



Stanislaus County Employees' Retirement Association

Request for Proposal

ACTUARIAL AUDIT SERVICES

January 10, 2025

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SECTION ONE – GENERAL INFORMATION

1.1 INTRODUCTION

This Request for Proposal (“RFP”) is issued by the Stanislaus County Employees’ Retirement Association (“StanCERA”) for the purpose of soliciting proposals from qualified actuarial firms (“ACTUARY”) to provide actuarial auditing services to the StanCERA Board and StanCERA staff. It is StanCERA’s intent to obtain the services of one firm for actuarial audit services. StanCERA has engaged Cheiron, Inc. for actuarial consulting services through March 31, 2026.

StanCERA is a cost-sharing, multiple-employer, defined benefit pension plan covering the employees of the County of Stanislaus and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, et seq. StanCERA operates as an independent governmental entity separate and distinct from the County of Stanislaus and StanCERA’s annual financial statements are referenced by footnote in the County of Stanislaus’s annual financial report.

1.2 CALENDAR OF EVENTS

Request for Proposal (RFP) issued:	January 10, 2025
Proposal Submission Due Date	February 10, 2025
Approval by Board of Retirement	February 25, 2025
Estimated Contract Commencement	March 3, 2025

1.3 PROPOSAL SUBMISSION

Respondents shall submit the proposal via email to retirops@stancera.org **no later than February 10, 2025, and prior to 2:00 p.m. PT.** Proposals received after the submission deadline will *not* be considered.

1.4 CONTRACT PRICING

The respondent shall provide a “not to exceed” price for the actuarial audit in Attachment 4. If incidental costs are included in the “not to exceed” bid, such costs shall be clearly identified and segregated from actual engagement related costs.

1.5 MODIFICATIONS OR WITHDRAWALS OF OFFERS

Responses to this RFP may be modified or withdrawn in writing or by email notice at retireops@stancera.org, if received prior to the date specified for submission of proposals.

Modification to or withdrawal of a proposal received after the date specified for submission of proposals will not be considered, except as provided in Section 6.1.

1.6 ERRORS AND OMISSIONS

If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, please immediately notify StanCERA of such error by e-mail at retireops@stancera.org and request clarification or modification of the document.

If it becomes necessary to revise any part of this RFP or if a more exact interpretation of provisions of this RFP are required prior to the due date for proposals, a supplement will be posted by StanCERA on its website. If such addenda issuance is necessary, StanCERA reserves the right to extend the due date of proposals to accommodate such interpretations or additional data requirements.

If the Respondent fails to notify StanCERA of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Respondent shall assume the risk. If awarded the contract, the Respondent shall not be entitled to additional compensation or time by reason of the error or its late correction.

1.7 DISCLOSURE OF PROPOSAL CONTENT

All proposals submitted in response to this RFP shall become the exclusive property of StanCERA and shall be subject to public disclosure pursuant to the California Public Records Act (Cal Gov Code sections 6250 et seq, the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act. In addition, if StanCERA staff chooses to recommend any respondent(s) to the Board of Retirement for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for a public meeting of the Board of Retirement, pursuant to the Ralph M. Brown Act which governs open meetings for local government bodies (Cal. Gov. Code section 54950 et seq.)

If a respondent believes that any portion of its proposal is exempt from public disclosure under the Act, such portion may be marked "CONFIDENTIAL." Proposals may not be marked "CONFIDENTIAL" in their entirety, and StanCERA will not deny public disclosure of

proposals so marked. StanCERA will review the portions marked CONFIDENTIAL and determine whether the material is exempt from disclosure under the Act. By submitting a proposal with portions marked CONFIDENTIAL, respondent represents it has a good faith belief that such material is exempt from disclosure under the Act. If StanCERA denies public disclosure of the portions marked CONFIDENTIAL, Respondent agrees to reimburse StanCERA for, and to indemnify, defend and hold harmless StanCERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to StanCERA 's non-disclosure of any such designated portions of a proposal; and (b) any and all Claims arising from or relating to StanCERA 's public disclosure of any such designated portions of a proposal if disclosure is deemed required by law or by court order. If StanCERA does not believe the portions marked CONFIDENTIAL are exempt from disclosure under the Act, StanCERA will provide Respondent with notice so that Respondent can file any necessary motion for a protective order.

1.8 RFP RESPONSE COSTS

StanCERA accepts no obligations for costs incurred by Respondents in preparing responses to this request.

1.9 TAXES

StanCERA is exempt from federal, state and local taxes. StanCERA will not be responsible for any taxes levied on the Respondent as a result of any contract resulting from this RFP.

1.10 DISCUSSION FORMAT

StanCERA reserves the right to conduct discussions, either oral or written, with those Respondents determined by StanCERA to be potential finalists. StanCERA also reserves the right to clarify minor issues with potential finalists.

1.11 DISCLOSURE

Submission of information indicates acceptance by the submitting firm of the terms and conditions contained in this request for proposal unless exceptions are clearly and specifically noted in the submittal. If the Respondent objects to any term(s) in the RFP or wishes to modify or add terms to a subsequent contract, the submittal must identify each objection, propose language for each modification and include the reasons for the modification. StanCERA reserves the right to modify the contract prior to execution.

SECTION TWO – PROPOSAL PROCEDURES

2.1 CONTACTS

Inquiries are not to be directed to board members, staff or consultants of StanCERA, except Retirement Fiscal Manager Carmen Gusman. Any contact relating to the RFP with any StanCERA board member, staff or consultant shall be grounds for disqualification. A list of current Trustees is provided in Exhibit A.

StanCERA reserves the right to discuss any part of any response for the purpose of clarification. Respondents will be given equal access to any communications regarding the RFP that take place between StanCERA and other Respondents.

2.2 RFP INQUIRIES

Any inquiries concerning the request for proposals must be submitted via email to retireops@stancera.org or gusmanc@stancera.org. All questions must identify the RFP section and page number to which the question refers. Questions and responses thereto will be posted on the StanCERA website. Written questions to the above e-mail address will be accepted until 5:00 p.m. on January 31, 2025. Responses to questions will be posted to the StanCERA website at www.stancera.org.

Waiver/Cure of Minor Informalities, Errors and Omissions: StanCERA reserves the right to waive or permit cure for minor informalities, errors or omissions prior to the selection of a proposal, and to conduct discussion with any qualified proposers and to take any other measures with respect to this RFP in any manner necessary to serve the best interests of StanCERA and its beneficiaries.

2.3 ADDITIONAL INFORMATION REQUESTS

During the evaluation process, StanCERA may request additional information or clarifications from Respondents.

