replacement ratios, and over/under target comparisons.
- (2) Competitiveness of the retirement systems,
- (3) Comparison with national average practices,
- (4) Contribution rate comparison and benefit design comparison for regional retirement systems,
- (5) Recommendations to meet benefit adequacy and competitiveness needs.

Given that many retirement systems now have more than one tier of benefits, it will be important to identify which benefit design for other systems should be used for the comparative analysis.

The conclusions of the Study are expected to include establishing benefit policy recommendations for retirement plans under three approaches: (1) Benefit Adequacy Approach, (2) Competitiveness Approach, and (3) Cost Approach. These three approaches represent three distinct ways to analyze the results of the study. Ultimately, policy makers will need to prioritize the importance of achieving each of these goals as it may be difficult, if not impossible, to meet more than one of the goals. For example, it may be difficult to provide the retirement income necessary to maintain the same standard of living as was earned while the employee was actively working and to fund those benefits with stable contribution rates that are sustainable over the long term. There are generally

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tradeoffs involved so it is important for the consultants to effectively communicate the results of the Study to all interested parties.

8. Describe bidder's approach for providing Supplemental Services for public pension funds.

Bidder Response:

There are a number of supplemental services the retained actuary may be expected to provide to the System.

Supplemental services will be provided when requested by NPERS. Based on our experience with NPERS over the last twelve years, the scope of potential services for NPERS is similar to those provided by CavMac to our other large public retirement system clients.

CavMac performs a number of additional services for various clients that the actuary may likely be called upon to provide over the term of the contract. Typically, these services are not included in the annual valuation fees and are based on time and expense. We can also provide a fixed fee for the project once the scope is known.

These services include:

- Plan design changes
- Employer contribution projections
- Stochastic projection modeling
- Updates on current trends on pension benefits, including legal, funding and accounting requirements.

The proposed CavMac team has experience with a variety of additional services and we are confident we can provide any additional services required.

9. Describe bidder's experience at providing Legislative Expertise for public pension funds.

Bidder Response:

Because all of our work is performed for public retirement systems, of which many are large, complex statewide systems, we understand the importance of accurate, timely responses to proposed legislation. NPERS can be assured that we have the capability to respond to any requests in a timely manner and with a study that is easily understood. Given the significant experience of the actuaries on the proposed NPERS team, coupled with our peer review requirements, we are able to ascertain whether or not the calculated impact of proposed legislation is reasonable. In our statements we generally provide a summary of the legislative changes, a description of the assumptions and methods used to determine the impact, the results of our calculations in comparison to the baseline (no change) and any comments or observations we consider appropriate about the legislation and the results. We will provide a clear explanation of our interpretations, assumptions and methods used in performing the analysis and an explanation concerning any potential behavior changes that may be experienced in the future due to proposed legislation. Finally, we provide any comments of the impact of any federal, state or GASB regulatory requirements on the proposed legislation.

Due to our extensive work with other public retirement systems in Nebraska, we have developed a solid reputation for our expertise with the Nebraska Retirement Systems Committee and staff as well as executive branch staff members.



SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

d. ATTACHMENT C: ADDITIONAL CORPORATE EXPERIENCE; AND

The Additional Corporate Experience form is provided on the following pages.



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Additional Corporate Experience

Request for Proposal Number 120961 O5

Bidder Name: Cavanaugh Macdonald Consulting, LLC./ D.B.A. CavMac

Bidders shall complete and submit the Additional Corporate Experience Document to provide Actuarial Services for the Nebraska Public Employees Retirement Systems (NPERS). Bidders are required to describe in detail how their qualifications meet the specifications outlined within each Requirement.

The Additional Corporate Experience Document must indicate how the bidder intends to comply with the requirement and the effort required to achieve that compliance. It is not sufficient for the bidder to simply state that it intends to meet the requirements of the RFP. The State will consider any such response to the requirements in this RFP to be non-responsive. The narrative should provide the State with sufficient information to differentiate the bidder's solution from other bidders' solutions.

CORPORATE OVERVIEW – Additional Corporate Experience (Section VI.A.1.h.iv.)

1. Qualification One:

As of December 31, 2024, bidder has a minimum of three (3) public pension fund clients. Please submit a written description of how this qualification is satisfied, including, at a minimum, a list of at least three (3) public pension fund clients for whom the bidder currently provides actuarial consulting services. These descriptions should include:

- a) The time period of the project;
- b) The scheduled and actual completion dates;
- c) The Contractor's responsibilities;
- d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, and e-mail address); and,
- e) Each project description should identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.

Bidder Response:

The Nebraska Public Employees Retirement System (NPERS) administers five statewide retirement systems, two plans for the Equal Retirement Benefit Fund (which are also defined benefit by definition), the Omaha School Employees' Retirement System and one deferred compensation plan for the State of Nebraska. All eight defined benefit plans administered by NPERS are governmental plans, as defined in the Internal Revenue Code §414(d). Of the six main defined benefit plans, four of them (Nebraska School Employees Retirement System, Nebraska Judges Retirement System, the Nebraska State Patrol Retirement System, and the Omaha School Employees' Retirement System) are traditional defined benefit plans with retirement benefits based on final average salary and years of service. Two of the plans, the State Employees Retirement System and the County Employees Retirement System are cash balance plans (hybrid plans). NPERS serves almost 165,000 active, inactive, and retired members with monthly benefit payment of around \$90 million and assets of \$22.3 billion.

