

# New York State Department of Civil Service

## Actuarial and Benefits Management Consulting Services

FINANCIAL PROPOSAL RFP #2012 ABMC-1

Submitted by: Buck Consultants, LLC

Date: June 1, 2012



Notwithstanding anything to the contrary, Buck's response ("Response") is proprietary to Buck; is valid for (365) days; may only be circulated to employees within your organization with a specific need to know its contents for them to review, evaluate and analyze it and to discuss it with Buck; and, shall not be disclosed by you or any of your employees to any other person or business entity without the prior written consent of Buck. No rights of ownership in the Response are transferred to you. Should Buck receive an award, Buck will undertake appropriate efforts to negotiate mutually satisfactory final and binding terms and conditions.

## Financial Proposal

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## EXHIBIT A – Formal Offer Letter

**EXHIBIT A Formal Offer Letter**

(§4.02.01)

**Exhibit A - Page 1 of 2**

Date: June 1, 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**

**Buck Consultants, LLC (“Buck”)** 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.

**Buck** 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.

**Buck** 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. Prior to execution of the agreement, **Buck** requests consideration of the Extraneous Terms shown in Attachment B.

**Buck** 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 [§2.02.09](#) 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 **Buck** delivers to the Department of Civil Service written notice of withdrawal of its Proposal.

**Buck’s** complete offer is set forth as follows:

Administrative Proposal: Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.

Technical Proposal: Total of eleven (11) hard copy volumes [one (1) original and ten (10) copies] and one (1) electronic copy on CD.

Financial Proposal: Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.

The undersigned affirms and swears s/he has the legal authority and capacity to sign and make this offer on behalf of, **Buck** and possesses the legal authority and capacity to act on behalf of **Buck** 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.


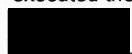



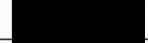
Date: 5/11/2012

  
Signature

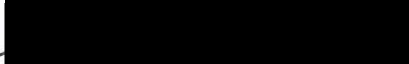
PRINT:  
SIGNATORY'S NAME Harvey Sobel TITLE Principal, Consulting Actuary

**INDIVIDUAL, CORPORATE OR PARTNERSHIP ACKNOWLEDGMENT**

STATE OF NJ }  
COUNTY OF Bergen } SS.:

On the 11 day of May in the year 2012, before me personally appeared:  
Harvey Sobel, 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   
, Town of , County of , State of   
; and further that, if applicable:

[Check One, If Applicable]  
 If a corporation: he is the Principal of Buck Consultants, 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 \_\_\_\_\_, the partnership described in said instrument; that, by the terms 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.

  
Notary Public



June 1, 2012

## Transmittal Letter

June 1, 2012

NYS Department of Civil Service  
Attn: ABMC Procurement Manager  
Alfred E. Smith Office Building  
Room No. 803  
Albany, New York 12239

**Re: RFP No. 2 012ABMC-1 – Proposal to Provide Actuarial and Benefits Management Consulting Services for the New York State Department of Civil Service**

Dear ABMC Procurement Manager:

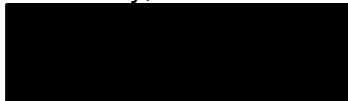
We appreciate the opportunity to present our proposal to the New York State Department of Civil Service (“DCS”). We trust that this proposal will demonstrate that Buck Consultants, LLC (“Buck”) is best qualified to continue partnering with DCS to provide the requested benefits consulting services.

Enclosed is Buck’s Financial Proposal [one (1) original and four (4) copies and one (1) electronic copy (CD)] to provide Actuarial and Benefits Management Consulting Services to the Employee Benefits Division of the New York State Department of Civil Service (“DCS”), effective June 1, 2012, in response to your April 18, 2012 RFP.

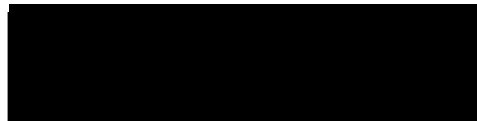
We are confident that we remain the right choice to deliver proactive, timely and cost-efficient services to support DCS’ vision for the future. Our team’s deep experience with health benefits plans, combined with the breadth and depth of our firm’s benefit consulting services, and our cost-effective, custom client-focused approach, will serve DCS well in facing the benefits challenges ahead.

If you have any questions, please contact us. We look forward to continuing our relationship.

Sincerely,



Harvey Sobel, FSA  
Principal and Consulting Actuary



Yungchai Kim, ASA  
Principal, Global Client Manager



HAS:encl

## §4.04 Financial Proposal

## EXHIBIT R – Financial Proposal Forms

### EXHIBIT R Financial Proposal Forms

The Offeror's Financial Proposal must respond to all of the mandatory sections set forth in RFP **§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**

(Link [§4.04.1](#))

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

	<b>1/1/13 - 12/31/13 Year 1</b>			<b>1/1/14-12/31/14 Year 2</b>			<b>1/1/15-12/31/15 Year 3</b>		
Position Title	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	█	█	█	█	█	█	█	█	█

	<b>1/1/16-12/31/16 Year 4</b>			<b>1/1/17 - 12/31/17 Year 5</b>			<b>Five Year Total</b>		
Position Title	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost			
Principal	█	█	█	█	█	█	█	█	█
Lead Consultant	█	█	█	█	█	█	█	█	█
Consultant	█	█	█	█	█	█	█	█	█
Analyst	█	█	█	█	█	█	█	█	█
Not-To-Exceed Total Cost	█	█	█	█	█	█	█	█	█

**Task #2 – Quarterly Analysis**

(Link [§4.04.2](#))

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

<b>Year 1</b>	<b>2013 -1st Quarter 2013 Report</b>			<b>2013 - 4th Quarter 2012 Report</b>			<b>Year 1 Totals</b>
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

<b>Year 2</b>	<b>2014 -1st Quarter 2014 Report</b>			<b>2014 - 4th Quarter 2013 Report</b>			<b>Year 2 Totals</b>
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

<b>Year 3</b>	<b>2015 -1st Quarter 2015 Report</b>			<b>2015 - 4th Quarter 2014 Report</b>			<b>Year 3 Totals</b>
	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

**Task #2 – Quarterly Analysis**

(Link §4.04.2)

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

<b>Year 4</b>	<b>2016 -1st Quarter 2016 Report</b>			<b>2016 - 4th Quarter 2015 Report</b>			<b>Year 4 Totals</b>
Position Title	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
Principal							
Lead Consultant							
Consultant							
Analyst							
Not-To-Exceed Total Cost							

<b>Year 5</b>	<b>2017 -1st Quarter 2017 Report</b>			<b>2017 - 4th Quarter 2016 Report</b>			<b>Year 5 Totals</b>
Position Title	Fixed Hourly Rate	# Hours	Total Projected Cost	Fixed Hourly Rate	# Hours	Total Projected Cost	
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 Seven Year Total amount (2)</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

(Link [§4.04.3](#))

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

Fixed Hourly Rates					
Position Title	Year 1 (1/1/13- 12/31/13)	Year 2 (1/1/14- 12/31/14)	Year 3 (1/1/15- 12/31/15)	Year 4 (1/1/16- 12/31/16)	Year 5 (1/1/17- 12/31/17)
Principal					
Lead Consultant					
Consultant					
Analyst					

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

(Link §4.04.3)

**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	■	■	■	■	■