2.4 RESPONDENT SITE VISITS

StanCERA may request a site visit to a Respondent's main office of business to conduct due diligence to support the evaluation of the Respondent.

2.5 AWARDING OF CONTRACT

The qualifying proposal determined to be the most advantageous to StanCERA, taking into account all of the selection criteria (as outlined in Section Seven), may be selected by StanCERA for further action, such as a contract award. If, however, StanCERA decides that no proposal is sufficiently advantageous to StanCERA, StanCERA may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, StanCERA may begin contract discussions with the next qualified Respondent or determine that it does not wish to award a contract pursuant to this RFP, at its sole discretion.

StanCERA reserves the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of the proposals received. Therefore, each proposal should contain the Respondent's best price and the highest evidence of technical proficiency.

At the point of contract, a final detailed agreement concerning services and performance expectations will be agreed upon between StanCERA and the successful firm. The terms of the final contract between StanCERA and the successful firm will be binding and supersede this RFP. However, this RFP and the successful firm's proposal will be incorporated into the contract.

In addition, the contract will require the successful firm to acknowledge, in writing, that it will provide services in a skillful and competent manner in accordance with the acceptable standards of professional and enrolled actuaries.

SECTION THREE – ENTITY DESCRIPTION

3.1 BACKGROUND INFORMATION

StanCERA is a cost-sharing multiple-employer, defined benefit pension plan covering the employees of the County of Stanislaus and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, et seq. Participating districts include the Stanislaus County Superior Courts, City of Ceres, Stanislaus Council of Governments, East Side Mosquito Abatement District, Hills Ferry Cemetery District, Keyes Community Services District, Salida Sanitary District, and Stanislaus Regional Transit Authority. The plan is administered by the Stanislaus County Board of Retirement, which consists of nine members and two alternate members.

The system was established on July 1, 1948, to provide retirement, disability, death and survivor benefits for covered employees. While StanCERA is technically a multi-employer, local government fund, unified valuations and investigations are performed for the primary plan sponsor, the County of Stanislaus, and the eight participating agencies.

StanCERA, with its own governing board, is an independent governmental entity separate and distinct from the County of Stanislaus. The StanCERA's annual financial statements are referenced by footnote in the County of Stanislaus's annual financial report.

The Board of Retirement includes nine members and two alternates: four are appointed by the County's Board of Supervisors, four are elected by the members of StanCERA, and Stanislaus County's Treasurer is an ex-officio member. As of June 30, 2024, StanCERA's membership included approximately 6,766 active and deferred members and approximately 4,507 retired members. Fiduciary Net Position totaled approximately \$2.9 billion as of June 30, 2024.

3.2 PLAN INFORMATION AND BENEFIT PROVISIONS

Please see StanCERA's publicly available actuarial valuations, at www.stancera.org, for further information about StanCERA's plan terms.

3.3 RESERVES

Member and employer contributions are allocated to various legally required reserve accounts based on actuarial determinations. The StanCERA maintains the following reserve accounts:

- **Active Members' Reserve** – This reserve represents the cumulative contributions made by active members (employees) after deducting refunds to the members, plus the investment earnings credited to the reserve at the assumed rate of return

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determined by the actuary. For the fiscal years ended June 30, 2024 and 2023, the actuarially assumed rate of return was 6.75% for both years. Based on Retirement Board policy, when the Plan is below 100% funded on a market basis, the percentage allocated to Active Members' Reserve is capped at the actuarially assumed rate of return and will determine the semi-annual percent of interest to be posted to individual member account balances in the subsequent fiscal year.

- **Employers' Advance Reserve** – These reserves represent the cumulative contributions made by the Plan sponsors (employers). Interest earnings are credited to these reserves based on StanCERA's excess earnings policy. Upon the retirement of an active member, an actuarially determined amount of the member's vested interest is transferred from the Employer Advance Reserve to the Retired Members' Pension Reserve.
- **Employers' Transfer from Non-Valuation Reserve** – employer contributions and interest allocation to fund annual cost-of-living increases for retirees and the continuance beneficiaries.
- **Retired Members' Pension Reserve** – These reserves are established to account for the unpaid retirees' pension benefits. Upon the retirement of an employee, member contributions plus the interest earnings credited to the member's account are transferred from the Active Members' Reserve account to the Retired Members' Annuity and Cost-of-Living Reserve accounts. StanCERA retiree benefits are paid from these reserves computed in accordance with the CERL. Interest earnings are credited to this reserve based on StanCERA's excess earnings policy.
- **Retiree Burial Allowance Reserve** – The burial allowance reserve is a benefit the Board offers, which pays the named beneficiary of a deceased retiree a lump sum death benefit. This benefit is available for all retirees whose last work in a 1937 Act Retirement System, or California Public Employees Retirement System (CalPERS), was with StanCERA. Interest earnings are credited to this reserve based on StanCERA's excess earnings policy.
- **Undistributed Earnings/Losses Reserve** – This "designation" account was established on June 30, 2003. It was used to minimize the impact of actuarial smoothing of assets and contains an accumulation of earnings or losses, which have not been distributed to any other reserve.
- **Contingency Reserve** – This optional reserve represents earnings in excess of the total interest credited to contributions of the employer and employee. It is funded at a minimum of 1% of total valuation reserves prior to excess earnings distribution (Government Code Section 31592). It is used as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The Board set this reserve to 1% in May 2012, and it is reviewed and adjusted annually.
- **Other Reserve** – These reserves are for Retirees' Special Cost-of-Living, Tier 3 Disability, and Legal Contingencies.

Please see StanCERA's publicly available financial statements, at www.stancera.org, for further information about StanCERA's reserves

3.4 ACTUARIAL INFORMATION

StanCERA engages an independent actuarial firm, Cheiron, Inc., to conduct an annual valuation to monitor funding status. The latest available valuation reports are available on the StanCERA website. Cheiron just completed the latest experience study and plans to finalize the June 30, 2024 valuation in time for the February 28, 2025 Board meeting.

Pursuant to Government Code Section 31611, an actuarial valuation shall be performed not less than every three years and conducted under the supervision of an actuary. Based on the investigation, valuation, and recommendation of the actuary, the Board of Retirement shall recommend to the Stanislaus County Board of Supervisors such changes in the rates of interest, in the rates of contributions of members and in County and District appropriations as are necessary.

Actuarial valuations are performed annually to monitor funded status. Triennially, StanCERA conducts an investigation of the appropriateness of all economic and non-economic assumptions, an Actuarial Experience Study. Recommendations would then be presented to the Board of Retirement for consideration. An Analysis of Actuarial Experience covering the period from July 1, 2018 to June 30, 2021 was completed in February 2022 and a study covering the period July 1, 2021 to June 30, 2024 was completed in December 2024.