There are three broad categories of services to be provided by the NPERS retained actuary:

- Valuation services, including GASB reporting and projection services;
- Experience study services;

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- Actuarial consulting services (including special projects like the Benefit Adequacy Study)

We refer to clients for whom these types of comprehensive actuarial services are provided as “retainer clients”. All of the retainer clients for whom we provide comprehensive actuarial services similar to those listed in the RFP are included in Appendix C. Many of those retainer clients are statewide systems who are responsible for multiple retirement plans covering different memberships, similar to NPERS. As requested in the RFP, we have selected three current clients for whom projects similar to those identified in the RFP with respect to size, scope and complexity are completed on a regular basis. The co-lead consultants for these systems are the same co-leads that are currently serving NPERS and are proposed to continue in that role. Summary information on these three systems is shown in the following table:

System	Work Performed	Total # of Participants Total Assets (\$)	Contact Information
<ul style="list-style-type: none"> • Iowa Public Employees Retirement System* <ul style="list-style-type: none"> • Regular Member • Special Services Group 1 • Special Service Group 2 	2010 – Present Annual actuarial valuation and experience studies, legislation	402,484 \$41.2 Billion	Mr. Greg Samorajski Chief Executive Officer Iowa Public Employees Retirement System 7401 Register Drive Des Moines, IA 50321 515.281.0070 greg.samorajski@ipers.org
<ul style="list-style-type: none"> • Kansas Public Employees Retirement System* <ul style="list-style-type: none"> • State/School • Public Employees • Police and Fire • Judges 	2010 – Present Annual actuarial valuations and experience studies, legislation	323,422 \$24.5 Billion	Mr. Alan Conroy Executive Director Kansas Public Employees Retirement System 611 S. Kansas Ave, Suite 100 Topeka, KS 66603 785.296.1019 aconroy@kpers.org
<ul style="list-style-type: none"> • Indiana Public Employees Retirement System <ul style="list-style-type: none"> • Teachers Pre-1996 • Teachers Post-1996 • Public Employees • Public Safety • Judicial • Prosecuting Attorneys • Excise, Gaming, and Conservation Officers • Legislators • Old Fire and Police Plans 	2017 – Present Annual actuarial valuations and legislation, with an experience study performed in 2025.	425,011 \$39.8 Billion	Mr. Steve Russo Executive Director Indiana Public Retirement System One North Capitol, Suite 001 Indianapolis, IN 46204 312.232.3864 sterusso@inprs.in.gov

Please note that Ms. Beckham and Mr. Banister provided services to IPERS and KPERS for many years prior to joining CavMac in 2010. In addition, they have provided services to NPERS for the last twelve years, so the System is familiar with their abilities and skills.

All of the work for all three of these clients was performed as prime contractors. No subcontractors were used.

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IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

IPERS administers benefits for all state employees, schools employees and most public employees working for Iowa counties and cities. While there is only one “system” in IPERS, there are three distinct groups with different benefit structures and unique contribution rates. The largest group covered under IPERS is the “regular” membership which includes most State employees, all School employees and most Local employees other than law enforcement employees. The other two groups are referred to as “Special Service Group 1” (composed of sheriffs and deputies) and “Special Service Group 2” (other protection occupation groups such as correctional officers, airport firefighters, conservation officers, etc). As mentioned earlier, separate valuation results are produced each year for each group including projection modeling.

IPERS valuations are prepared each year as of June 30. Membership data is generally received in late August and financial information around the first of October. In accordance with our contract with IPERS, the valuation report and the corresponding Board presentation must be completed and received by IPERS no later than the third Monday in November. Each year we work together with IPERS to develop a written work plan with specific dates for each key step in the valuation process. If something unexpected occurs during the valuation process, the timeline is adjusted and the revised dates apply. This is particularly important in the IPERS contract because “performance incentive” pay is dependent on Cavanaugh Macdonald meeting the key deliverable dates in the work plan.

The work plan for the 2024 fiscal year cycle, along with the actual completion dates, is summarized in the table below.

Description	Responsible Team	Work Plan	Actual Completion Date
Member data to actuary	IPERS Data	8/22/24	8/28/24
Questions on data	Actuary	9/13/24	9/20/24
Send financials to actuary	IPERS Accounting	10/2/23	10/8/24
Calculate and send certain split service asset transfer amounts	IPERS Accounting	10/2/23	10/8/24
Draft report to IPERS	Actuary	10/21/24	10/21/24
Asset transfer amounts to IPERS	Actuary	10/23/24	10/23/24
Draft funding report meeting	Actuary/IPERS	10/25/24	10/25/24
Draft GASB 67 report to IPERS	Actuary	11/4/24	10/30/24
Final funding valuation report to IPERS	Actuary	11/15/24	10/28/24
ACFR letter to IPERS	Actuary	11/15/24	11/15/24
Presentation to Board	Actuary	12/6/24	12/6/24
Valuation model to IPERS	Actuary	2/4/25	1/28/25
Draft GASB 68 report to IPERS	Actuary	2/26/25	1/27/25
Final GASB 68 report to IPERS	Actuary	3/4/25	2/19/25

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Under our contract with IPERS, we perform comprehensive actuarial services that are identified in the following categories (per language in the contract):

- (1) Valuation Services
 - a. Annual actuarial valuations
 - b. Actuarial section of ACFR
 - c. Certify IPERS' ability to increase the November dividend
 - d. Projection model based on valuation
- (2) GASB reporting under Statements Number 67 and 68
- (3) Consultation and Advisory Services
 - a. Provide ongoing actuarial consultation and support
 - b. Prepare actuarial cost estimates of proposed legislation
 - c. Assist IPERS staff in reviewing new legislation or proposed changes to existing retirement laws
 - d. Recommend possible changes to improve IPERS' financing and benefit structure
 - e. Assist in updating IPERS' funding policy
 - f. Provide advice on specific benefit cases.
 - g. Prepare various actuarial operating tables and factors
- (4) Additional Services
 - a. Provide updated actuarial factors, as needed
 - b. Conduct experience studies as requested.
 - c. Conduct asset/liability studies or provide information to others preparing such report
 - d. Assist IPERS with plan mergers, as they arise
 - e. Perform other actuarial consulting services as requested.

