



**NHRS**

New Hampshire Retirement System

**REQUEST FOR PROPOSALS  
FOR  
ACTUARIAL AUDIT SERVICES**

**NEW HAMPSHIRE RETIREMENT SYSTEM**

**54 Regional Drive  
Concord, NH 03301**

**Jan Goodwin  
Executive Director  
December 11, 2024**

## TABLE OF CONTENTS

### INTRODUCTION

1.0 Invitation to Submit Proposal .....	1
1.1 Contact Person .....	1
1.2 Tentative Timetable .....	2
1.3 Pension Plan Background and Additional Information .....	2

### NATURE OF SERVICES REQUIRED

2.0 Scope of Work to be Performed.....	3
2.1 Timetable And Deliverables .....	4

### PROPOSAL SUBMISSION REQUIREMENTS

3.0 Proposal Format and Content.....	4
3.1 Proposal Delivery.....	5
3.2 Proposal Conditions and Disclaimers .....	5

### EVALUATION PROCESS AND FINAL SELECTION

4.0 Methodology For Evaluating Proposals.....	6
4.1 Notice of Selection.....	7

**NEW HAMPSHIRE RETIREMENT SYSTEM  
REQUEST FOR PROPOSAL  
ACTUARIAL AUDIT SERVICES**

**INTRODUCTION**

**1.0 INVITATION TO SUBMIT PROPOSAL**

The Audit Committee of the New Hampshire Retirement System (NHRS), through its Executive Director, Jan Goodwin, requests proposals from firms interested in providing actuarial audit services to the NHRS. This Request for Proposal (RFP) is to select a Contractor to perform a Level 2 audit of the Actuarial Valuation Report as of June 30, 2023 (Valuation Report) and the 4-year experience study covering July 1, 2019 through June 30, 2023 to assure that the results presented are actuarially sound, reasonable, and consistent with industry standards.

**1.1 CONTACT PERSON**

Direct all questions and correspondence regarding this RFP to:

**Jan Goodwin,  
Executive Director  
New Hampshire Retirement System  
54 Regional Drive  
Concord, NH 03301  
Phone: 603-410-3520  
[jan.goodwin@nhrs.org](mailto:jan.goodwin@nhrs.org)**

Only written questions submitted by the question deadline in Section 1.2 will be accepted. Written answers to such questions shall be sent to each person on record as having received an RFP and will be posted on the NHRS website at: <https://www.nhrs.org/about-nhrs/rfp-rfi>

After December 11, 2024, firms that intend to submit a Proposal should not contact any NHRS Staff, Board Trustee, or Independent Investment Committee (IIC) member other than to submit written questions to the “Contact Person” identified above. Communicating directly or indirectly with any other NHRS staff, Board Trustee or IIC member during this RFP process will result in immediate elimination from the selection process.

## **1.2 TENTATIVE TIMETABLE**

The following is the tentative time schedule applicable to this RFP. All dates are subject to modification by NHRS.

**Issuance of RFP and official notices placed: December 11, 2024**

**RFP Question deadline: December 27, 2024**

**RFP deadline: January 10, 2025**

**RFP evaluations by NHRS staff: January 13- 24, 2025**

**Finalist interviews by the NHRS (if necessary): January 27-31, 2025**

**Audit Committee recommendation & Board approval: February 11, 2025**

**Contract award / finalization: February 28, 2025**

## **1.3 PENSION PLAN BACKGROUND AND ADDITIONAL INFORMATION**

The NHRS is a \$12.4 billion (June 30, 2024), multi-employer contributory defined benefit plan (Plan) qualified as a tax-exempt entity under section 401(a) and 501(a) of the Internal Revenue Code. The Plan has approximately 48,000 contributing members, more than 45,000 retirees and beneficiaries, over 460 contributing employers, and is managed in accordance with the provisions of New Hampshire RSA 100-A:14, 15, and 16. The NHRS provides retirement, disability, and death benefits to its members and their beneficiaries. The NHRS also administers a separate post-retirement medical (OPEB) plan which provides a fixed dollar subsidy for post-retirement medical premiums for eligible members.

**Board of Trustees:** The Board is comprised of thirteen members: four public members, four employer members, four employee members and the State Treasurer as an ex-officio member. The Board of Trustees approves administrative policies and procedures and authorizes benefit payments to members.

**Audit Committee:** The Board has an Audit Committee comprised of five members, one of whom is the State Treasurer.

**Independent Investment Committee (IIC):** The NHRS is administered by the Board, but certain investment-related responsibilities are delegated to the IIC as described in statute (NH RSA Chapter 100-A). The IIC is comprised of not more than five voting members, three of whom shall be persons who are not Trustees.

