

Missouri Department of Transportation
Roberta Broeker, Interim Director

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ADDENDUM 001
Actuarial and Consulting Services
Request for Proposal # 6-151124LK

Offerors should acknowledge receipt of Addendum 001 (ONE) by **signing** and **including it** with the original proposal. The due date for receipt of proposals is **unchanged** by this Addendum. The following changes shall be included as mandatory requirements for this solicitation. All other terms and conditions remain unchanged and in full force.

Name and Title of Signer (Print or type)	Name and Title of Department Authority Leann Kottwitz Senior General Services Specialist
Contractor/Offeror Signature (Signature of person authorized to sign)	Department of Transportation Leann Kottwitz (Authorizing Signature) <i>Leann Kottwitz</i>
Date Signed:	Date Signed: November 9, 2015

Actuarial Services – Property and Casualty

Question:

Who is the incumbent actuary?

Response:

AON/Hewitt

Question:

Is the MHTC satisfied with the incumbent's work product?

Response:



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delights our customers and promotes a prosperous Missouri.*

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Yes

Question:

Why is the MHTC going out to bid for actuarial services?

Response:

Contract ending, required to re-solicit.

Question:

Can we obtain a copy of the prior actuarial report(s)?

Response:

It will be provided to successful Offeror.

Question:

What were the fees for the prior actuarial report?

Response:

Attachment provided

Actuarial Services – GASB 45

Question:

May we have the most recently completed actuarial valuation for GASB 45? (OPEB) reporting?

Response:

It will be provided to successful Offeror.

Question:

How often are GASB 45 reports requested?

Response:

Every other year.

Question:

What is the first fiscal year for which MHTC will need to have the next OPEB valuation results available (FYE 2015, FYE 2016 or other?)

Response:

As of July 1, 2017.

Question:

Has the MHTC established an irrevocable OPEB trust and begun making contributions toward prefunding this liability?

Response:

No.

Question:

What was the fee charged to prepare the most recent GASB 45 report?

Response:

Attachment provided.

Actuarial Valuation of the SIP

Question:

May we have a copy of the most recently completed actuarial valuation and certifications prepared for this program?

Response:

It will be provided to successful Offeror.

Question

What was the fee charged to prepare this valuation?

Response:

Attachment provided.

Question:

Do you have an incumbent provider for claims consulting services, and if so, whom?

Response:

No.

Question:

Do you anticipate liability and/or workers' compensation claims administration audits to be a part of the consulting services, and if so, how frequently would you anticipate these would occur?

Response:

No.

Question:

If these audits are anticipated, please provide for each self-administration unit:

- ☐ Number of staff classified as management/supervisor, examiner, administrative support;
- ☐ Annual automobile and liability claims received and the current number of pending claims; and
- ☐ Annual workers' compensation claims received (separated into Lost Time and Medical) and the number of pending claims.

Response:

Non are anticipated

Question:

Why are these services out to bid?

Response:

Contract ending, required to solicit bids.

Question:

Who is your current consultant and how long have they worked with MHTC?

Response:

AON/Hewitt, since 2010

Question:

Does the current consultant provide the same scope of services as outlined in the RFP? If not, what was added or changed?

Response:

Yes, except claims audit for medical plan claims (not Rx) have been added.

Question:

Has MHTC had any performance issues with the current carriers/vendors?

Response:

No.

Question:

What are MHTC's two most important benefit issues?

Response:

Funding of medical plan, maintenance of employer contribution levels.

Question:

What is the employee count by labor union?

Response:

Zero.

Question:

May the offeror prepare a proposal for only the Plan or must the proposal reflect both SIP and the Plan? If the offeror must prepare a proposal for both the SIP and the Plan, is it acceptable for the offeror to include a Subcontractor Workers' Compensation/general liability Consultant?

Response:

No.

Question:

Are copies of the past SIP Annual Valuations and Plan budgets available or can those reports be supplied?

Response:

It will be provided to successful Offeror.

Question:

Is the 10% MBE and 5% WBE participation a requirement or preference?

Response:

No.

Question:

Must an organization bid on all requested services in order to be considered for this consulting relationship or would you entertain splitting the arrangement?

Response:

All requested must be bid.

Question:

Would MHTC entertain a bundled pricing approach for all or a portion of the services requested?

Response:

No.

Question:

How long has the current consulting relationship been in place?

Response:

Since 2010.

Question:

What are the current fees for services requested? Please provide.

Response:

Attachment provided.

Question:

Are there any known changes to the structure of the current organization and its programs that may occur once this agreement is in effect?