All work is performed for IPERS as the prime contractor. No subcontractors are used. This work was performed under a fixed fee retainer of \$112,000 and there was no adjustment to this budget.

Occasionally when there is extensive activity during the legislative session, the contract will be amended to include a budget for legislative services.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERS)

KPERS administers three separate retirement systems: (1) the Kansas Public Employees Retirement System (KPERS), (2) Kansas Police and Firemen's Retirement System (KPF) and (3) the Kansas Retirement System for Judges. KPERS covers all state employees, schools employees, and most public employees working for Kansas counties, cities and other local employers. There are three separate benefit structures, including a final average pay plan and a cash balance plan, separate valuations are prepared for each of the three groups (State, School, Local) and different contribution rates apply to each group. Within the State group, there are two correctional groups that have different retirement eligibility (one group may retire with unreduced benefits at age 55 and the other may retire with unreduced benefits at age 60) and, therefore, different contribution rates. One comprehensive report is prepared that provides the actuarial results for KPERS, KPF and Judges as that is the preference of the client.

The valuation date for KPERS is December 31 of each year. We do not have a formal timeline for the KPERS valuation largely because we have worked with this client for over 20 years and automatically plan for this valuation

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cycle (note they were a client of Ms. Beckham and Mr. Banister while they were at their prior employer). Over that time period, the dates for receiving the member data and financial data have changed with data now available at earlier dates. The key date in the valuation process is the presentation of results to the Board at their July meeting. The timeline for the work plan begins on the date we receive the membership data (currently around mid-April) and ends with the mailing date for the Board materials (Thursday before the Board meeting). We develop target dates internally with our staff to ensure the actual completion dates will meet KPERS' needs. The following table summarizes the key dates for the most recent KPERS valuation, December 31, 2023.

Description	Responsible	Target Date	Actual Completion Date
Member data to actuary	KPERS	4/1/24	4/5/24
Send financials to actuary	KPERS	4/1/24	4/4/24
Draft report to KPERS	Actuary	7/3/24	6/26/24
Meeting re draft report	Actuary/KPERS	7/10/24	7/10/24
Final valuation report to KPERS	Actuary	7/17/24	7/16/24
Board mailing	KPERS	7/18/24	7/18/24
Presentation of Results to Board	Actuary	7/26/24	7/26/24
Valuation model prepared	Actuary	3/1/25	2/12/25

Under our contract with KPERS, we perform comprehensive actuarial services that are identified in the following categories:

- (1) Valuation Services
- (2) Fiscal Impact of Proposed Legislation
- (3) Special Studies
- (4) Board Meetings
- (5) Legislative Meetings
- (6) General Consulting Services
- (7) Projection Model
- (8) Affiliation studies

All work is performed for KPERS as the prime contractor. No subcontractors are used. Our retainer fee for KPERS for fiscal year 2024 was \$281,500. The budgeted amount has always been met for these core services.

Occasionally when there is extensive activity during the legislative session, the contract will be amended to increase the budget for legislative services. Due to the level of activity, this has not occurred in recent years.

INDIANA PUBLIC EMPLOYEES RETIREMENT SYSTEM (INPRS)

INPRS administers eight separate retirement funds covering government employees throughout the state. Each of the eight funds has a valuation report which includes both funding results and accounting results. Additionally, INPRS is the state agency charged with coordinating the actuarial work for some old local police and fire plans that are now state funded.

The valuation date for INPRS is June 30 of each year. However, the valuations are performed with the census data from a year earlier and then results are rolled forward using standard actuarial formulae. This results in an

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overlap period in the fall when we are working on two consecutive valuations for each fund concurrently.

The following table summarizes the key steps for the 2024 INPRS valuation report:

Description	Responsible	Target Date	Actual Completion Date
Member data to actuary	INPRS	8/2/2023	8/9/2023
Review assumptions with Board	Actuary/INPRS	2/16/2024	2/16/2024
Valuation data exhibits	Actuary	4/15/2024	4/8/2024
Preliminary year-end census data	INPRS	7/19/2024	7/25/2024
Estimated valuation results	Actuary	8/8/2024	8/27/2024 (New Valuation Software)
Final year-end census data	INPRS	9/12/2024	9/20/2024
Preliminary valuation exhibits	Actuary	10/7/2024	10/7/2024
Draft valuation reports	Actuary	10/21/2024	10/21/2024
Board presentation	Actuary/INPRS	10/25/2024	10/25/2024
Final valuation reports	Actuary	11/8/2024	11/7/2024

As noted, because this process extends over 16 months, there is a four-month period in which two years of reports are being worked on concurrently.

Additionally, our contract calls for a specified number of cost studies and affiliation/disaffiliation studies, along with the preparation of an actuarial valuation report for a group of old fire and police plans. This work is covered by our annual retainer fee of \$257,153 for FYE 2024, which was met. (Additional fees were charged for work outside the scope of services.) All work was performed by CavMac with no subcontractors used.

2. Qualification Two:

The bidder has a minimum of five (5) years of experience in providing actuarial consulting services to a public pension fund. This means that the bidder as an organization has been providing actuarial consulting services to a public pension fund for at least five (5) years. This requirement is not satisfied simply because its employees have at least five (5) years' experience in providing actuarial consulting services to a public pension fund. Please submit a written description of how this qualification is satisfied, including, at a minimum, a list of the public pension fund clients for whom the actuarial consulting firm has provided actuarial consulting services for at least five (5) years.

Bidder Response:

CavMac was incorporated in June, 2005 and has been continuously providing actuarial services to public retirement systems since that time. Please see our listing of public pension fund clients in Appendix C which includes contact information for many systems for whom we have provided services for over five years.

