

## Actuarial RFP Questions and Answers Set 1:

- 1) Why are you going out to bid at this time?

In 2015, DPFP's Board passed a motion requiring an RFP process at least every 5 years for certain professional service providers, unless the Board explicitly waives the requirement. Segal has been the DPFP actuary since 2016; the Board explicitly waived the RFP requirement for the actuary to maintain consistency with the 6243a-1 Section 2.025 statutory-required process in 2024, the 2025 legislative session, and the settlement process with the City with the understanding that the RFP process would be undertaken at that time

- 2) Have there been any service issues?

We decline to answer this question. Our current actuary has been invited to participate in this RFP process.

- 3) **3.1 General Actuarial Consulting Services** - Please describe the education/training provided by the actuary to the Board. Has it been annual or ad-hoc? Does the actuary provide the topic(s) or the Board for training?

The training has been ad hoc and has been conducted only once in the last 5 years. It was done because we had many new trustees and they needed the Texas Pension Review Board-required training. We felt it would be more time-efficient for the actuary to provide the training at a Board meeting and potentially more meaningful to discuss DPFP-specific topics. The training was for one hour. We have no current plans to conduct training. We would anticipate that one would be done at the request of the Board.

- 4) **3.1 General Actuarial Consulting Services** - How many "complex actuarial calculations for unusual member situations" has the actuary been asked to assist with in each of the last 3 years?

Over the last 3 years, we have had 3 complex actuarial transactions for which we asked the Actuary to assist. The transactions were as follows: a complex underpayment calculation, a re-annuitization of a DROP annuity following a DROP hardship, and an IRC § 415 calculation for a new retiree.

- 5) **3.12 Legislative Assistance** – approximately how many hours have been billed for each of the last 3 years related to general pension legislation with implications for all Texas pension plans, legislation specifically targeting the DPFP 6243a-1 statute, or legislation brought by the DPFP Board.

The Texas Legislature is in session in odd-numbered years only. In total, 82 hours have been billed for legislative services in the last 3 years, 36 hours in 2023 and 46 hours in 2025. Currently, we don't anticipate any Board or City-initiated legislation impacting DPFP in the foreseeable future.

6) **4.7 Modeling** – Is the modeling software available to the Board to use?

No, the Board would not use the modeling software.

7) **Evaluation Criteria** - Please provide the evaluation criteria.

DPFP has intentionally not established a point-based evaluation criteria structure. The evaluation team will consider the responses provided in Section 4 as part of the overall review. All questions were included because the responses are important to DPFP's evaluation, although some factors will carry more weight than others. In particular, a well-qualified team with plan experience similar to DPFP will be a significant consideration in the evaluation process.

8) **Fees** - What were the fees charged the last 3 years for the annual Combined and Supplemental plan funding valuations?

For the full 3 years 2023-2025, Retainer Services fees totaled \$257,250. Year-to-date 2026 fees are \$21,750.

9) **Fees** - What were the fees charged the last 3 years for the annual GASB 67 and 68 reports?

Included as part of Retainer Services. See question 8.

10) **Fees** - What were the fees charged for the most recent experience study?

The fee for the Experience Study in 2025 was \$70,000.

11) **Fees** - What were the fees charged the last 3 years for the General Actuarial Consulting Services?

In addition to the fees identified in questions 8 and 10. The fees for the 3-year period 2023-2025 totaled \$48,310 and include the areas of legislation, litigation, and complex calculations.

12) **Fees** - What were the fees charged the last 3 years for the Annual Financial Statement letter?

Included as part of Retainer Services. See question 8.

13) **Fees** - What were the fees charged for assistance with the most recent Asset/Liability study?

The records are not available due to the records retention policy. The work was done in 2018.

14) **Fees** - What were the total fees charged the last 3 years by the current actuary?

The total fees charged for actuarial services for the 3-year period 2023-2025 and YTD 2026 were \$945,131. Of that total, fees of \$547,821 were for non-recurring actuarial work done by the current actuary and a legislatively mandated independent actuary related to the 6243a-1 Section 2.025 process, negotiations, and settlement with the City of Dallas.

15) **Limit on Liability** - Our firm prefers to contract for actuarial services with a limit on liability for ordinary mistakes or errors (i.e., negligence). However, we can accept unlimited liability for direct damages for (i) willful, fraudulent, or criminal misconduct; (ii) bodily injury, including death, or damage to tangible personal or real property incurred while performing the services and to the extent caused by the negligent or willful acts or omissions of our personnel; or (iii) the infringement of the proprietary rights of a third party by use of the deliverables provided. Please confirm that the City is willing to negotiate a mutually agreeable liability cap to cover the services being bid.

DPFP is willing to negotiate a cap on simple negligence. We would expect that gross negligence would be included in the items subject to unlimited liability.

## Actuarial RFP Questions and Answers Set 2

1. What information is being requested in Section 4.5.3 of the RFP?

Please ignore that item in your response; the remainder of the question was deleted in error.

2. Does DPFP have any current restrictions or preferences regarding the use of AI for service providers?

DPFP has no restrictions or preferences regarding the use of AI in general. We would like to understand how it is used and the quality assurance procedures for its use.

3. What was the fixed fee for actuarial valuation services for each of the last three years?

Last three years: \$84,500, \$85,750, \$87,000 and \$87,000 for 2023, 2024, and 2025, respectively. Current year: \$87,000 for 2026.

4. What was the fixed fee for GASB reports for each of the last three years?

The fee for the GASB reports is included in the fixed fee reported in response to question number 4.

5. What was the fixed fee for the most recent experience study?

The fee for the Experience Study in 2025 was \$70,000.

6. The RFP indicates that if finalist interviews are needed, they will be scheduled the week of June 15th. How much flexibility will there be in scheduling the actual interview time?

This is an important contract, so we will make sure the interview time works for everyone.

**Actuarial RFP Questions and Answers Set 3**

1. What were the fees charged for each of the services listed in Exhibit C during the most recent contract period?

<b>Exhibit C</b>	<b>Current Fees: 2026 Contract</b>
<b>General Actuarial Consulting Services</b>	<b>Part of Retained Service Fee for general/basic questions and Hourly for complex transaction assistance and other similar items</b>
<b>Annual Actuarial Valuation for the Combined Plan and the Supplemental Plan</b>	<b>Part of Retained Service Fee</b>
<b>Annual Board Approval of Actuarial Valuation Assumptions</b>	<b>Part of Retained Service Fee</b>
<b>Annual and Periodic Requirements Related to the Funding Agreement</b>	<b>Billed on an Hourly Basis</b>
<b>Annual Financial Statement Letter</b>	<b>Part of Retained Service Fee</b>
<b>Annual GASB No. 67 Reporting and Accounting Information for the Combined Plan and the Supplemental Plan</b>	<b>Part of Retained Service Fee</b>
<b>Annual GASB No. 68 Financial Reporting Information for the City of Dallas, Texas for the Combined Plan and the Supplemental Plan</b>	<b>Part of Retained Service Fee</b>
<b>Periodic Experience Studies (1 time during the contract period)</b>	<b>2025 contract \$70,000</b>
<b>QEBA Allocation</b>	<b>Billed on an Hourly Basis</b>
<b>Government Code Required 802 Audit Assistance and Response</b>	<b>Billed on an Hourly Basis</b>
<b>Periodic Asset/Liability Study Assistance (1 time during the contract period, timing unknown)</b>	<b>N/A</b>
<b>Legislative Assistance</b>	<b>Billed on an Hourly Basis</b>

**Retained Service Fee: \$87,000**

**Hourly rates range from \$295 to \$505 per hour for different staff members**