## NATURE OF SERVICES REQUIRED

### 2.0 SCOPE OF WORK TO BE PERFORMED

#### Actuarial Audit Services

The purpose of this assignment is to seek an independent evaluation of existing actuarial studies produced by the NHRS consulting actuary, Gabriel, Roeder, Smith & Company (GRS). Specifically, the engagement is for a Level 2 audit of the Actuarial Valuation Report as of June 30, 2023 (Valuation Report) and the 4-year experience study covering July 1, 2019 through June 30, 2023 (Experience Study) to assure that the results presented are actuarially sound, reasonable, and consistent with industry standards. A copy of the reports can be found at:

Actuarial valuation:

[https://www.nhrs.org/docs/default-source/actuarial/2023-actuarial-valuation.pdf?sfvrsn=f16715b4\\_4](https://www.nhrs.org/docs/default-source/actuarial/2023-actuarial-valuation.pdf?sfvrsn=f16715b4_4)

Experience study:

[https://www.nhrs.org/docs/default-source/actuarial/july-1-2019---june-30-2023-experience-study.pdf?sfvrsn=72f15b4\\_3](https://www.nhrs.org/docs/default-source/actuarial/july-1-2019---june-30-2023-experience-study.pdf?sfvrsn=72f15b4_3)

The Contractor should review the work of GRS to the degree necessary to express opinions relating to the following:

- The appropriateness of the demographic and financial information used by GRS in the NHRS Valuation Report and the Experience Study.
- The actuarial valuation assumptions are reasonable and consistent with generally accepted actuarial standards and practices; are reasonable based on NHRS' experience; and are appropriate for NHRS' structure and funding objectives.
- The GRS valuation methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices; are appropriate for NHRS' structure and funding objectives.
- The GRS valuation results reflect the requirements set forth in state statutes and Board policies.
- The GRS valuation results are reasonable, including analysis of contribution rates and accrued liabilities.
- The recommended assumption changes in the latest experience study are reasonable and in compliance with Actuarial Standards of Practice.
- The valuations were performed by qualified actuaries and were performed in accordance with principles and practices prescribed by the Actuarial Standards Board.

The completed audit should culminate with a written report to the NHRS Audit Committee and Board of Trustees that:

- Provides an evaluation and expresses an opinion regarding the reasonableness and accuracy of the June 30, 2023 valuation results including a determination of actuarial accrued liability, normal cost, and the employer contribution.
- Provides an evaluation and expresses an opinion regarding the reasonableness and accuracy of the 4-year experience study covering July 1, 2019 through June 30, 2023
- Includes any recommendations regarding reasonable alternatives to the actuarial assumptions currently being used.
- Provides any recommendations to improve the quality and understanding of the valuation report.

## **2.1 TIMETABLE AND DELIVERABLES**

An estimated timetable for the actuarial audit shall be determined jointly by the Contractor and NHRS staff. The schedule will address the following:

- An audit implementation meeting with NHRS staff and GRS.
- Field work.
- Draft actuarial audit report presentation to NHRS staff.
- Exit conference with NHRS staff.
- Final copy of the actuarial audit report and presentation of the audit results to the Audit Committee and Board of Trustees.

## **PROPOSAL SUBMISSION REQUIREMENTS**

The purpose of this section is to demonstrate the qualifications and competence of the Contractors seeking to undertake the work identified in this RFP. Each Contractor must adhere to the proposal requirements contained in this section for proposal content and format to ensure comparability among proposals.

## **3.0 PROPOSAL FORMAT AND CONTENT**

- Title Page –The proposal title page should show the proposal title, name of the firm, local address, telephone number, name and address of the contact person authorized to represent the firm, and the date the proposal was submitted.
- Table of Contents – The table of contents should clearly identify all items of the proposal by section: transmittal letter, qualifications and experience section, and fee.
- Transmittal Letter – The proposal should be sent with a transmittal letter on letterhead of the firm. The letter must state it is part of the proposal being submitted and that it is signed by an individual authorized to legally bind the firm and, further, that the firm is solely responsible for all aspects of the engagement. It should state the Contractor’s understanding of the RFP and the work to be performed. It should make a positive statement regarding the firm’s commitment to perform the work required as specified and on schedule, and state the proposal is valid one hundred-twenty (120) days from the deadline for submission and thereafter, until the firm withdraws it, or a contract is executed between the Contractor and the NHRS, or the RFP is cancelled, whichever occurs first.

### **Qualifications and Experience**

The proposal for services must, at a minimum, include the following:

- The Contractor’s name, address of the office providing services under the contract, telephone number, email address and website, if applicable.
- A general description of the Contractor, including size, number of employees, primary business, and other business or services offered.