3. Qualification Three:

The bidder's lead consultant on the account must have a minimum of ten (10) years of experience in providing actuarial consulting service to public pension funds. This experience shall include general consulting, experience analysis, and valuation assignments for such funds. This person shall also have experience in testifying before legislative and administrative bodies in support of actuarial positions and the principles used in valuing a public retirement system or pricing legislation, and an ability to discuss in laymen's terms the following: actuarial theory; basis for assumptions; and other actuarial matters. The lead consultant must be a member of the American Academy of Actuaries. Please submit a written

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description of how this qualification is satisfied, including, at a minimum, a list of the lead consultant's experience in providing actuarial consulting services to public pension funds for at least ten (10) years, and showing past experience at testifying before legislative and administrative bodies.

Bidder Response:

Patrice Beckham meets the minimum experience requirement of ten years. She has been providing actuarial services to public retirement systems for 40 years. Her current clients include the Iowa Public Employees Retirement System and the Kansas Public Employees Retirement System which are systems Ms. Beckham has worked with for more than ten years. They can attest to her breadth of experience, including general consulting, experience analysis, and funding and GASB valuations, as well as her ability to explain complex actuarial matters and concepts in understandable terms.

Brent Banister meets the minimum experience requirement of ten years. He has been providing actuarial services to public retirement systems for 30 years. His current clients include Iowa Public Employees Retirement System, the Kansas Public Employees Retirement System, and the Oklahoma Public Employees Retirement System, all of which Mr. Banister has worked with for more than ten years. They can attest to his breadth of experience, including general consulting, experience analysis, and funding and GASB valuations, as well as his ability to explain complex actuarial matters and concepts in understandable terms.

4. Qualification Four:

Professional staff assigned to the account shall have a minimum of five (5) years of experience in the field of actuarial science and will include persons with appropriate professional credentials such as Fellow or Associate of Society of Actuaries, and/or Fellow of the Conference of Actuaries in Public Practice, and/or Member of the American Academy of Actuaries, and/or meet standards of a qualified actuary under the provisions of the Employee Retirement Income Security Act of 1974. Please submit a written description of how this qualification is satisfied, including, at a minimum, a list of the professional staffs' experience in providing actuarial consulting services to public pension funds for at least five (5) years, and showing the professional staffs' credentials.

Bidder Response:

The following credentialed actuaries currently serve on the NPERS team and will continue under this proposal:

Patrice Beckham, FSA, FCA, EA, MAAA: 39 years of experience
Brent Banister, FSA, FCA, EA, MAAA: 30 years of experience
Larry Langer, ASA, FCA, EA, MAAA: 36 years of experience
Bryan Hoge, FSA, FCA, EA, MAAA: 20 years of experience
Virginia Fritz, FSA, FCA, EA, MAAA: 19 years of experience
Aaron Chochon, ASA, ACA, EA, MAAA: 14 years of experience
Megan Skiles, ASA, FCA, MAAA: 8 years of experience

All of our professional staff are members of the Society of Actuaries, American Academy of Actuaries and the Conference of Consulting Actuaries. Their credentials with the Society of Actuaries can be verified by going to the website, www.soa.org, and searching the "Actuarial Directory". It also includes the date their designations were granted. This will allow you to verify the actuarial credentials and years of experience of our professional staff. Please see their individual resumes included in the proposal.



SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

e. DELIVERABLES AND DUE DATES (COST PROPOSAL).

As the current retained actuary for NPERS, there will be no transition work. The following tables address our best estimate of the timeline for the work to be completed in connection with the regular annual services including the actuarial valuations (including the Equal Retirement Benefit Fund Valuations and the OSERS valuation), GASB reporting services and projection services. Other services, such as providing cost estimates for proposed legislation, creating factors, and ongoing consulting services will occur on an as needed basis. Therefore, the timeline for those services cannot be anticipated in advance and they have not been included in the following timelines.





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

School, State Patrol, and Judges Systems: July 1 Valuation Schedule

Estimated Date	Task	Responsibility
8/1	Send membership data for 7/1 valuations to actuary	NPERS
8/1 – 9/15	Review data for completeness and reasonableness. Follow-up with NPERS on any discrepancies or data questions.	CavMac
9/30	Receive follow-up data from NPERS, if any, and prepare data for valuation software.	CavMac
10/1	Send asset information for FYE	NPERS
10/1 – 10/9	Run valuations and summarize liability results	CavMac
10/10 - 10/12	Calculate actuarial value of assets and incorporate into funding calculations	CavMac
10/13– 10/17	Review results, calculate gain/loss and prepare draft valuation reports	CavMac
10/18 – 10/21	Internal peer review	CavMac
10/10 – 10/21	Prepare five-year projection report and 30-year projections	CavMac
10/27	Draft report to NPERS for review	CavMac
10/28 – 11/3	Review and discuss draft report	NPERS & CavMac
11/4	Make final changes to report and send electronic version to NPERS for final review	CavMac
11/5	Print and ship copies of final report	CavMac
Early November	Board presentation to NPERS for review and discussion	NPERS & CavMac
Third Monday in November	Present valuation results to Board	CavMac
As requested	Presentation of valuation results to the Governor and/or legislative committee	CavMac
January	Discuss changes for the following year	NPERS & CavMac





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

State and County Cash Balance Plans, Equal Retirement Benefits Funds and Omaha School Employees' Retirement System January 1 Valuation Schedule