StanCERA currently provides its actuarial firm with data files for the purpose of performing actuarial services. StanCERA's pension administration system ("Arrivos") was custom designed by Tegrit. Its functions include all management and processing of member records, such as benefit calculations, pension benefit payments and reporting. The system houses records for all active, terminated and retired members as well as nonparticipating employees (e.g. extra help). Approximately 6,676 active and deferred members, 4,507 retirees or their survivors and over 15,000 terminated and non-participating employee records are stored in Arrivos. Arrivos receives data feeds from the plan sponsors' payroll system. This data includes new members, member status changes, salaries, contributions, etc.

SECTION FOUR – LENGTH OF CONTRACT

The contract term shall be for a period of one year beginning on the date of final contract execution.

SECTION FIVE – MINIMUM REQUIREMENTS

To be considered for the actuarial auditor role described in the RFP, the firm must meet the following minimum requirements:

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1. The firm must be a professional actuarial services firm that provides actuarial valuation, experience investigations, actuarial audits, and pension consulting services.
2. The actuarial firm agrees that the ACTUARY shall provide services under the Contract in a skillful and competent manner in accordance with the acceptable standards of professional and enrolled actuaries.
3. The ACTUARY must be enrolled under subtitle C of the Title III of the federal Employee Retirement Income Security Act of 1974 (Public Law 93-406) and Sections 1241 and 1242 of Title 29 of the United States Code. (See Cal. Gov. Code sections 7504 and 31516).
4. The ACTUARY performing the work must be a Fellow of the Society of Actuaries. Any Supporting Actuary must be either a Fellow, enrolled, or have ten years of pension consulting experience.
5. The ACTUARY performing the services under the Contract must have a minimum of ten years of experience as an actuary providing pension consulting services, experience analysis, valuation assignments, and actuarial audit assignments for multi-employer public retirement systems.
6. The actuarial firm must agree to disclose all potential conflicts of interest.

SECTION SIX – PROPOSAL PREPARATION INSTRUCTIONS

6.1 GENERAL

A standard format for proposal submission is provided herein. All Respondents are required to format their proposals in a manner consistent with this format as follows:

1. Each item must be addressed in the Respondent's proposal, or the proposal may be rejected.
2. The Proposal cover letter should be in the form of a letter, as described in Section 6.2.
3. The proposal must be organized under the specific section titles as listed in Section 6.3.

4. StanCERA may, at its discretion, allow all Respondents five (5) business days from the date of submission to correct errors or omissions in their proposals. Should this necessity arise, StanCERA will contact each Respondent affected. Each Respondent must submit written corrections to the proposal within five (5) business days of such notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by StanCERA and will result in the disqualification of the proposal from further evaluation.

A complete proposal will include the following:

1. Electronic submission of a Proposal cover letter (with the information in Section 6.2)
2. Electronic submission of a Proposal (with the information and attachments described in Section 6.3)
3. Signed Respondent Guarantees Form (Attachment 2)
4. Signed Respondent Warranties Form (Attachment 3)
5. Dollar Cost Bid (Attachment 4)

6.2 PROPOSAL COVER LETTER

The Proposal Cover Letter must address the following topics:

1. Identification of the RFP;
2. Respondent's ability to supply the requested services; and
3. Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP.

The Proposal cover letter must be signed by a person authorized to legally bind the company.

Any other information the Respondent may wish to briefly summarize will be accepted.

6.3 PROPOSAL

The Proposal must contain the following items:

1. Ability to Perform Scope of Services

The Respondent should demonstrate in this section an ability to meet the requirements set forth in Exhibit B, Scope of Services, and should address in detail how it intends to complete each task. The detailed description should be organized to reflect the sequence in which the work will be performed and address the strategies that the Respondent will use to achieve the proper level of detail. The Respondent should also specify the extent of involvement required of StanCERA staff, outlining the amount of time, skills and knowledge needed in order for the Respondent to meet the deliverables. Finally, the Respondent must complete the questionnaire attached as Exhibit C, providing detailed information about the firm and its employees.

2. Quality Assurance

The Respondent must identify and discuss how it controls cost, quality, timeliness and confidentiality of its services.

3. Fee Proposal

The Respondent is to submit a fixed fee proposal for all services outlined in the Scope of Services.

4. Assumptions

The Respondent must identify and discuss all assumptions it has made in preparing its cost proposals. Further, the Respondent must state that there are no other assumptions related to meeting the requirements of the RFP other than those enumerated in this section of the proposal. Any other assumptions elsewhere in the Respondent's proposal will not be recognized by StanCERA.

5. Exceptions

The Respondent must affirm that it has read and understands the RFP and the terms and conditions included in the RFP. The Respondent must state any and all exceptions it takes with the requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only the exceptions identified in this section of the proposal will be considered by StanCERA; any other exceptions embedded elsewhere in the proposal will not be recognized by StanCERA.

6. References

The Respondent should include a list of at least three (3) clients for whom the Respondent has provided consulting services that are the same or similar to those services requested in this RFP. Any California "1937 Act" county pension fund for which the Respondent has provided these products and services should be included. Information provided should include the name, address, and telephone number of the client and the name, title, e-mail address, and phone number of a person who may be contacted for further information.

7. Staffing

The Respondent must identify the Primary Consultant and other key personnel (the "team") that will be assigned to StanCERA.

Please provide the following information for each team member:

- Name
- Title
- Job responsibilities. If a person has multiple responsibilities, indicate the percentage of time spent on each function.
- Number of clients
- Length of time the team has been together.
- Years with the Consultant
- Years in the industry
- Degrees and/or professional designations, including Institution awarding the degree or designation.

8. Sample Reports

The Respondent must include a sample or samples of Actuarial Audit Valuation Reports.

SECTION SEVEN – EVALUATION PROCEDURES

StanCERA reserves the right to award this contract to the firm which, in its sole judgment, will provide the best match to the requirements outlined in the RFP. StanCERA is not required, and will not be obligated, to award this contract to the firm with the lowest cost proposal.

StanCERA reserves the right to reject Respondents due to their noncompliance with the requirements of this RFP. Additionally, StanCERA reserves the right not to hire or to defer the hiring of any firm for actuarial audit services.

StanCERA reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

An initial evaluation committee consisting of key StanCERA staff will review all proposals and provide its recommendation to the Board of Retirement.

StanCERA employees will not participate in the selection process when those employees have a relationship with a person or business entity submitting a proposal which would subject those employees to the prohibition of Section 87100 of the Government Code. Any person or business entity submitting a proposal which has such a relationship with a StanCERA employee who may be involved in the selection process shall advise StanCERA of the name of the StanCERA employee in the proposal.

