

New York State Department of Civil Service  
Request for Proposals  
RFP #2012ABMC-1  
Actuarial and Benefits Management Consulting Services

Jonathan Nemeth  
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400 Atrium Drive  
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REDACTED FINANCIAL PROPOSAL

May 31, 2012



# FINANCIAL PROPOSAL

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May 31, 2012

ABMC Procurement Manager  
NYS Department of Civil Service  
Alfred E. Smith State Office Building  
Room 803  
Albany, New York 12239

**RE: RFP No. 2012ABMC-1, entitled  
“ACTUARIAL AND BENEFITS  
MANAGEMENT CONSULTING SERVICES”  
Firm Offer to the State of New York**

Aon Hewitt hereby submits this firm and binding offer (“Proposal”) to the State of New York in response to New York State Department of Civil Service Request for Proposals 2012ABMC-1, entitled “ACTUARIAL AND BENEFITS MANAGEMENT CONSULTING SERVICES” (RFP). The Proposal hereby submitted meets or exceeds all terms, conditions, and requirements set forth in the above-referenced RFP and in the manner set forth in the RFP.

Aon Hewitt accepts the terms and conditions as set forth in RFP Section 6, Appendices A through D, and agrees to satisfy the comprehensive programmatic duties and responsibilities outlined in the RFP in the manner set forth in the RFP.

Aon Hewitt agrees to execute a contractual agreement composed substantially of the terms and conditions set forth in Section 6 of the RFP, and accepts as non-negotiable the terms and conditions set forth in Appendices A through D of the RFP, subject to modification as suggested in Exhibit S – Extraneous Terms.

Aon Hewitt further agrees, if selected as a result of the RFP, to comply with the provisions of 1) the Tax Law Section 5-a, Certification Regarding Sales and Compensating Use Tax as set forth in §2.02.9 of the RFP; 2) Sections 57 and 220 of the New York State Workers’ Compensation Law as set forth in §2.02.10 of the RFP; and 3) the Consultant Disclosure Requirements as set forth in §2.02.11 of the RFP.

This formal offer will remain firm and non-revocable for a minimum period of 365 days from the Proposal Due Date and Time as set forth in the RFP. In the event that a contract is not approved by the NYS Comptroller within the 365 day period, this offer shall remain firm and binding beyond the 365 day period and until a contract is approved by the NYS Comptroller, unless Aon Hewitt delivers to the Department of Civil Service written notice of withdrawal of its Proposal.

Aon Hewitt’s complete offer is set forth as follows:

- |                                 |  |
|---------------------------------|--|
| <u>Administrative Proposal:</u> | Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.    |
| <u>Technical Proposal:</u>      | Total of eleven (11) hard copy volumes [one (1) original and ten (10) copies] and one (1) electronic copy on CD. |
| <u>Financial Proposal:</u>      | Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.    |

Exhibit A - Page 2 of 2

The undersigned affirms and swears he has the legal authority and capacity to sign and make this offer on behalf of Aon Hewitt and possesses the legal authority and capacity to act on behalf of Aon Hewitt to execute a contract with the State of New York.

The undersigned affirms and swears as to the truth and veracity of all documents included in this offer.

Date: 5/31/12

[Redacted Signature]

Signature

PRINT: SIGNATORY'S NAME Jonathan Nemeth TITLE Senior Vice President

INDIVIDUAL, CORPORATE OR PARTNERSHIP ACKNOWLEDGMENT

STATE OF [Redacted] )
COUNTY OF [Redacted] ) SS.:
On the 31st day of May in the year 2012, before me personally appeared:
JONATHAN NEMETH, known to me to be the person who
executed the foregoing instrument, who, being duly sworn by me did depose and say that he resides at
[Redacted], Town of [Redacted], County of [Redacted], State of
[Redacted]; and further that, if applicable:

[Check One, If Applicable]
(✓ If a corporation): he is the Senior Vice President of Aon Hewitt, the corporation
described in said instrument; that, by authority of the Board of Directors of said corporation, he is authorized
to execute the foregoing instrument on behalf of the corporation for purposes set forth therein; and that, pursuant
to that authority, he executed the foregoing instrument in the name of and on behalf of said corporation as the
act and deed of said corporation.
( If a partnership): he is the of
of said partnership, he is authorized to execute the foregoing instrument on behalf of the partnership for the
purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the
name and on behalf of said partnership as the act and deed of said partnership.

[Redacted Notary Public Signature]

**EXHIBIT R Financial Proposal Forms**

The Offeror's Financial Proposal must respond to all of the mandatory sections set forth in §4.04.1 through §4.04.3 in the formats as specified and, as applicable, using the Forms 1 through 4 which are contained on the four pages that follow. The Offeror's Financial Proposal must be based upon the assumptions and instructions as set forth in RFP §4.04 and associated Forms 1 through 4. The Offeror's Financial Proposal must be furnished in hard copy, with electronic version in Microsoft Word, Microsoft Excel, Microsoft Project, Visio and/or Adobe Acrobat, as applicable. In the event of a discrepancy, the hard copy marked "ORIGINAL" shall govern.

