

Healthcare Accounting and Actuarial Services RFP

Selected Questions and Answers

January 3, 2007

1. *Will the focus of this work be at the State level? For example, whether local government entities are determined to have a GASB 43/45 liability would not impact the scope of services covered under this RFP.*

If units of local government are determined to have liability under GASB Statements 43 and 45, the successful bidder will be expected to direct the retained actuaries in supplying the required information.

2. *The RFP mentions four separate statewide employee and retiree health insurance programs. Are all of the State and local governmental entities covered by this RFP required to participate in one of the 4 programs or do some entities have their own programs? If so, are they to be included in the scope of service under the proposed contract and approximately how many such entities are there?*

It is GOMB's intention that the successful bidder provide all services necessary to ensure the State's full compliance with GASB Statements 43 and 45. To the extent local governmental entities do not participate in any program for which the State is responsible, such entities will not be included in the Scope of Services. GOMB does not maintain data regarding the number, type or identity of non-participating local governmental entities.

3. *If a bidder is unable to achieve the 19% BEP utilization goal, will they be eliminated from consideration? Given the time frame for responding to the RFP, there does not appear to be enough time to locate and partner with a BEP vendor on this project. Is there a possibility for an extension of the deadline for compliance with the BEP portion of the RFP?*

GOMB remains committed to the goals established in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, and requires that all respondents achieve the 19% BEP utilization goal. Any respondent that is unable to achieve the goal must demonstrate to the satisfaction of GOMB, in its sole discretion, a good faith effort to meet the goal.

4. *Use of an outside vendor to perform portions of the contract limits the proposer's ability to monitor quality control with respect to tasks performed by the outside vendor and exposes the proposer to addition [sic] risk. Would the addition of a dollar limit on professional liability eliminate a proposer from consideration?*

GOMB anticipates that the successful bidder will retain and contract directly with such third party service providers. The successful bidder will remain responsible to GOMB for the

provision of all services required. GOMB does not as a matter of policy accept limitations of contractor liability.

5. *We do not have a clear enough understanding of the scope of services requested. Is it expected that the successful bidder will assist the GOMB with the collecting, coordinating and interpreting data and results from the various programs or is it intended that the successful bidder will also be involved with the actual production of GASB 43/45 liability results?*

The successful bidder will be expected to provide advice on accounting and disclosure requirements, as well as supervise the State's retained actuaries in developing liability.

6. *Section III, question F refers to the format in Appendix E for the Pricing. However, Appendix E only shows "Maximum Price" without a particular format. Is there any specific detail that you are looking for related to the pricing?*

Please provide one "Maximum Price" proposal for the entire project.

7. *What preliminary research has been performed to date by the state regarding GASB 43 and 45? Will such research be available to prospective bidders?*

No material research has been performed.

8. *What resources from GOMB will be made available for assistance on the project?*

GOMB will facilitate and review workplans developed, but will provide no assistance in producing deliverables.

9. *Who will be the primary project manager from GOMB on this project?*

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10. *Do the services contemplated with this proposal apply to the OPEB plans and the retirement systems and the state-wide financial reporting?*

Services apply to OPEB plans and financial reporting requirements.

11. How many hours are estimated to be necessary to perform the services? Will a blended hourly rate be acceptable for the fee schedule?

Respondents are asked to provide one “Maximum Price” proposal. The fee proposed should contemplate the total number of hours the respondent considers necessary to provide the services requested in the RFP.

12. What format are you looking for related to the pricing in Section II number 5, for additional advisory services?

Costs related to additional advisory services described at Section II, number 5, including assistance with the formulation, development and presentation of any necessary legislative proposals should be incorporated into the “Maximum Cost” proposal included in Appendix E.

13. Does a proposer need to provide both accounting and actuarial services to be eligible to propose?

GOMB will consider all proposals and combinations of proposals designed to meet the requirements of the RFP.

14. As indicated at the end of Section I, when will it be determined if there will be a bidders’ conference?

GOMB does not currently contemplate the scheduling of a bidders’ conference for this RFP.

15. What interaction with other agencies and offices will be necessary for this project?

The successful bidder may expect to interact with any agencies and offices that provide services related to the work to be undertaken pursuant to this RFP, including without limitation, the Illinois Department of Healthcare and Family Services and the entities overseeing the four programs specifically identified in the RFP.

16. What is the anticipated award date of this contract, related to this solicitation?

GOMB will evaluate responses and make an award to one or more vendors as soon as possible following receipt of all proposals.

17. *Will the plan documents for the various plans be available for review prior to proposal submission?*

No.

18. *Item 3 of the scope of services sections requests that we would assist the State in obtaining fee estimates for the work. Please confirm that the intent was to go to the current system actuaries and/or healthcare actuaries and obtain a fee estimate from them for the work and not to assist the State in a process of creating an RFP and taking the work out to bid. What types of vendors are anticipated in addition to actuaries? How will the services of these vendors be procured?*

GOMB intends to use actuaries currently retained by the State, with supervision by the successful bidder.

19. *What is the anticipated timing of this engagement? Does the State have a timetable of when the work will start and be complete?*

GOMB requests that respondents incorporate their own estimated timeframe into their responses to this RFP. However, please note this statement in Section I of the RFP:

GOMB anticipates that the services of the firm(s) selected under this RFP (an "Advisor") will be provided through a contractual agreement ("Contract") extending to December 31, 2007, subject to such early termination provisions as the Contract may provide. The Contract may be extended at the State's option for up to two six-month extensions.

20. *If our bid is successful, would our role in assisting the Governor's Office of Management and Budget preclude other consultants in our company from providing GASB 43/45 services to any State and local government entities or political subdivisions thereof? Is it expected the successful bidder will be reviewing and/or auditing the GASB 43/45 actuarial liabilities provided to any State and local government entities or political subdivisions?*

Providing GASB-related services to GOMB will not preclude provision of similar services to other state agencies.