Estimate Date	Task	Responsibility
2/14	Send membership data for 1/1 valuations (including OSERS) to actuary	NPERS
2/14 – 3/5	Review data for completeness and reasonableness. Follow-up with NPERS on any discrepancies or data questions.	CavMac
3/15	Receive follow-up data from NPERS, if any, and prepare data for valuation software.	CavMac
3/15	Send asset information for CYE	NPERS
3/15 – 3/23	Run valuations and summarize liability results	CavMac
3/17 – 3/23	Calculate actuarial value of assets and incorporate into funding calculations	CavMac
3/24 – 4/1	Review results, calculate gain/loss and prepare draft valuation report	CavMac
4/1 – 4/6	Internal peer review	CavMac
3/15 – 4/1	Prepare five-year projection report and 30-year projections	CavMac
4/7	Draft reports to NPERS for review	CavMac
4/8 – 4/12	Review and discuss draft report with NPERS	NPERS & CavMac
4/13	Make final changes to report and send electronic version to NPERS for final review	CavMac
4/15	Print and ship copies of final report	CavMac
Late April	Board presentation to NPERS for review and discussion	NPERS & CavMac
Third Monday in May	Presentation of State, County and ERBF valuation results to the PERB	CavMac
Third Monday in June	Presentation of OSERS valuation results to the PERB	CavMac
As requested	Presentation of valuation results to the Governor and/or legislative committee	CavMac
June 2014	Discuss changes for the following year	NPERS & CavMac





SECTION VI – A. SOLICITATION RESPONSE SUBMISSION

2. TECHNICAL RESPONSE

The completed Cost Sheet and Cost Proposal are provided in a separately, uploaded document.





APPENDIX A – FINANCIAL STATEMENTS

The most recent CONFIDENTIAL financial statements are provided in a separately uploaded document as they are considered “proprietary information” and we request that the State withhold this information from the public record.





APPENDIX B – CERTIFICATE OF INSURANCE

The Certificate of Insurance is provided in a separate document as it is considered “proprietary information” per the Scope of Work Section of the RFP.





APPENDIX C – CLIENT LIST

A complete listing of our retained pension clients is provided below. All work for the following clients is ongoing. While CavMac was incorporated in 2005, some of the clients listed below have been with our lead actuaries at a previous employer, so you may see some clients where we have been the actuary for even longer than the 20 years we have been in business.

Pension Consulting Clients

System	Work Performed	Total # of Participants Total Assets (\$)
1. Alabama: • Clerks and Registers Retirement System • Employees' Retirement System • Judicial Retirement System • Teachers Retirement System	1981 – Present Annual actuarial valuations, experience studies, legislation	400,137 \$42.2 Billion
2. Alabama Peace Officers Annuity & Benefit Fund	1996 – Present Annual actuarial valuations, legislation	4,396 \$32.0 Million
3. City of Albany Employees' Retirement Plan	2009 – Present Annual actuarial valuations	2,042 \$115.8 Million
4. City of Bartlett (TN)	2024 – Present Annual actuarial valuations	848 \$108.1 Million
5. Bismarck Firefighters	2009 – Present	150 \$33.6 Million
6. Central Nebraska Public Power and Irrigation District	2010 – Present Annual actuarial valuations	115 \$17.7 Million
7. Charlotte Firefighters Retirement System	2000 – Present Annual actuarial valuations and experience studies	1,951 \$603.8 Million
8. Chattanooga Area Regional Transportation Authority	2016– Present Annual actuarial valuations	307 \$19 Million
9. City of Chattanooga General Pension Plan	2012 - Present Annual actuarial valuations and experience studies	3,047 \$350.5 Million
10. Cobb County (GA)	2007 – Present Annual actuarial valuations, experience studies and benefit statements	8,639 \$946.8 Million
11. Connecticut Municipal Employees' Retirement System	2013 – Present Annual actuarial valuations, experience studies, legislation	25,200 \$3.2 Billion
12. Connecticut State Employees' Retirement System	2009 – Present Actuarial valuations, experience studies, legislation	108,013 \$21.2 Billion





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
13. Connecticut Teachers' Retirement Board	2009 – Present Actuarial valuations, experience studies, legislation	103,987 \$23.7 Billion
14. Cook County Pension Fund <ul style="list-style-type: none"> County Employees' and Officers' Annuity and Benefit Fund of Cook County Forest Preserve Forest Preserve District Employees' Annuity and Benefit Fund of Cook County 	2019 – Present Actuarial valuations, experience studies, legislation	60,194 \$13.1 Billion
15. Coweta County (GA)	2018 – Present Annual actuarial valuations, GASB 68	366 \$81.4 Million
16. City of East Point Employees Retirement Plan	2013 – Present Annual actuarial valuations and experience studies	900 \$154.9 Million
17. City of Escanaba (MI) <ul style="list-style-type: none"> General Employees Retirement System Public Safety Retirement System 	2019 - Present Actuarial valuations, experience studies, legislation	70 \$32.6 Million
18. Fulton County Schools	2019 - Present Actuarial valuations, experience studies	6,186 \$460.8 Million
19. Georgia: <ul style="list-style-type: none"> Employees' Retirement System Judicial Retirement System Legislative Retirement System Military Pension Fund Public School Employees' Retirement System 	1981 – Present Annual actuarial valuations, experience studies, legislation	313,087 \$16.5 Billion
20. Georgia Firefighters' Pension Fund	2010 - Present Actuarial valuations, experience studies, legislation	24,111 \$1.1 Billion
21. Georgia Sheriffs' Retirement Fund	2005 – Present Actuarial valuations, experience studies, legislation	378 \$96.6 Million
22. Georgia Teachers Retirement System	1981 – Present Annual actuarial valuations and experience studies	521,509 \$95 Billion
23. City of Grosse Pointe Farms (MI) <ul style="list-style-type: none"> General Employees Retirement System Public Safety Retirement Systems 	2019 - Present Actuarial valuations, experience studies, legislation	157 \$74.3 Million
24. Gwinnett County Board of Education's Retirement System	2005 – Present Annual actuarial valuations and experience studies	39,330 \$2.4 Billion
25. Gwinnett County Retirement Systems	2006 – Present Actuarial valuations and experience studies	4,173 \$1.3 Billion