**Task #1 – Premium Rate Renewals and Plan Funding Requirements**

**Exhibit R, Form 1  
Page 1 of 1**

Period	1/1/2013 – 12/31/2013 (Year 1)			1/1/2014 – 12/31/2014 (Year 2)			1/1/2015 – 12/31/2015 (Year 3)		
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost
Principal									
Lead Consultant									
Consultant									
Analyst									
Not-To-Exceed Total Cost									

Period	1/1/2016 – 12/31/2016 (Year 4)			1/1/2017 – 12/31/2017 (Year 5)			Task #1 Five Year Total
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	(=Sum of Years 1 – 5 Not-To-Exceed Total Cost amounts)
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

**Task #2 – Quarterly Analysis**

**Exhibit R, Form 2  
Page 1 of 2**

<b>Year 1</b> (1/1/2013 – 12/31/2013)	<b>1<sup>st</sup> Quarter 2013</b>			<b>4<sup>th</sup> Quarter 2013</b>			<b>Year 1 Totals <sup>(1)</sup></b>
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
<b>Position Title</b>							
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

(1) = Sum of 1<sup>st</sup> Quarter 2013 and 4<sup>th</sup> Quarter 2013 Not-To-Exceed Total Cost amounts.

<b>Year 2</b> (1/1/2014 – 12/31/2014)	<b>1<sup>st</sup> Quarter 2014</b>			<b>4<sup>th</sup> Quarter 2014</b>			<b>Year 2 Totals <sup>(1)</sup></b>
	Fixed Hourly Rate	# Hours	Total Projected Costs	Fixed Hourly Rate	# Hours	Total Projected Cost	
<b>Position Title</b>							
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

(1) = Sum of 1<sup>st</sup> and 4<sup>th</sup> Quarter Not-To-Exceed Total Cost amounts.

<b>Year 3</b> (1/1/2015 – 12/31/2015)	<b>1<sup>st</sup> Quarter 2015</b>			<b>4<sup>th</sup> Quarter 2015</b>			<b>Year 3 Totals <sup>(1)</sup></b>
	Fixed Hourly Rate	# Hours	Total Projected Costs	Fixed Hourly Rate	# Hours	Total Projected Cost	
<b>Position Title</b>							
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

(1) = Sum of 1<sup>st</sup> and 4<sup>th</sup> Quarter Not-To-Exceed Total Cost amounts.

**Task #2 – Quarterly Analysis**

**Exhibit R, Form 2  
Page 2 of 2**

<b>Year 4</b> (1/1/2016 – 12/31/2016)	<b>1<sup>st</sup> Quarter 2016</b>			<b>4<sup>th</sup> Quarter 2016</b>			<b>Year 4 Totals <sup>(1)</sup></b>
	Fixed Hourly Rate	# Hours	Total Projected Costs	Fixed Hourly Rate	# Hours	Total Projected Cost	
<b>Position Title</b>							
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

(1) = Sum of 1<sup>st</sup> and 4<sup>th</sup> Quarter Not-To-Exceed Total Cost amounts.

<b>Year 5</b> (1/1/2017 – 12/31/2017)	<b>1<sup>st</sup> Quarter 2017</b>			<b>4<sup>th</sup> Quarter 2017</b>			<b>Year 5 Totals <sup>(1)</sup></b>
	Fixed Hourly Rate	# Hours	Total Projected Costs	Fixed Hourly Rate	# Hours	Total Projected Cost	
<b>Position Title</b>							
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

(1) = Sum of 1<sup>st</sup> and 4<sup>th</sup> Quarter Not-To-Exceed Total Cost amounts.

<b>Task #2 Five Year Total amount <sup>(2)</sup></b>	
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(2) = Sum of Year 1 Total amount through Year 5 Totals amount.



**Tasks #3 and #4 – GASB 45 Valuation and Ad Hoc Projects Fixed Hourly Rates**

**Exhibit R, Form 3  
Page 1 of 1**

<b>Fixed Hourly Rates</b>					
<b>Position Title</b>	<b>Year 1</b> (1/1/2013 – 12/31/2013)	<b>Year 2</b> (1/1/2014 – 12/31/2014)	<b>Year 3</b> (1/1/2015 – 12/31/2015)	<b>Year 4</b> (1/1/2016 – 12/31/2016)	<b>Year 5</b> (1/1/2017 – 12/31/2017)
Principal	████	████	████	████	████
Lead Consultant	████	████	████	████	████
Consultant	████	████	████	████	████
Analyst	████	████	████	████	████

**Task #3 Projected Hours Per Position Per Activity**

**Exhibit R, Form 4  
Page 1 of 1**

<b>Projected Hours Per Position Task #3 Activity</b>					
<b>Position Title</b>	<b>2013 Year Two Roll Forward Report</b>	<b>2014 Valuation Report</b>	<b>2015 Year Two Roll Forward Report</b>	<b>2016 Valuation Report</b>	<b>2017 Year Two Roll Forward Report</b>
Principal	■	■	■	■	■
Lead Consultant	■	■	■	■	■
Consultant	■	■	■	■	■
Analyst	■	■	■	■	■