

Actuarial Consulting Services RFP

Questions and Answers (Q&A)

Q1: In respect of other actuarial reports required by the Pension Funds Act (2.1.5 of the RFP), does this refer to the Schedule HB for inclusion in the Annual Financial Statements and possibly a section 18 report in the event that the fund is deemed financially unsound at a statutory valuation date?

A1: Yes.

Q2: In respect of par 2.1.7 of the RFP, there are monthly unit prices have to be reviewed by the actuary. Is the actuary expected to review these rates that is calculated by the Fund monthly or will the actuary be expected to calculate the monthly rates as well?

A2: Paragraph 2.1.7 refers to the interest rates that are calculated quarterly. And this calculation is performed by the actuary and recommended to the board.

Q3: In respect of minimum individual reserve calculations, we need to understand the system. Is the calculations performed via the administration system, outside the system on say a spreadsheet or by the actuary. Would oversight be required on the spreadsheet/process annually?

A3: It is performed within the Fund's administration system, the actuary may be requested on an adhoc basis to review that the system calculations are accurate.

Q4: Are there any s14 transfers into/out of the fund. Default regulations may allow paid up members the option to transfer out via s14?

A4: Yes, there are section 14 transfers into and out of the Fund.

Q5: What is the anticipated term of the contract (in years)?

A5: It will be a standard 3 year contract in line with EPPF procurement policy with the option to renew at the discretion of the Fund.

Q6: Will any forms similar to Standard Bidding Documents be made available in order to fill in aspects such as disclosures?

A6: All the requirements are included in the RFP document.

Q7: We note that the RFP mentioned copies of the RFP Response and supporting documents. It is not clear whether copies of the fee schedule are also required?

A7: Only one fee schedule is required in the original response as per 2.6.3 (i) of the RFP.

Q8: How will the procurement committee assess the fees provided amongst bidders to ensure consistency, in particular?

- ✓ **We note that different companies have differing descriptions for similar actuarial resources. Would the committee prefer that each bidder provide a description of the resource or will the committee rather specify a base set of actuarial roles into which bidders should conform?**
- ✓ **Would the committee prefer detail regarding estimates of the hours needed per actuarial role for each item in the scope of work? We note that similar tenders have in the past have provided estimated hours (split amongst junior actuarial students, senior actuarial students, actuaries and valuers) on which the hourly rates are then applied?**

A8: Assessment will be done in accordance with 2.7.2 of the RFP. The fee schedule must explicitly state the hourly charge/rate per professional level or resource. Each bidder must provide a description of the resource and a related rate of the resource.

Q9: Should the fee be quoted per service? Or one total fee?

A9: They should be quoted both per service and in total.

Q10: Will the committee require a fixed annual escalation rate for the entirety of the contract or a description of the rate to be applied and its current value?

A10: A description of the rate to be applied and its current value as well as the escalation rate should be indicated.

Q11: Who is responsible for calculating the monthly fund interest rates?

A11: The actuary.

Q12: What is the actuary's role? Just reviewing the rates declared?

A12: To calculate the rate and recommend to the Board of Fund.

Q13: Are the rates daily or monthly unitized and who is responsible for providing the rates?

A13: We do not unitize. The calculation of the rates will be the responsibility of the actuary.

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Q14: Please could the committee provide clarity regarding the extent of the quarterly review requires. Our current understanding is that this would entail quarterly adjustments based on actuary's recommendation?

A14: Yes.

Q15: The number of meetings and the presentations that the EPPF has within a year which the actuarial team will be required for?

A15: At least five Board of Fund meetings, two Board of Fund breakaway sessions, two Board of Fund Committee meetings and other adhoc meetings as and when necessary.

Q16: The average duration of each meeting?

A16: On average four hours, this is dependent on the agenda of each meeting.

Q17: Who are the current consultants to the EPPF?

A17: This information is contained in the Fund's annual report, which can be found elsewhere on the EPPF website.

Q18: What calculations will be needed and how many on average (will this form part of the total fee or do we quote separately)?

A18: Any other additional calculations not specified in the RFP will need to be quoted separately as and when required.

Q19: Alternatively do we need to provide factors and review benefit calculator sheets etc.?

A19: Yes.

Q20: Are there any surplus legacy issues that we need to be aware off? Nil scheme/ approved not yet finalized etc.?

A20: Nil scheme already approved.

Q21: Any there any outstanding queries on previous valuations which will need to be taken over?

A21: No.

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Q22: For some companies, B-BBEE information, accreditation and certificates are only supplied at Group level:

✓ **Will the committee accept these submissions?**

A22: Yes, provided the bidding company appears in the listing in the rating certificate.

Q23: Will an additional affidavit be required or will the committee be satisfied if the bidding company appears in the subsidiary listing in the rating certificate?

A23: A sworn affidavit will only be required where the bidding company is below the B-BBEE codes threshold.

Q24: We note under 2.8 of the RFP document the following is stated in relation to B-BBEE credentials: "In the case of a joint venture the above-mentioned documentation for all the entities involved". Will any other company documentation be required in respect of joint-ventures/sub-consultancy arrangements other than the B-BBEE credentials?

A24: In case of joint-ventures all documents/information stated in the entirety of paragraph 2.8 will be required for all entities forming part of the joint venture.

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