

III. Services to be Provided

The successful Proposer that executes a contract with CalPERS as a result of this RFP (Contractor) shall perform parallel valuations to independently validate the rates and accrued liabilities, including reconciliation services. "Parallel valuations" means the performance of independent valuations from input data provided by CalPERS for specified categories using the Contractor's computer software and hardware. The input data provided by CalPERS will be the same data used by CalPERS to develop the rates for the specified categories. "Reconciliation services" means determining the reasons for Contractor's parallel valuation results falling outside CalPERS stated tolerance level, regardless of cause. The tolerance level for contribution rates is plus or minus five percent (5%) of CalPERS' staff results (e.g., if CalPERS calculates an employer contribution rate to be ten percent (10%), the Contractor is required to reconcile any differences that cause their parallel calculation to be lower than 9.5 percent or higher than 10.5 percent). The tolerance level for accrued liabilities is plus or minus three percent (3%) of CalPERS staff results.

Contractor shall complete and prepare the following tasks and deliverables. CalPERS may ask Contractor to provide additional services related to, or similar to, the tasks below. Contractor shall not use generative artificial intelligence for any aspect of this engagement. Unless directed otherwise, Contractor must provide five (5) copies of all approved reports.

A. Task 1:

Parallel valuation and certification of the 2024 annual valuations of contracting public agency pension plans.

1. Upon the completion of the June 30, 2024 public agency valuations by CalPERS staff, approximately in August 2025, the Contractor shall perform a parallel valuation and certification of those valuations. This will include a review of those assumptions, methods, and procedures which are relevant and necessary in accordance with generally accepted actuarial standards and certification of the contribution rates and accrued liabilities. At a minimum, the Contractor will perform a parallel valuation of the ten (10) largest public agency plans, plus a minimum of ten (10) other public agency plans chosen by a random sampling technique that conforms to industry standards and is approved by CalPERS. The Contractor shall deliver the certification to CalPERS staff by February 1, 2026 and subsequently present the report at the Risk and Audit Committee meeting scheduled by CalPERS staff.

B. Task 2:

Parallel valuation and certification of the 2025 annual valuations of the state and schools pension plans.

1. Upon the completion of the June 30, 2025 state and schools annual valuations by CalPERS staff, approximately in August 2026, the Contractor shall perform a parallel valuation and certification of those valuations. This will include a review of those assumptions, methods, and procedures which are relevant and necessary in accordance with generally accepted actuarial standards and certification of the contribution rates and accrued liabilities.
2. Certification shall include independent validation of state miscellaneous first and second tiers, state safety, state industrial, peace officer and fire fighters, California Highway Patrol, and schools. The Contractor shall deliver the certification to CalPERS staff by January 1, 2027 and subsequently present the report at the Risk and Audit Committee meeting scheduled by CalPERS staff.

C. Task 3:

Parallel valuation and certification of the 2026 annual valuations of the JRS, JRSII, LRS, and 1959 SBP.

1. Upon the completion of the June 30, 2026 actuarial valuations of JRS, JRSII, LRS, and 1959 SBP by CalPERS staff, approximately in March 2027, the Contractor shall perform a parallel valuation and certification of those valuations. This will include a review of those assumptions, methods, and procedures that are relevant and necessary in accordance with generally accepted actuarial standards and certification of the contribution rates and accrued liabilities. The Contractor shall deliver the certification to CalPERS staff by October 1, 2027 and subsequently present the report at the Risk and Audit Committee meeting scheduled by CalPERS staff.

D. Task 4:

1. Contractor will prepare a Final Actuarial Review Report for the contract period of September 1, 2025 through October 1, 2027. The report shall contain, at a minimum:
 - a. Recap of issues found during each actuarial review.
 - b. How issues were resolved.
 - c. What issues remain outstanding.

2. This report also provides the Contractor an opportunity to comment on the overall status of the actuarial process at CalPERS for items such as funding status, actuarial assumptions, and member data. The Contractor shall deliver the report to CalPERS staff by March 1, 2028. The Contractor shall present the report at the Risk and Audit Committee meeting scheduled by CalPERS staff after the final actuarial review report is due.

Contractor must comply with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101, et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Contractor is responsible for ensuring all products and services provided to CalPERS, including hosting services for electronic content, meet the accessibility requirements of the refreshed Section 508 of the Rehabilitation Act (29 U.S.C. § 794d) and all the applicable provisions of the Information and Communication Technology (ICT) Standards and Guidelines. These **standards** incorporate by reference all of the requirements of Web Content Accessibility Guidelines 2.0 AA success criteria. CalPERS reserves the right to ask for proof of conformance or to perform testing on any solution to verify conformance.