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
26. City of Hollywood Police Officers' Retirement System	2008 – Present Annual actuarial valuations	721 \$257 Million
27. Indiana Public Retirement System <ul style="list-style-type: none"> Public Employees Retirement Fund Teachers Pre-'96 Retirement Fund Teachers '96 Retirement Fund '77 Fire and Police Fund Excise, Gaming, and Conservation Employees Retirement Fund Judicial Retirement System Prosecuting Attorneys Retirement Fund Legislators Defined Benefit Plan Pension Relief Fund 	2017 – Present Annual actuarial valuations and experience studies, legislation	425,011 \$39.8 Billion
28. Iowa Judicial Retirement Fund	2010 – Present Annual actuarial valuations and experience studies, legislation	467 \$255.4 Million
29. Iowa Peace Officers Retirement System	2010 – Present Annual actuarial valuations, experience studies and legislation	1,321 \$681.3 Million
30. Iowa Public Employees Retirement System	2010 – Present Annual actuarial valuation and experience studies, legislation	402,484 \$41.2 Billion
31. Jefferson County Employees Retirement System	1998 – Present Annual actuarial valuations	5,048 \$1.3 Billion
32. Kansas City Board of Public Utilities	2005 – Present Annual actuarial valuations and experience studies, legislation	1,377 \$503.9 Million
33. Kansas City Police Retirement System and Police Civilians Retirement System	2007 – Present Annual actuarial valuations and experience studies, legislation	3,527 \$1.1Billion
34. Kansas Public Employees Retirement System <ul style="list-style-type: none"> State/School Local Police and Fire Judges 	2010 – Present Annual actuarial valuations and experience studies, legislation	323,422 \$24.5 Billion
35. Kansas City Public Schools Retirement System	2014 – Present Annual actuarial valuations and experience studies, legislation	11,778 \$632.1 Million
36. Kentucky Teachers' Retirement System	1981 – Present Annual actuarial valuations, experience studies, legislation	198,143 \$24.3 Billion
37. Lexington-Fayette Urban County Government Policemen's and Firefighters' Retirement Fund	2006 – Present Actuarial valuations	2,582 \$873.9 Million





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
38. Lincoln, Nebraska Police and Fire Pension Fund	2015 – Present Annual actuarial valuations and experience studies, legislation	1,261 \$312.2 Million
39. Los Angeles County Employees Retirement Association	2018 – Present Actuarial audits	185,786 \$73 Billion
40. Metropolitan Utilities District of Omaha Nebraska	2010 – Present Annual actuarial valuation and experience studies	1,746 \$71.7 Million
41. Miami General Employees' and Sanitation Employees' Retirement Trust	2008 – Present Actuarial valuations	4,164 \$787.6 Million
42. City of Milwaukee Employees' Retirement System	2019 – Present Actuarial valuations, experience studies	29,613 \$5.5 Billion
43. Minnesota Teachers' Retirement Association	2011 – Present Annual actuarial valuations, experience studies, legislation	214,834 \$26.8 Billion
44. Mississippi: <ul style="list-style-type: none"> Highway Safety Patrol Retirement System Municipal Retirement Systems Public Employees Retirement System Supplemental Legislative Retirement Plan 	1992 – Present Annual actuarial valuations, experience studies, legislation	361,104 \$32.2 Billion
45. Missouri County Employees' Retirement Fund	2019 – Present Annual actuarial valuations, experience studies, legislation	21,228 \$676.1 Million
46. Missouri State Employees' Retirement System <ul style="list-style-type: none"> Judges Retirement System 	2017 – Present Annual actuarial valuations, experience studies, legislation	148,743 \$8.8 Billion
47. Montana Public Employees' Retirement Administration: <ul style="list-style-type: none"> Firefighter's Unified Retirement System Game Wardens' and Peace Officers' Retirement System Highway Patrol Officers' Retirement System Judges' Retirement System Municipal Police Officers' Retirement System Public Employees' Retirement System Sheriffs' Retirement System Volunteer Firefighters' Compensation Act 	2016 - Present Annual actuarial valuations, experience studies, legislation	112,165 \$9.3 Billion
48. Montana Teachers Retirement System	2009 – Present Annual actuarial valuations, experience studies, legislation	45,753 \$4.9 Billion





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
49. Nebraska Public Employees Retirement System <ul style="list-style-type: none"> School Employees Retirement System State Patrol Retirement System Judges Retirement System County Employees Cash Balance Plan State Employees Cash Balance Plan 	2013 – Present Annual actuarial valuations, experience studies, legislation	143,881 \$18.6 Billion
50. North Carolina Local Governments approximately 400 individual local entities	2006 – Present Annual Separation Allowance	1,883 \$476 Million
51. City of Norwalk, Connecticut	2020 – Present Annual actuarial valuations, experience studies, legislation	1,883 \$476 Million
52. Town of Ocean City, MD	2012 – Present Annual actuarial valuations, experience studies, legislation	760 \$139.2 Million
53. Ohio Police and Fire Retirement System	2019 – Present Actuarial valuations, experience studies, legislation	65,738 \$16.1 Billion
54. Ohio School Employees Retirement System	2008 – Present Annual actuarial valuations, experience studies, legislation	248,119 \$17.6 Billion
55. Oklahoma Law Enforcement Retirement System	2013 – Present Annual Actuarial Valuations	2,943 \$1.1 Billion
56. Oklahoma Police Pension and Retirement System	2016 - Present Annual actuarial valuations, experience studies, legislation	10,668 \$3.1 Billion
57. Oklahoma Public Employees Retirement System <ul style="list-style-type: none"> Oklahoma Judges Retirement System Uniform Retirement System for Judges and Justices 	2010 – Present Annual actuarial valuations, experience studies, legislation	72,944 \$11.4 Billion
58. Omaha Schools Employees Retirement System	2010-Present Annual actuarial valuations, experience studies, legislation	15,409 \$1.6 Billion
59. Palau Civil Service Pension Plan	2016 – Present Annual actuarial valuations, GASB 67/68	6,361 \$27.8 Million
60. Pensacola General Employees' Retirement Fund	1990 – Present Annual actuarial valuations and experience studies	675 \$135.3 Million
61. Pinellas Park General Employee's Pension Plan	2010 – Present Annual actuarial valuations and experience studies	605 \$102.8 Million