The weighted factors listed below will be considered by StanCERA when evaluating the firms' submittals.

<u>Evaluation Criteria</u>	<u>Weight</u>
Firm's Experience and Capabilities	30%
Quality of Assigned Professional Personnel	25%
Communication (Written and Verbal)	25%
Cost	20%

Form of Agreement for Actuarial Services

No agreement with StanCERA is in effect until a contract has been signed by both parties. Attached to this RFP as **Attachment 5** is a sample agreement which is in substantially the form the successful proposer will be expected to sign. The final agreement may include the contents of this RFP, any addenda to the RFP, the successful proposer's proposal and any other modifications determined by StanCERA to be necessary prior to its execution by the parties. **If any provisions of the agreement would not be acceptable, those provisions and the objections thereto must be noted by the proposer and alternative contract language proposed.**

Solicitation Caveat

The issuance of this solicitation does not constitute an award commitment on the part of StanCERA, neither shall StanCERA pay for costs incurred in the preparation or submission of proposals.

EXHIBIT A – BOARD OF TRUSTEES & STAFF

Board of Trustees

Darin Gharat, Chair
Mike Lynch, Vice-Chair
Donna Riley, County Treasurer
Mandip Dhillon, Elected
Delilah Vazquez, Elected
Terry Withrow, Appointed
Joshua Clayton, Elected
Rhonda Bieseimeier, Elected
Sam Sharpe, Alternate
Jeff Grover, Appointed

Executive Staff

Thomas Stadelmaier, Executive Director

EXHIBIT B – SCOPE OF SERVICES

StanCERA seeks one qualified actuarial firm to perform a full actuarial audit of assumptions, methods, calculations, and experience used in StanCERA's actuarial valuation. The 2021-2024 experience study and the June 30, 2024, valuation will be subject to a full actuarial audit. (The 2018-2021 experience study and the June 30, 2023 valuation should also be reviewed.)

1. Peer Review Audit of the Actuarial Experience Study during the period July 1, 2021 through June 30, 2024, and Review of Economic Actuarial Assumptions

ACTUARY shall perform an actuarial peer review audit of the Actuarial Experience Study and Review of Economic Actuarial Assumptions as of June 30, 2024. ACTUARY shall consult with StanCERA's consulting actuary and staff in the course of the audit. The data used in the last four actuarial valuations will be supplied to the ACTUARY by StanCERA's consulting actuary. Such audit shall include but not be limited to:

- a) Evaluation of the available data for the performance of the experience study, including a comparison of the census data provided by StanCERA with data that was used by StanCERA's consulting actuary the degree to which such data is sufficient to support the conclusions of the study, and the use and appropriateness of any assumptions made regarding such data.
- b) Evaluation of the results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the ACTUARY and StanCERA's consulting actuary.
- c) Evaluation of recommended economic and non-economic assumptions as presented in StanCERA's consulting actuary's Actuarial Experience Study and Review of Economic Actuarial Assumptions.
- d) It is StanCERA's intent that peer review audit results be communicated to the consulting actuary prior to their completion of the June 30, 2025, actuarial valuation so that the consulting actuary may consider such adjustments and recommendations for inclusion in the June 30, 2025 valuation.

2. Parallel Valuation

ACTUARY shall conduct a parallel valuation (independent reproduction of the detailed valuation results) of StanCERA's June 30, 2024, valuation, including the

SRBR valuation and GASB 67 valuation. ACTUARY shall consult with

StanCERA's consulting actuary and staff in the course of the engagement. StanCERA's consulting actuary will supply both "scrubbed" and raw data to the ACTUARY from the current valuation period. Such audit shall include but not be limited to:

- a) Evaluation of the available data for the performance of such valuation, the degree to which such data is sufficient to support the conclusions of the valuation, and the use and appropriateness of any assumptions made regarding such data.
- b) Perform parallel valuation as of June 30, 2024, using the assumptions, methodologies and funding method used by StanCERA's consulting actuary in their performance of the June 30, 2024 valuation. ACTUARY shall reproduce all work and not rely on the work of StanCERA's consulting actuary.
- c) Evaluation of the parallel valuation results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the ACTUARY and StanCERA's consulting actuary.
- d) It is StanCERA's intent that parallel valuation results and the reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments be communicated to the consulting actuary prior to their completion of the June 30, 2025 valuation so that the consulting actuary may consider such adjustments and recommendations for inclusion in their June 30, 2025 valuation.

EXHIBIT C – QUESTIONNAIRE

Organization and Ownership

1. Provide the following information:
 - a) Date of Response
 - b) Name of Firm
 - c) Primary Contact Person
 - d) Title
 - e) Address
 - f) Telephone Number
 - g) E-mail Address

2. Describe the background and ownership of the firm. Describe any material changes in organization structure or ownership that have occurred in the past five years.
 - a) Year firm was formed and began providing actuarial consulting services to institutional clients.
 - b) The ownership structure. Indicate all entities that have an ownership stake in the firm (name and percentage).
 - c) Affiliated companies or joint ventures.
 - d) Recent or planned changes to the ownership or organization structure.
 - e) Transition plans for retirement of key executives.
 - f) Importance of actuarial consulting services to your parent company's (if applicable) or your firm's overall business strategy.
 - g) Percentage of parent company's (if applicable) or your firm's revenues from actuarial consulting services.

3. Provide as **Appendix A** one organization chart that diagrams the ownership of your firm and any interrelationships between the parent-subsidary, affiliate, and joint venture entities.

4. Provide as **Appendix B** another organization chart that depicts the structure of the actuarial consulting group and that identifies this group's key people and the people that will be involved in providing direct services to StanCERA.

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5. Discuss in general the firm's competitive advantage over other firms in the actuarial consulting industry and in the actuarial audit service area. Why should StanCERA hire your firm?
6. Over the past five years, has your organization or any officer or principal been involved in any business litigation or other legal proceedings related to any actuarial consulting activities or actuarial auditing services? If so, provide a brief explanation and indicate the current status. Has the firm or any officer or employee of the firm 1) been sued by StanCERA or any other organization 2) entered into a settlement agreement with StanCERA or any other organization to resolve a claim or dispute? If yes, provide details.
7. Has your firm or any actuary you employ, within the last ten years, been censured or fined by any regulatory body? If so, please indicate the dates and describe the situation.
8. Is the firm affiliated with any other firm(s) offering non-actuarial services that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
9. Do you, your parent company, or any affiliated company have any business relationships with Cheiron, Inc.? If so, describe that relationship.
10. List and describe any professional relationship your firm or any of your actuarial consulting group staff have with any member of the StanCERA Retirement Board, StanCERA staff, or a StanCERA plan sponsor (e.g., Stanislaus County).

