

Request for Information for Actuarial Support Services



U.S. Department of Labor

Office of the Senior Procurement Executive (OSPE)
Office of the Assistant Secretary for Administration and Management (OASAM)

Request for Information (RFI)

No: 1630-OUI-23-CTR-0012

The Department of Labor (DOL), Office of the Senior Procurement Executive (OSPE), Office of Acquisition Services (OAS), on behalf of The U.S. Department of Labor, Employment and Training Administration (DOL/ETA) is conducting market research to gather information for the purpose of seeking contractors that can provide Actuarial Support Services for the Office of Unemployment Insurance (OUI) in the areas of state unemployment insurance (UI) trust fund forecasting and benefit cost estimating, technical assistance to states in managing profiling models, budget and legislative estimating, budget formulation, data analysis related to UI program and tax system performance, and in the production of statistical reports and analytics tools, that is described within the attached Performance Work Statement (PWS).

DISCLAIMER:

This Request for Information/Sources Sought Notice is issued solely for information and planning purposes only and does not constitute a solicitation. In accordance with Federal Acquisition Regulation (FAR) 10.002(b) (2) (i), this notice is issued for the purpose of conducting market research. Market research is being conducted to determine if there are potential businesses with the capacity and experience to perform the required work. This notice is not to be misconstrued as a Request for Proposal or Quotation.

All information received in response to this Request for Information/Sources Sought that is marked as proprietary will be handled accordingly. Information provided in response to this RFI is submitted voluntarily and is not being requested as part of a solicitation for actual pricing. This request for capability information does not constitute a request for proposals; submission of any information in response to this market survey is purely voluntary; the government assumes no financial responsibility for any costs incurred. Responders are solely responsible for all expenses associated with responding to this Request for Information (RFI). Responses to this notice are not offers and cannot be accepted by the Government to form a binding contract.

Acknowledgment of responses will not be made, nor will respondents be notified regarding the results of the Government's evaluation of the information received. The determination to proceed with the acquisition is within the discretion of the Government. Telephone inquiries will not be accepted.

Please be reminded that a respondent interested in obtaining a contract award with the Government must be registered in the Federal Government's System for Award Management (SAM) database. Additional information regarding contractor registration can be obtained through www.SAM.gov. All qualified small businesses, including 8(a) firms, are encouraged to participate.

Performance Work Statement (PWS)

I. PURPOSE

The U.S. Department of Labor, Employment and Training Administration (DOL/ETA) is soliciting proposals to select a contractor to provide actuarial support for the Office of Unemployment Insurance (OUI) in the areas of state unemployment insurance (UI) trust fund forecasting and benefit cost estimating, technical assistance to states in managing profiling models, budget and legislative estimating, budget formulation, data analysis related to UI program and tax system performance, and in the production of statistical reports and analytics tools.

II. BACKGROUND

The UI system, as established by the Social Security Act of 1935, is a unique Federal-state system grounded in Federal law but executed in its relationship to the employer and to the unemployed worker through state law. Federal law provides the broad parameters for the program and individual state laws establish specific financing and benefit payment structures.

The Office of Unemployment Insurance (OUI) of the U.S. Department of Labor is the Federal partner in the system. Its role is one of overall oversight and coordination, including ensuring conformity of state laws to Federal requirements, measuring state performance, providing of technical assistance across a wide range of topics, and providing funding for the administrative expenses of the program.

The Division of Fiscal and Actuarial Services (DFAS) in conjunction with other OUI divisions have several responsibilities in the UI system. Some of the most important are; providing technical assistance to states on benefit financing and profiling, producing budget and legislative estimates and analyses, monitoring Federal trust fund accounts, monitoring and analyzing data in state performance and workload reports, publishing statistical reports, providing for administrative financing, overseeing state program performance, and generally providing technical expertise and statistical and analytical support for OUI initiatives.

III. SCOPE OF WORK

The objective of this project is to provide OUI with needed support in carrying out its responsibilities. The contractor for this project would assist OUI in two major areas.

The first major area is technical assistance to State Workforce Agencies (SWAs). A large part of this technical assistance is specific to benefit financing. Since the 1970s, trust fund solvency has been an ongoing concern in the UI system. In theory, UI tax systems are designed to build up reserves in good economic times in order to pay benefits when unemployment is high. In practice, many states do not maintain adequate reserves and some are forced to borrow from the Federal unemployment loan fund, even in relatively mild recessions, to pay UI benefits. Since 2002, out of the 53 states and territories with UI programs, 38 were forced to borrow at least once from the Federal Unemployment Account due to insufficient trust fund reserves. As of December 2022, five states still have outstanding Title XII advances from the Federal Unemployment Account while it was estimated that 70% of states remained below the federally recommended minimum solvency level at the end of FY 2022.