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
62. City of Pompano Beach General Employees' Retirement System	2010 – Present Annual actuarial valuations and experience studies	1,089 \$250.1 Million
63. Employees' Retirement System of the Puerto Rico Electric Power Authority	2008 – Present Actuarial valuations, experience studies, legislation	15,977 \$1.2 Billion
64. City of Ralston, NE	2016 – Present; Annual actuarial valuations, GASB 67/68, experience studies, legislation	35 \$4 Million
65. Redford Township, Michigan	2022 – Present Annual actuarial valuations	279 \$73 Million
66. Shelby County Retirement System	2009 – Present Annual actuarial valuations, experience studies, legislation	9,368 \$1.5 Billion
67. Shelby County Schools	2014 – Present Annual actuarial valuations, GASB	6 \$0.9 Million
68. South Dakota Retirement System	2019 - Present Actuarial valuations, experience studies, legislation	92,325 \$12.4 Billion
69. City of Trenton (MI)	2021 – Present Annual actuarial valuations	176 \$50.3 Million
70. Tuscaloosa Police Officers and Firefighters Retirement Plan	1997 – Present Annual actuarial valuations and experience studies	908 \$62.6 Million
71. University of Puerto Rico Retirement System	2013 - Present Annual actuarial valuations, experience studies, legislation	18,272 \$1.5 Billion
72. Ventura County (CA)	2010 - Present Annual actuarial valuations, GASB 67/68, 73, 74/75	6,204 \$26.2 Million
73. Washtenaw County Employees Retirement System	2019 – Present Annual actuarial valuations, experience studies, legislation	3,739 \$437.2 Million





APPENDIX C – CLIENT LIST

System	Work Performed	Total # of Participants Total Assets (\$)
74. WaterOne	2013 – Present Annual actuarial valuations, experience studies, and consulting	637 \$51.9 Million
75. City of Woodhaven, Michigan	2021 – Present Annual actuarial valuations	99 \$26.1 Million





APPENDIX D –SAMPLE REPORTS

Samples of our reports are provided in the following links. Please note that as of July 1, 2024, CavMac went through a rebranding.

Iowa Public Employees Retirement System Valuation Report:

https://ipers.org/sites/default/files/2024-12/2024%20IPERS%20Valuation%20Report_Final.pdf

Kansas Public Employees Retirement System Valuation Report:

<https://www.kspers.gov/valuationreport123123.pdf>

Kansas Public Employees Retirement System Experience Study:

<https://www.kspers.gov/valuationreport123123.pdf>

Teachers Retirement Association of Minnesota Valuation Report:

<https://minnesotatra.org/wp-content/uploads/2025/01/2024-MN-TRA-Valuation-Final.pdf>

Teachers Retirement Association of Minnesota Experience Study:

<https://minnesotatra.org/wp-content/uploads/2023/09/Experience-Study-2023.pdf>

Missouri State Employees' Retirement System Valuation Report:

https://mosers.org/docs/default-source/funding/reports/2024-06-30-actuarial-valuation-msep.pdf?sfvrsn=81635133_5



Request for Proposal for Actuarial Services

COST PROPOSAL



**Nebraska
Public Employees
Retirement Systems**

**Solicitation Number:
120961 O5**

Due: March 21, 2025, 2:00PM (CT)

Submitted by:

120961 O5

COST PROPOSAL

**ACTUARIAL SERVICES FOR THE NEBRASKA PUBLIC EMPLOYEES RETIREMENT
SYSTEMS (NPERS)**

These costs shall be all-inclusive. Neither the State, the PERB, nor NPERS will be responsible for travel, out-of-pocket, or other expenses of the actuarial consultant/firm.

Bidder Name: Cavanaugh Macdonald Consulting, LLC./ D.B.A. CavMac

Description	Unit of Measure	Initial Year One	Initial Year Two	Initial Year Three
Consultation Service and Reports for the Annual Valuation of the School Defined Benefit Plan	\$	28,800	29,500	30,000
Consultation Service and Reports for the Annual Valuation of the Omaha School Defined Benefit Plan	\$	30,800	31,400	32,000
Consultation Service and Reports for the Annual Valuation of the Judges Defined Benefit Plan	\$	22,500	23,000	23,500
Consultation Service and Reports for the Annual Valuation of the Patrol Defined Benefit Plan	\$	22,500	23,000	23,500
Consultation Service and Reports for the Annual Valuation of the State Cash Balance Plan and ERBF	\$	28,700	29,200	30,000
Consultation Service and Reports for the Annual Valuation of the County Cash Balance plan and ERBF	\$	28,700	29,200	30,000
Consultation Services and Reports for GASB 67	\$	22,600	23,000	23,400
Consultation Services and Reports for GASB 68	\$	32,800	33,500	34,200
Annual 5-year projection report	EA	11,300	11,500	11,700
Annual 30-year projection report	EA	21,500	21,900	22,300
Projection modeling software	YR	0	0	0
2025 Actuarial Experience Study for Omaha School Defined Benefit Plan	EA	30,000	0	0

One Time Benefit Adequacy Study to be completed as required by NPERS	EA	90,000		
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OPTIONAL SUPPLEMENTAL SERVICES:

PLEASE LIST ALL POSITIONS THAT MIGHT BE UTILIZED FOR ADDITIONAL SUPPLEMENTAL SERVICES. (Add rows as needed.)

Hourly ranges will not be accepted. Please break out positions if needed. For example, Consulting Actuary I, Consulting Actuary II, Consulting Actuary III, etc.