Actuarial Services Staffing

11. For the key executives and professionals in the actuarial consulting group, including the Primary ACTUARY and all Secondary Actuaries that would be assigned to StanCERA, provide a table that identifies the following information:
 - a) Name

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- b) Title
 - c) Responsibilities within the firm. If a person has multiple responsibilities, indicate the percentage of time spent on each function in a footnote to the table.
 - d) Years of relevant experience
 - e) Years with the firm
 - f) Degrees and professional designations
 - g) Institution awarding each degree and designation.
 - h) Publications authored.
12. For the Primary ACTUARY and all Secondary Actuaries, state the length of time these individuals have all worked together as a team.
13. For the Primary ACTUARY and all Secondary Actuaries, list their actuarial audit assignments for the past five years. Include for each assignment the date of the final audit report, whether the Actuary served as the primary or secondary Actuary, and the client's name and size (number of pension plan members and annuitants).
14. For the Primary ACTUARY and all Secondary Actuaries that will directly provide services to StanCERA, state the role each would play in providing the required StanCERA services.
15. State for the Primary ACTUARY and each Secondary Actuary the total number of clients currently assigned to these individuals; describe whether the assignment is for general actuarial services or actuarial audit services.
16. Discuss the causes and impact of any executive and professional staff turnover (departures or hiring/promotions) in the actuarial consulting group that has occurred in the last three years.

Methodology

17. Describe the specific methodology to be used for the required scope of services identified in Exhibit B of this RFP.
18. Provide a timeline for completion of the work identified in Exhibit B of this RFP. Include proposed dates for each key stage or event of the project, indicate dates by which your firm must have specific input data from StanCERA or its consulting actuary, and indicate points in the project when your firm would plan to meet with StanCERA staff at our office.
19. Describe your firm's theory and methodology used in recommending an

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appropriate actuarial cost method for a public pension fund.

20. Describe your firm's theory and methodology for development of actuarial assumptions (except for the interest rate assumption, which is addressed separately).
21. Describe the methodology you use to formulate a pension fund's actuarial interest rate assumption. How may this methodology differ from client to client? Under what circumstances would you recommend StanCERA change its interest rate assumption?
22. Describe your quality control processes for actuarial audit reports and recommendations. How are these services monitored and reviewed?
23. Provide as **Appendix C** one recent actuarial audit report as provided to an existing client.

Relevant Experience

24. Complete the following table, reporting only those client relationships where actuarial auditing services similar to this mandate have been or are being provided.

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As of June	2021	2022	2023	2024
Total number of actuarial audit clients				
Total number of public pension plan actuarial audit clients				

25. For all current public pension plan clients, state the client's name, the first year of your initial Contract with the plan, and their asset and membership size. Designate by asterisk which of these clients are multi-employer plans.
26. Provide the name, title, address, and telephone number for the following three client references for whom your firm has provided either full service actuarial consulting or actuarial audit services similar to this mandate, as specified in each question:
- The client for whom your firm most recently completed an actuarial audit.
 - The client that most recently terminated your firm's full-service actuarial consulting Contract.
 - The client with the longest full-service actuarial consulting relationship with your firm.
 - A multi-employer public pension plan client for whom your firm has provided full-service actuarial consulting for at least three years.
 - A full-service actuarial consulting client that has been assigned for at least two years to the Primary Actuary proposed for the StanCERA account.
 - The client for whom the Primary Actuary most recently completed an actuarial audit.
27. Have your firm's actuarial consulting service products been audited by another actuarial firm within the last five years? If so, state the number of such audits and whether any resulted in revisions to your clients' annual valuation results, actuarial assumptions, or actuarial cost methods.

Resources

28. Would your firm propose to use any subcontracts in the provision of the required StanCERA services? If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to your firm of these services, and how you would control the quality of services provided.

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29. Does your firm use internal or external legal expertise, or both? If external is used, state its source and nature.
30. Please describe the levels of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per-client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers.
31. How does the firm monitor and measure actuarial client satisfaction and actuarial audit satisfaction?
32. Describe the resources your firm has that specifically address the needs of public fund clients.

Fees

33. Describe how fees are determined for your firm's actuarial auditing services.
34. How are fees billed (billing periods and prospective versus arrears)?
35. The proposed fee should include administrative, third-party, travel, and all other costs.

ATTACHMENT 1

ANNUAL REPORTS

The following reports are available at:

<https://www.stancera.org/investments-finance/actuarial-reports> :

- Actuarial Valuation and Review as of June 30, 2023
- Governmental Accounting Standards Board (GASB) 67/68 Actuarial Valuation as of June 30, 2023
- Annual Comprehensive Financial Report as of June 30, 2023 and June 30, 2024.
- Actuarial Experience Study for the periods July 1, 2018 through June 30, 2021 and July 1, 2021 through June 30, 2024

ATTACHMENT 2

RESPONDENT GUARANTEES

The respondent certifies it can and will provide, at a minimum, all services set forth in Exhibit B, Scope of Services.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

ATTACHMENT 3

RESPONDENT WARRANTIES

- A. Respondent warrants that it is willing and able to comply with State of California laws with respect to foreign (non-California) corporations.
- B. Respondent warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Respondent warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of StanCERA.
- D. Respondent warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

ATTACHMENT 4

DOLLAR COST BID
NOT-TO-EXCEED MAXIMUM PRICE

Actuarial Audit Services \$ _____

Basic Retainer
(if required) \$ _____

ATTACHMENT 5

SAMPLE AGREEMENT

(Document Attached)

AGREEMENT FOR ACTUARIAL AUDIT SERVICES

THIS AGREEMENT for actuarial audit services is made and entered into this ____ day of _____, 2025, by and between the Board of Retirement ("Board") of the Stanislaus County Employees' Retirement Association ("StanCERA") and _____, a [insert type of legal entity] formed under the laws of the State of _____, with its principal place of business located in [insert address] ("ACTUARY").