- Identification of the supervising actuary that would be assigned to the engagement and contact information. Identification of other personnel who will be performing work under the contract.
- Summary information regarding the professional qualifications and relevant experience of supervising and support actuaries and other personnel who will perform work under the contract.
- A description of the Contractor’s experience in providing actuarial and consulting services for large public employee retirement systems and a list of the public employee retirement systems for which the firm has performed services like those identified in this RFP.
- A description of your understanding of the requested consulting services including your proposed approach in providing the services requested.
- Estimated fees, quoted on both a “best estimate” and “not to exceed” basis.
- A proposed preliminary timetable for completion of the audit and delivery of an audit report.
- The signature of a representative of the Contractor with acknowledgment that such individual is authorized to contractually bind the Contractor.

### **Actuarial Audit Services Fee**

All proposals must include the total fee summary including any Contractor expenses for travel, overhead or other costs. Firms should be prepared to identify the level of staff, billing rates and approximate number of hours that are included in the proposed fee.

### **3.1 PROPOSAL DELIVERY**

Deliver proposals: one (1) electronic copy, to the Contact Person at the above listed email address, NO LATER THAN 4:00 p.m. EDT on the Response Deadline of January 10, 2025. All responses and materials related to this RFP will become the property of the NHRS.

**PROPOSALS NOT RECEIVED BY THE RESPONSE DEADLINE AT THE ABOVE ADDRESS WILL NOT BE CONSIDERED.**

### **3.2 PROPOSAL CONDITIONS AND DISCLAIMERS**

**WAIVER/CURE OF MINOR INFORMALITIES, ERRORS AND OMISSIONS:** The NHRS in its sole discretion, reserves the right to waive or permit cure of minor informalities, errors or omissions with respect to this RFP.

**REJECTION OF PROPOSALS:** The NHRS reserves the right to reject without prejudice any or all proposals, to waive any informality and to retain all proposals submitted, and use any idea or concept in a submitted proposal regardless of whether that proposal is selected.



**PRE-PROPOSAL QUESTIONS:** Specific questions or explanations desired by a bidder concerning the RFP should be submitted by email to the Contact Person listed above by the question deadline.

**COSTS OF PREPARING THE PROPOSAL:** The costs and delivery of the proposal are solely the responsibility of the Contractor. The NHRS is not liable for any costs incurred by the proposer in replying to this RFP.

**ADDENDA:** Any supplemental instructions, amendments, or changes in this RFP, or attached documents, shall be in the form of a written addendum to this Request. If issued, such addenda shall be sent by email to all firms on record as having submitted an RFP.

**CHANGES TO PROPOSAL:** The NHRS shall unconditionally accept a proposal without alteration or correction, except as provided in this paragraph. If, prior to the final filing date for submission of proposals, and a Contractor discovers an error or omission in a proposal already submitted to the NHRS, the Contractor may correct the original submission by sending the changed content from the original response in a Word document and making the necessary corrections using track changes so the changes can be easily identified. Modification offered in any other manner - oral, written, electronically or facsimile transmission - will not be considered.

**DISCLOSURE:** The NHRS is a public defined benefit pension system, subject to the provisions of New Hampshire's Right to Know laws (NHRSA 91-A). Bidders should be aware that it is common practice for third parties to request access to information and materials submitted by RFP respondents and such materials will be produced unless there is an applicable exception to the requirement.

## **EVALUATION PROCESS AND FINAL SELECTION**

### **4.0 METHODOLOGY FOR EVALUATING PROPOSALS**

The contract for actuarial audit services will be awarded based on demonstrated competence and qualifications to perform the services for a fair and reasonable price. The following is the evaluation process that NHRS will use for evaluating proposals and making the contract award:

- The Executive Director will designate an ad hoc committee (Committee) to facilitate the proposal evaluation process. The Committee will consist of available Audit Committee members and selected NHRS staff.
- All proposals timely received that meet the submission requirements will be evaluated by the Committee.
- The Committee will evaluate the qualifications and experience of the Contractor and proposed fee.

- At the discretion of the Committee, the Contractors submitting responses may be requested to provide supplemental information or to make a verbal presentation as part of the evaluation process.
- The Committee will recommend one or more finalists for consideration by the full NHRS Audit Committee.
- The NHRS Audit Committee will review the Committee's recommendation and vote whether or not to make a recommendation to the Board.
- The Board will vote whether or not to approve the recommendation of the Audit Committee.

#### **4.1 NOTICE OF SELECTION**

NHRS will provide notice to the Contractor selected and provide a service agreement for signature to formalize the agreement.