University of California

UCRS Advisory Board

Meeting of June 19, 2015

AGENDA ITEM F

UCRS - Request for Proposal for Consulting and Auditing Actuary

UC Human Resources is seeking to solicit from qualified actuarial services firms proposals to provide Actuarial Consulting Services for the University of California Retirement System (UCRS) and Actuarial Auditing Services for UCRS. The intent is to secure services of one firm to provide actuarial consulting services for UCRS and a separate firm to provide actuarial audit services for UCRS.

Background

The Regents Consulting Actuary for UCRS has been under contract for over ten (10) years. While UC remains quite satisfied with the level of services and consulting provided by the incumbent, fiduciary best practices warrant going out to market periodically.

Additionally, it is a widely-accepted best practice among trustees of retirement and health systems to have the work of their system's Consulting Actuary periodically audited by an independent firm. An "actuarial audit" is the scrutiny of one actuary's work by another independent actuary to ensure that valuations, periodic experience studies, and other large consulting projects are performed correctly and that the methods and assumptions used are reasonable. This includes a critique of the Consulting Actuary's judgment concerning the system's plans exposure to risk and that advice given is sound. Actuarial audits provide assurance to plan trustees and other interested parties that the financial condition of the system's plans, as stated by the Consulting Actuary, is accurate. The Consulting Actuary's work was most recently independently audited in 2011-12.

Update on RFP Process

In coordination with Procurement Services, a request for proposal (RFP) was sent to firms with public sector actuarial experience earlier this month.

We will provide an update to the Board on the progress of the RFP process for both the Consulting Actuary and the Audit Actuary at the November 2015 UCRS Advisory Board (Board) meeting.