WITNESSETH:

WHEREAS:

- (a) StanCERA was established under and is governed by the provisions of the County Employees' Retirement Law of 1937; and
- (b) Government Code sections 31610-31618, inclusive, have been made operative in Stanislaus County by resolutions of the Board and the Board of Supervisors of the County of Stanislaus; and
- (c) The Board has determined that it is beneficial to conduct audits of the June 30, 2024 actuarial valuation and July 1, 2021 through June 30, 2024 Actuarial Experience Study; and
- (d) In order to obtain and retain the most competent actuarial professional services available, the Board solicited proposals in 2025 from several actuarial firms and determined from its written and oral response to the request for proposals that ACTUARY can best meet the needs of StanCERA for experienced and skilled actuarial services;

NOW, THEREFORE, it is hereby agreed as follows:

- 1. Actuarial Services. ACTUARY agrees to perform the following services:
 - a. Peer Review Audit of the Actuarial Experience Study during the period July 1, 2021 through June 30, 2024

ACTUARY shall perform an actuarial peer review audit of the Actuarial Experience Study as of June 30, 2024. ACTUARY shall consult with StanCERA's consulting actuary and staff in the course of the audit. The data used in the

last four actuarial valuations will be supplied to the ACTUARY by StanCERA's consulting actuary. Such audit shall include, but not be limited to the following:

- (1) Evaluation of the available data for the performance of the experience study, the degree to which such data is sufficient to support the conclusions of the study, and the use and appropriateness of any assumptions made regarding such data.
- (2) Evaluation of the results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the ACTUARY and StanCERA's consulting actuary.
- (3) It is StanCERA's intent that peer review audit results be communicated to the consulting actuary prior to their completion of work so that the consulting actuary may consider such adjustments and recommendations for inclusion in their completed valuation.

b. Parallel Valuation

ACTUARY shall conduct a parallel valuation (independent reproduction of the detailed valuation results) of StanCERA's June 30, 2024 valuation. ACTUARY shall consult with StanCERA's consulting actuary and staff in the course of the engagement. StanCERA's consulting actuary will supply both "scrubbed" and raw data to the ACTUARY from the current valuation period. Such audit shall include but not be limited to the following:

- (1) Evaluation of the available data for the performance of such valuation, the degree to which such data is sufficient to support the conclusions of the valuation, and the use and appropriateness of any assumptions made regarding such data.
- (2) Evaluation of recommended economic and non-economic assumptions as presented in StanCERA's consulting actuary's Review of Economic Actuarial Assumptions.
- (3) Perform parallel valuation as of June 30, 2024 using the assumptions, methodologies and funding method used by StanCERA's consulting actuary in their performance of the June 30, 2024 valuation. ACTUARY shall reproduce all work and not rely on the work of StanCERA's consulting actuary.
- (4) Evaluation of the parallel valuation results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the ACTUARY and StanCERA's consulting actuary.

Attachment 5

- (5) Audit to be performed concurrently with consulting actuary's performance of the actuarial valuation. It is StanCERA's intent that parallel valuation results and the reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments be communicated to the consulting actuary prior to their completion of work so that the consulting actuary may consider such adjustments and recommendations for inclusion in their completed valuation.
2. Delivery of Actuarial Audit Reports. ACTUARY and the Board mutually understand and agree that the valuation audit and investigation of experience audit reports will be completed within six months of execution of Agreement.
3. Report. ACTUARY agrees to furnish StanCERA with a digital copy of ACTUARY'S final written report prepared upon completion of studies described in Parts 1.A. and 1.B. of this Agreement. Any final report shall be presented in a format which clearly communicates its contents to the Board.
4. Attendance at Meetings. ACTUARY shall personally meet with the Board and/or any committee thereof at the request of the Executive Director at such times and places as are designated by StanCERA. ACTUARY agrees that ACTUARY shall include attendance at up to two (2) meetings over the term of this Agreement as requested by the Board or StanCERA's Executive Director as part of its standard service and shall not receive any additional compensation, therefore. If required to attend more than two (2) meetings over the term of this Agreement, ACTUARY shall be entitled to additional compensation on a time and expense basis, not to exceed \$_____ per meeting attended. ACTUARY shall not be entitled to additional compensation for meetings held by conference call, regardless of number.
5. Responsibility of Board. To assist ACTUARY in the performance of services under this Agreement, Board agrees to furnish necessary data concerning each active and retired member of the StanCERA on a timely basis at ACTUARY'S request.
6. Consideration. In consideration of the performance of audit actuarial valuation report services described in Parts 1.A. and 1.B., Board agrees to pay ACTUARY an amount which shall not exceed \$_____.
7. General Provisions.

Attachment 5

- a. At all times during the term of this Agreement, the consulting services shall be performed under the direct supervision of _____, FSA, an actuary who is a member of ACTUARY's firm and who is an enrolled actuary under the Employees' Retirement Income Security Act. It is understood that no substitution for the actuary will be permitted without the express written consent of the Board. In the event _____ is removed from StanCERA's account by ACTUARY's firm for any reason during the term of this Agreement, Board may terminate this Agreement effective immediately upon mailing written notification to ACTUARY.
- b. ACTUARY, in the course of its duties, will handle investment, financial, accounting, member and statistical information pertaining to StanCERA. All such information is confidential, and ACTUARY may not disclose such information, directly or indirectly, or use it in any way, either during the term of this Agreement or at any time thereafter, except as required to perform its duties under this Agreement or upon prior written consent of the Board of the StanCERA Executive Director. Any disclosure of information contrary to this provision shall be considered a material breach of this Agreement.
- c. This Agreement shall consist of the terms of this Agreement and Exhibits thereto, as well as the following documents which are incorporated herein:
 - (1) Request for Proposals to Provide Actuarial Services, issued by StanCERA on or about _____; and
 - (2) ACTUARY'S response to StanCERA's Request for Proposals, dated _____.
- d. In the event that there are any inconsistencies or ambiguities between the terms of this Agreement and the incorporated documents, the following precedence shall be used to interpret this Agreement's requirements:
 - (1) Applicable state laws;
 - (2) Terms and conditions of this Agreement, including any exhibits;
 - (3) StanCERA's Request for Proposals;
 - (4) ACTUARY' response to StanCERA's RFP, dated _____.
 - (5) Any other provisions, terms or materials incorporated herein by reference or otherwise incorporated herein.