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The ongoing solvency concerns of the UI system make it important for DFAS to be active in this area. A key activity is to make available to the SWAs technical assistance on topics related to trust fund solvency. At this time DFAS has developed a standalone Microsoft Excel-based simulation model referred to as the UNIS model as a replacement of a long-standing server-based Benefit Financing Model (BFM). This new model is provided directly to states and provides for more state control and access than the previous model which was maintained and supported entirely within the National Office's infrastructure. DFAS also works closely with states that request assistance in modifying or designing new tax structures, either with or without use of the UNIS model. Another aspect of benefit financing technical assistance to states is the presentation of periodic Benefit Financing Seminars to introduce state actuarial staff to benefit financing concepts and trust fund forecasting techniques.

A second type of technical assistance is to assist states in the development and maintenance of profiling models. All states are required to profile their UI claimants in order to identify potential UI exhaustees and provide them reemployment services early in their UI spells through a standalone Worker Profiling and Reemployment Services (WPRS) program or the Reemployment Services and Eligibility Assessments (RESEA) program. This is most often accomplished through the use of a statistical model, which uses various claimant characteristics to predict the probability of benefit exhaustion. When requested, DFAS works closely with states to develop and/or update these models through guidance, one-on-one training and, when requested, direct modeling.

A third type of technical assistance is the provision of training seminars in quantitative methods and profiling methods for state staff. The quantitative methods training gives state staff information, instruction and hands-on experience in basic regression and forecasting techniques that are applicable to UI trust fund forecasting and analysis. Similarly, the profiling methods training gives state staff information and experience in the specific statistical procedures used in developing profiling models while also providing them with the basic resources necessary to develop their own state models.

The second major area in which the contractor will assist OUI is in its role at the national level. This role includes producing estimates and analyses for budget and legislative purposes, monitoring state and Federal trust fund account activity and solvency, completing report monitoring and data analysis related to UI tax operations and program performance and supporting other related OUI initiatives, forecasting UI workloads necessary to allocate administrative funds, compiling and analyzing various UI indicators, and disseminating data and statistical reports for public consumption.

At least twice a year, DFAS is responsible for updating all estimates and projections of UI benefit outlays, revenues, workloads, and administrative outlays in conjunction with the Federal budget process. DFAS is also responsible for making estimates of the cost and revenue impact of proposed law changes being considered by Congress or the Administration. To make these estimates and projections, DFAS employs a number of computer models and spreadsheets, ranging from simple to complex. These models require continual monitoring, maintenance, and enhancements.

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Another area of work involves compiling and publishing data and doing data analysis related to various UI indicators, including solvency measures, reciprocity rates and wage replacement rates that may be used to establish performance measures and goals. DFAS is responsible for developing, calculating and analyzing measures of trust fund adequacy such as the Average High Cost Multiple. DFAS is also responsible for estimating the amount of Federal UI tax collections (as authorized by the Federal Unemployment Tax Act (FUTA)) by state and compiling, publishing, and analyzing comparisons of collections to the amounts returned to states.

Additionally, DFAS is responsible for producing and documenting various estimates and projections in support of monthly, quarterly, and annual Department of Labor Financial reporting. These include estimating disbursements, estimating accrued benefit payments, and simulating the impact of various recession scenarios on balances in the Unemployment Trust Fund (UTF), among other deliverables.

The Division of Unemployment Insurance Operations (DUIO) is responsible for analyzing UI tax data (collections, wages, contributory employers, ETA reports, etc.), providing technical assistance to SWAs related to the Tax Performance System (TPS) program, UI Field Audits, UI Tax Status Operations, and UI Contributions Operations, which is part of a comprehensive performance system in which the States and Federal government work together to strengthen the integrity of the UI program. TPS reviews the six major UI tax functions (Status Determinations, Cashiering, Report Delinquency, Collections, Field Audits, and Account Maintenance) using two methodologies: Computed Measures and Program Reviews. Computed measures consist of reporting and analyzing data on UI tax operations received from the quarterly ETA 581 reports. It also incorporates the Effective Audit Measure (EAM), which is a blended measure of four statistical audit factors. Program reviews examine the accuracy of outputs from state tax systems, as they relate to internal controls and sample system transactions.