Position Title	Initial Year One Hourly Rate	Initial Year Two Hourly Rate	Initial Year Three Hourly Rate
Principal	477	489	501
Consulting Actuary II	461	473	485
Consulting Actuary I	451	462	474
Actuary Manager	436	447	458
Senior Actuary	425	436	447
Actuary	410	420	431
Senior Actuarial Analyst	390	399	409
Actuarial Analyst	354	362	372
Support Staff	174	179	183

OPTIONAL THREE (3) YEAR - RENEWAL 1

Description	Unit of Measure	Optional Renewal 1 Year Four	Optional Renewal 1 Year Five	Optional Renewal 1 Year Six
Consultation Service and Reports for the Annual Valuation of the School Defined Benefit Plan	\$	30,600	31,200	31,800
Consultation Service and Reports for the Annual Valuation of the Omaha School Defined Benefit Plan	\$	32,600	33,300	34,000

Consultation Service and Reports for the Annual Valuation of the Judges Defined Benefit Plan	\$	24,000	24,500	25,000
Consultation Service and Reports for the Annual Valuation of the Patrol Defined Benefit Plan	\$	24,000	24,500	25,000
Consultation Service and Reports for the Annual Valuation of the State Cash Balance Plan and ERBF	\$	30,600	31,000	31,600
Consultation Service and Reports for the Annual Valuation of the County Cash Balance plan and ERBF	\$	30,600	31,000	31,600
Consultation Services and Reports for GASB 67	\$	23,900	24,400	25,000
Consultation Services and Reports for GASB 68	\$	35,000	35,700	36,400
Annual 5-year projection report	EA	12,000	12,200	12,500
Annual 30-year projection	EA	22,700	23,100	23,500
Projection modeling software	YR	0	0	0
2028 Actuarial Experience Study for School, Judges, State Patrol, State Cash Balance, and County Cash Balance Plans	EA	60,000	0	0
2029 Actuarial Experience Study for Omaha School Defined Benefit Plan	EA	0	32,000*	0

*If the study period for the OSERS experience study is moved to coincide with the study period of the other NPERS plans so one comprehensive experience study report can be prepared, the fee for the OSERS experience study will be discounted by \$7,000.

OPTIONAL SUPPLEMENTAL SERVICES DURING OPTIONAL RENEWAL PERIOD ONE:

PLEASE LIST ALL POSITIONS THAT MIGHT BE UTILIZED FOR ADDITIONAL SUPPLEMENTAL SERVICES (Add rows as needed.)

Hourly ranges will not be accepted. Please break out positions if needed. For example, Consulting Actuary I, Consulting Actuary II, Consulting Actuary III, etc.

Position title	Optional Renewal 1 - Year Four Hourly Rate	Optional Renewal 1 - Year Five Hourly Rate	Optional Renewal 1 - Year Six Hourly Rate
Principal	513	526	539
Consulting Actuary II	497	509	522
Consulting Actuary I	486	498	510
Actuary Manager	469	481	493
Senior Actuary	458	470	481
Actuary	442	453	464
Senior Actuarial Analyst	419	430	441
Actuarial Analyst	381	390	400
Support Staff	188	192	197

OPTIONAL THREE (3) YEAR - RENEWAL 2

Description	Unit of Measure	Optional Renewal 2 Year Seven	Optional Renewal 2 Year Eight	Optional Renewal 2 Year Nine
Consultation Service and Reports for the Annual Valuation of the School Defined Benefit Plan	\$	32,400	33,000	33,700
Consultation Service and Reports for the Annual Valuation of the Omaha School Defined Benefit Plan	\$	34,700	35,400	36,000
Consultation Service and Reports for the Annual Valuation of the Judges Defined Benefit Plan	\$	25,500	26,000	26,500
Consultation Service and Reports for the Annual Valuation of the Patrol Defined Benefit Plan	\$	25,500	26,000	26,500
Consultation Service and Reports for the Annual Valuation of the State Cash Balance Plan and ERBF	\$	32,200	32,800	33,500
Consultation Service and Reports for the Annual Valuation of the County Cash Balance plan and ERBF	\$	32,200	32,800	33,500
Consultation Services and Reports for GASB 67	\$	25,500	26,000	26,500

Consultation Services and Reports for GASB 68	\$	37,000	37,750	38,500
Annual 5-year projection report	EA	12,750	13,000	13,200
Annual 30-year projection	EA	24,000	24,500	25,000
Projection modeling software	YR	0	0	0
2032 Actuarial Experience Study for School, Judges, State Patrol, State Cash Balance, and County Cash Balance Plans	EA	0	65,000	0
2033 Actuarial Experience Study for Omaha School Defined Benefit Plan	EA	0	0	34,000*

*If the study period for the OSERS experience study is moved to coincide with the study period of the other NPERS plans so one comprehensive experience study report can be prepared, the fee for the OSERS experience study will be discounted by \$7,000.

OPTIONAL SUPPLEMENTAL SERVICES DURING OPTIONAL RENEWAL PERIOD TWO:

PLEASE LIST ALL POSITIONS THAT MIGHT BE UTILIZED FOR ADDITIONAL SUPPLEMENTAL SERVICES (Add rows as needed.)

Hourly ranges will not be accepted. Please break out positions if needed. For example, Consulting Actuary I, Consulting Actuary II, Consulting Actuary III, etc.

Position title	Optional Renewal 2 - Year Seven Hourly Rate	Optional Renewal 2 - Year Eight Hourly Rate	Optional Renewal 2 - Year Nine Hourly Rate
Principal	553	567	581
Consulting Actuary II	535	548	562
Consulting Actuary I	523	536	549
Actuary Manager	505	518	531
Senior Actuary	493	506	518
Actuary	475	487	500
Senior Actuarial Analyst	452	463	475
Actuarial Analyst	410	420	431
Support Staff	202	207	212