8. Term. This Agreement shall commence as of _____ and shall terminate on _____; provided, however, that either party may terminate this Agreement without cause upon thirty (30) days prior written notice to the other unless a different termination notice period is specified in this Agreement for termination for cause.
9. Representations. ACTUARY makes the following representations which are agreed to be material to and form a part of the inducement for this Agreement:
 - a. ACTUARY has the expertise, support staff and facilities necessary to provide the services described in this Agreement and any exhibits; and
 - b. ACTUARY does not have any actual or potential interests adverse to StanCERA nor does ACTUARY represent a person or firm with an interest adverse to STANCERA with reference to the subject of this Agreement; and
 - c. ACTUARY shall diligently provide all required services in a timely and professional manner in accordance with the terms stated in this Agreement.
10. Assignment. ACTUARY shall not assign or transfer this Agreement or any part hereof without the prior express and written approval of StanCERA.
11. Independent Contractor.
 - a. In the performance of the services under this Agreement, ACTUARY shall be, and acknowledges that ACTUARY is in fact and law, an independent contractor and not an agent or employee of the StanCERA. ACTUARY has and retains the right to exercise full supervision and control over the manner and methods of providing services to the StanCERA under this Agreement. ACTUARY retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting ACTUARY in the provision of services under this Agreement. With respect to ACTUARY's employees, if any, ACTUARY shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any other laws regulating employment.
 - b. In providing services under this Agreement, ACTUARY shall exercise the degree of skill and care customarily exercised by similar professionals in the State of California when providing similar services.
12. Indemnification. ACTUARY agrees to indemnify, defend (upon request of the STANCERA) and hold harmless StanCERA and StanCERA's agents, Board

members, elected and appointed officials and officers, employees, volunteers and authorized representatives from any and all losses, liabilities, charges, damages, claim, liens, causes of action, awards, judgments, costs, and expenses (including, but not limited to, reasonable attorneys' fees of counsel retained by the StanCERA, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with any intentional misconduct or negligent error, wrongful act or wrongful omission of ACTUARY or ACTUARY'S officers, agents, employees, independent contractors, sub-consultants, or authorized representatives. Without limiting the generality of the foregoing, the same shall include bodily and personal injury or death to any person or persons; damage to any property, regardless of where located, including the property of the StanCERA, and any workers' compensation claim or suit arising from or connected with any services performed pursuant to this Agreement on behalf of ACTUARY by any person or entity.

13. Insurance. ACTUARY, in order to protect the StanCERA and its Board members, officials, agents, officers, and employees against all claims and liability for death, injury, loss and damage as a result of ACTUARY'S actions in connection with the performance of ACTUARY'S obligations, as required in this Agreement, shall secure and maintain insurance as described below. ACTUARY shall not perform any work under this Agreement until ACTUARY has obtained all insurance required under this section and the required certificates of insurance and completed endorsement(s) have been filed with and approved by the StanCERA. ACTUARY shall pay any deductibles and self-insured retentions under all required insurance policies.

a. Liability Insurance Requirements:

- (1) ACTUARY shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:

(a) Workers' Compensation and Employers Liability Insurance. ACTUARY shall submit written proof that ACTUARY is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the Labor Code.

(b) Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of

ACTUARY'S performance of work under this Agreement. Said insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability in accordance with the policy limits which shall be no less than one million dollars (\$1,000,000) each occurrence and five million dollars (\$5,000,000) aggregate.

- (c) Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement with minimum limits for Bodily Injury and Property Damage liability in accordance with the policy limits which shall be no less than one million dollars (\$1,000,000) each occurrence and five million dollars (\$5,000,000) aggregate.
 - (d) Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with limits in accordance with the policy limits which shall be no less than five million dollars (\$5,000,000) aggregate.
 - (e) Cybersecurity Insurance. ACTUARY maintains cyber liability insurance coverage with the following limit: Five Million Dollars (\$5,000,000) aggregate and per occurrence.
- (2) The Commercial General Liability and Automobile Liability Insurance required in this Section VII.B. shall include an endorsement naming the StanCERA and StanCERA's Board members, officials, officers, agents and employees as additional insureds for liability arising out of this Agreement and any operations related thereto.
- (3) If any of the insurance coverage required under this Agreement are written on a claims-made basis, the insurance policy shall provide an extended reporting period of not less than four (4) years following termination of this Agreement or completion of ACTUARY's work specified in this Agreement, whichever is later.
- (4) Prior to ACTUARY commencing any of its obligations under this Agreement, evidence of insurance in the form of Certificates of Insurance in compliance with the requirements above shall be furnished to the

StanCERA. Receipt of evidence of insurance that does not comply with above requirements shall not constitute a waiver of the insurance requirements set forth above.

- b. Cancellation of Insurance. The above stated insurance coverages required to be maintained by ACTUARY shall be maintained until the completion of all of ACTUARY'S obligations under this Agreement, and shall not be reduced, modified, or canceled without thirty (30) days prior written notice to StanCERA. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of all Certificates of Insurance or any coverage for the StanCERA and the StanCERA's Board members, officials, agents, and employees. ACTUARY shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- c. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum of a "A-;VII" rating, or, in the alternative, by a company or companies who have been pre-approved by StanCERA.
- d. All insurance afforded by ACTUARY pursuant to this Agreement shall be primary to and not contributing to any other insurance maintained by the StanCERA. Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve ACTUARY for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the StanCERA from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.
- e. Failure by ACTUARY to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by ACTUARY. STANCERA, at its sole option, may terminate this Agreement and obtain actual damages from ACTUARY resulting from said breach. Alternatively, the STANCERA may purchase such required insurance coverage, and without further notice to ACTUARY, the STANCERA shall deduct from sums due to ACTUARY any premiums and associated costs advanced or paid by the STANCERA for such insurance. If the balance of monies owed to ACTUARY pursuant to this Agreement are insufficient to reimburse the STANCERA for the

premiums and any associated costs, ACTUARY agrees to reimburse the STANCERA for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by the STANCERA to take this alternative action shall not relieve ACTUARY of its obligation to obtain and maintain the insurance coverages required by this Agreement.

14. Termination. This Agreement may be terminated by written notice as follows: (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement through no fault of the party initiating the termination; (b) by either party upon sixty (60) days prior written notice to the other party; or (c) upon mutual agreement of both parties. In the event of termination, the ACTUARY shall stop work immediately and shall be entitled to compensation for all satisfactory professional service fees performed prior to termination and for expense reimbursement submitted in accordance with the Agreement. Any such compensation and/or reimbursement shall not exceed the applicable maximum dollar amount set forth in Exhibit "A". In the event this Agreement is terminated by either ACTUARY or STANCERA, ACTUARY shall submit to the Executive Director all files, memoranda, documents, correspondence and other items generated in the course of performing this Agreement, within fifteen (15) days after the effective date of any written Notice of Termination.
15. Ownership of Documents. All reports, documents and other items generated or gathered in the course of providing services to the STANCERA under this Agreement are and shall remain the property of the STANCERA and shall be returned to the STANCERA upon full completion of all services by ACTUARY or termination of this Agreement, whichever occurs first. This shall not include the workpapers generated by the services, which are and shall remain the property of ACTUARY.
16. Notices. All notices and communications required or provided for in this Agreement shall be provided to the parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered, certified mail or e-mail, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five (5) days after deposit. A party may change the address to which notice is to be given by giving notice as provided in this Section.