Response:

None known.

Question:

Would we be able to have a conversation with the individuals at MHTC involved in managing these services to best understand some of their preferences about the delivery of those services? If yes, what would be the best way to coordinate that conversation?

Response:

If you were awarded the contract then you could have conversation with the MHTC involved.

Related to workers' compensation, fleet liability and general liability services:

Question:

Does MHTC purchase excess insurance above a retention? If so, what are the retained limits for workers compensation, fleet liability and general liability? Does MHTC need the actuarial valuation to be of just the retained limits exposure or does it also need the gross exposure (retained limits for amounts covered by insurance)?

Response:

No.

Question:

Is claims data for the SIP available in excel in a format that has each claim occupying one row of the excel spreadsheet?

Response:

We do not currently provide specific claim data for each claim. Aggregate data only is provided.

Question:

Is there a prior actuarial report for the SIP? If so, can it be provided to us prior to submitting our proposal and/or after we are awarded the work?

Response:

Yes, after award.

Question:

Page 7 of 23 refers to the cost allocation of losses by operating unit. Does this cost allocation need to be performed for just the projected future losses or do the liabilities need to be allocated as well?

Response:

Project future losses only, historical data provided and may be reported as documentation of past losses.

Related to medical and prescription drug benefit services:

Question:

As to “perform other consulting services as requested” (page 7 (A)d) are these services intended to be included in the fee proposed for the valuations that are detailed or will those fees be determined as the services are requested?

Response:

As requested.

Question:

What types of services may be included in “perform other consulting services as requested”?

Response:

Fiscal notes, ACA compliance issues, private exchange evaluation, bidding for administrative services.

Question:

Will the Plan be required to move to the Aetna platform this year due to the merger of Coventry and Aetna?

Response:

We are scheduled to move in 2017.

Question:

Are retirees included in the Plan? Is there separate accounting/valuations for their participation that the consultant needs to provide or does MHTC use the active plan valuation information?

Response:

Yes, need to have separate accounting and valuations for both Medicare and non-Medicare retirees.

Question:

Will MHTC need assistance with health care reform fee calculations such as TRF liability, PCORI liability and excise tax projection?

Response:

Yes.

Question:

Page 8, Section 2(B)(b)(v) – does this reference a full claims audit? If so, how often does the Plan like to conduct those?

Response:

Medical claims only, not Rx; we have no regular schedule in mind, and will only conduct as deemed necessary by our plan board of trustees.

Related to contracting:

Question:

Are the terms and negotiations able to be negotiated or is the successful bidder required to accept “as is”?

Response:

The successful Offeror is required to accept “as is”.

Question:

For the “Agreement Components”, (page 13, Section 5 (A)), since the RFP becomes a part of the agreement, if a bidder has any exceptions request to the RFP, are those considered part of the agreement or does MHTC revert to the original RFP?

Response:

If the Offeror makes exceptions to the RFP they will not be considered for award.

Question:

Are bidders allowed to bid to provide actuarial services for only one area (SIP or Plan) or are bidders expected to bid for both?

Response:

Both must be bid.

Question:

What are the retained losses per year, by exposure type, for the SIP?

Response:

Financial Statement included for reference.

Question:

What are the retention levels, by exposure type, for the SIP?

Response:

Financial Statement included for reference.

Question:

Who is the incumbent(s) providing the SIP and Plan actuarial services described in the RFP?

Response:

AON/Hewitt.

Question:

How many years has the incumbent actuary/actuaries provided the requested services?

Response:

Five.

Question:

Why is the MHTC bidding for these services? (e.g. Required by law? Unhappy with existing provider?, etc.)

Response:

Contract ending, required.

Question:

Is it possible to get a copy of the prior proposal(s) submitted by the incumbent(s) (if any)?

Response:

Question:

Is it possible to get a copy of the previous report(s) and other work performed by the incumbent actuary/actuaries?

Response:

You can request a copy through our Open Records Policy.

<http://www.modot.org/about/OpenRecords.htm>

Question:

Is it possible to get a copy of the most recent financial reports for the MHTC?

Response:

This will be provided to the successful Offeror.

Question:

What was the annual cost to the MHTC for the most recent actuarial reports?
(If you are unable to share the specific cost, is it possible to get a price range?)

Response:

Report for FY 2015 included.

Question:

What was the annual cost to the MHTC for the most recent actuarial reports?
(If you are unable to share the specific cost, is it possible to get a price range?)

Response:

Attachment provided.

Question:

What is the hourly rate(s) being paid to the incumbent to perform this work?

Response:

Attachment provided.