To STANCERA: Thomas Stadelmaier, Executive Director
Stanislaus County Employees' Retirement Association
832 12th Street, Suite 600
Modesto, CA 95354
retireops@stancera.org

To ACTUARY:

Nothing in this Agreement shall be construed to prevent or render ineffective delivery of notices required or permitted under this Agreement by leaving such notice with the receptionist or other person if like capacity employed by ACTUARY or in STANCERA's office.

17. Conflict of Interest. ACTUARY has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. ACTUARY agrees that it is unaware of any financial or economic interest of any public officer or employee of the STANCERA relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the STANCERA may immediately terminate this Agreement by giving written notice thereof. ACTUARY shall comply with the requirements of Government Code section 87100 et seq. during the term of this Agreement.
18. Sole Agreement. This document, including Exhibit "A", contains the entire agreement of the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.
19. Authority to Bind the STANCERA. It is understood that ACTUARY, in its performance of any and all duties under this Agreement, except as otherwise provided in this Agreement, has no authority to bind the KCEA to any agreements or undertakings.
20. Modifications of Agreement. This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.
21. Non-waiver. No covenant or condition of this Agreement to be performed by ACTUARY can be waived except by written consent of the STANCERA. Forbearance or indulgence by the STANCERA in any regard whatsoever shall not constitute a waiver of any covenant or condition to be performed by ACTUARY. The STANCERA shall be

entitled to invoke any remedy available to the STANCERA under this Agreement or by law or in equity despite any such forbearance or indulgence.

22. Choice of Law/Venue. The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the State of California. This Agreement has been entered into and is to be performed in the County of Stanislaus. Accordingly, the parties agree that the venue of any action relating to this Agreement shall be in the County of Stanislaus.
23. Confidentiality.
 - a. ACTUARY acknowledges and agrees that STANCERA is a public agency subject to state laws, including, without limitation, (A) the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), which governs meetings for local legislative bodies; and (B) the California Public Records Act (California Government Code Sections 7920.000 et seq.) (the "Act"), which provides generally that all records relating to a public agency's business, including reports of transactions and proceedings, constitute "public records or files," and are open to public inspection, disclosure, and copying in the manner provided in the Act, unless specifically exempted under Act;
 - b. ACTUARY will not make any claim against STANCERA if the STANCERA makes available to the public any report, notice or other information it receives from ACTUARY, which STANCERA, in good faith, determines is not exempt from public disclosure under applicable law, including, without limitation, the Act.
 - c. Upon expiration or termination of this Agreement, the provisions of this Section 23 shall continue to survive.
 - d. ACTUARY shall not, without the written consent of the STANCERA, communicate confidential information, designated in writing or identified in this Agreement as such, to any third party and shall protect such information from inadvertent disclosure to any third party in the same manner that they protect their own confidential information, unless such disclosure is required in response to a validly issued subpoena or other process of law or regulation. Upon completion of this Agreement, the provisions of this paragraph shall continue to survive. Any and all information related to individual members of the STANCERA is designated as confidential.

- e. For purposes of this Agreement, "Confidential Information" shall mean any and all information (whether a trade secret or not; whether proprietary or not) disclosed by either party to the other that relates to the parties' proprietary information, technology, know-how, research and development, or business which is of value to such disclosing party, including, without limitation, processes, know-how, designs, software, flow charts, logic diagrams, business plans, negotiations and contracts with other companies, financial statements, cost and expense data, marketing strategies, STANCERA lists, pricing, terms, personnel matters, licenses, licensees, and licensors; provided, however, that Confidential Information shall not include information which is (A) rightfully in possession of the receiving party prior to disclosure by the disclosing party provided that the source of such information was not known by the receiving party to be bound by a confidentiality agreement or other contractual, legal or fiduciary obligation of confidentiality to the disclosing party or any other party with respect to such information, (B) rightfully obtained from a third party authorized to make such disclosure, without breach of the terms and conditions of this Agreement, or otherwise, (C) independently developed by the receiving party as conclusively demonstrated by contemporaneous documents, (D) available to the public without restrictions, (E) approved for disclosure with the prior written approval of the disclosing party, or (F) disclosed by court order or as otherwise required by law, provided that the party required to disclose such information provides prompt advance notice to enable the other party to seek a protective order or otherwise prevent such disclosure. Furthermore, any contemplated transactions are considered ongoing, and the terms and substance of any related discussions, negotiations or investigations between the parties are deemed to be Confidential Information.
24. Enforcement Remedies. No right or remedy herein conferred on or reserved to the STANCERA is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise and may be enforced concurrently or from time to time.
25. Severability. Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

26. Compliance with Law. ACTUARY shall observe and comply with all applicable state and federal laws, ordinances effective in the County of Stanislaus, rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference.
27. Captions and Interpretation. Paragraph headings in this Agreement are used solely for convenience and shall be wholly disregarded in the construction of this Agreement.

No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

28. Time of Essence. Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement. It is agreed by and between and the parties, however, that neither party shall be liable to the other for delays in performance that are caused in whole or in part by the other party, by third parties over which the parties hereto do not have the legal right to control, or by forces de majeure.
29. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
30. Non-discrimination. Neither ACTUARY, nor any officer, agent, employee, servant or subcontractor of ACTUARY shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, or sex, either directly, indirectly or through contractual or other arrangements.
31. Audit, Inspection and Retention of Records. ACTUARY agrees to maintain and make available to the STANCERA accurate books and records relative to all its activities under this Agreement. ACTUARY shall permit the STANCERA to audit, examine and make excerpts and transcripts from such records, and to conduct audits of all invoices, materials, records or personnel or other data related to all other matters covered by this Agreement. ACTUARY shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years from the date of final payment under this Agreement, or until after the

conclusion of any audit, whichever occurs last. The State of California and/or any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon STANCERA herein.

32. Non-Collusion Covenant. ACTUARY represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with the STANCERA. ACTUARY has received from the STANCERA no incentive or special payments, not considerations not related to the provision of services hereunder.
33. Signature Authority. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.
34. Third Parties. The STANCERA and ACTUARY are the only parties to this Agreement and are the only parties to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any right or benefit, whether directly or indirectly or otherwise, to third persons.

IN WITNESS WHEREOF, this Agreement has been executed as of that date first herein above appearing, and agrees, for itself, its employees, officers, partners and successors, to be fully bound by all terms and conditions of this Agreement.

[SIGNATURE BLOCKS TO BE INSERTED ONCE ACTUARY SELECTED]