The Division of Performance Management (DPM) is responsible for additional data analysis and the development of implementation plans for a number of national strategies for state programs, which were designed to address major root causes of UI improper payments. These strategies involve the review, use, and possible modification of the Benefit Accuracy Measurement (BAM) statistical survey program used to determine the accuracy of paid and denied claims in the three major UI program areas: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Servicemembers (UCX).

IV. PROJECT TASKS

Budget and Legislative Analysis

1. The contractor shall maintain, monitor, and improve computer models used to make Federal budget and legislative estimates. The contractor will have responsibility for the revenue and state loan model, which makes state-by-state projections of tax rates, fund balances, loans, etc. The

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contractor will also have responsibility for the regular UI benefits model (currently the NEWMAN Model) and the Extended Benefits (EB) model. The contractor shall use these models to make budget and legislative estimates as required. Model equations must be reviewed and updated annually. The contractor shall review and assess alternative techniques, methodologies, and model platforms for modeling and projecting key UI program variables. All model changes must be documented. For all models, standard operating procedures (SOPs) will be created and maintained.

2. The contractor shall produce actuarial calculations on a monthly and/or quarterly basis for the DOL financial statements. These include estimated UTF disbursements for all programs, due and payable accruals for all programs, and existing claims accruals for Federal UI programs. The contractor shall also produce information annually for the Required Supplemental Information attachment to the financial statements, including 10-year projections of UTF balances under various economic scenarios and an assessment of state trust fund solvency. The contractor shall develop and maintain SOPs to existing methodologies and projection procedures as required and ensure full documentation of all revisions.

Profiling Model Technical Assistance

3. The contractor shall assist DFAS in providing technical assistance and support to states and Regional Offices in developing, implementing, maintaining, updating, and reviewing statistical models or characteristic screening systems for identifying claimants likely to exhaust benefits. Technical assistance will be performed either through virtual meetings and/or presentations, email, or on-site, as determined by the COR. Technical assistance will include providing general guidance to state staff, identifying, and analyzing state data sources and elements, determining model specifications, and estimating model coefficients. All model development materials and final documentation shall be provided to both the state and Federal staff for future reference. These tasks will be done either in coordination with state staff, for integrating the model into existing UI software systems, or with Regional Office staff in reviewing and assessing state profiling systems. Additionally, the contractor shall work with DFAS staff to develop modeling and training materials such as stock modeling scripts and training videos, to provide directly to state staff.

Trust Fund Forecasting Technical Assistance

4. As needed, the contractor shall work with DFAS staff to provide support to SWAs in the task of forecasting UI trust fund balances. This task entails developing and maintaining various UI-related regression equations used in the UNIS simulation model, modeling new state UI laws, collecting, and setting up numerous input data files, running simulations under various economic scenarios, and providing technical support to state users.
5. The contractor shall assist in the continued maintenance and ongoing improvements of the Microsoft Excel based UNIS model while investigating improvements to the existing model and/or alternative improved platforms for the model. The contractor shall work with DFAS staff to develop new state versions of the existing model and update and improve model functionality as appropriate. The contractor shall also investigate new and alternative low-cost model platform options and assess for suitability, and adaptability for state users. The contractor shall develop,

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update, and maintain SOP's for any revisions or new models to include model structure, update procedures, and operational guides/user instructions.

In-Person Training Seminars - Technical Assistance

6. The contractor may produce either a single one-week Benefit Financing Seminar or a single one-week Profiling Methods Seminar per year, as determined by the COR, during the project period, for approximately thirty participants from SWAs. Alternatively, the contractor may be directed to produce multiple individual training sessions which may be delivered to a wider audience in a live virtual format over a longer time period. For each in person seminar, the contractor shall provide all training materials and supplies. Contract staff shall prepare presentations and coordinate logistics jointly with Federal staff. The COR will determine seminar dates and specific course content. Topics for each seminar will include the following:
 - a. Benefit Financing Seminar: UI cost and revenue forecasting, UI tax structures, experience rating, measuring trust fund solvency, Title XII loans, and basic statistical methods. Hands-on use of the UNIS model will be emphasized during in-person sessions.
 - b. Profiling Methods Seminar: overview of RESEA and worker profiling guidelines, overview of potential model types and statistical methods, and hands-on overview of the modeling process including data prep, analysis, transformations, model development and interpretation, and model validation. Hands-on instruction and/or virtual demonstrations will be provided using a standard statistical package as determined by the COR.

Reports

7. The contractor shall prepare a quarterly publication, the UI Data Summary, which provides a detailed comparison of the status of states with respect to unemployment rates, benefit payment activities, revenues, and trust fund reserves. The publication shall be made available on the OUI website and as an electronic (PDF) report. The contractor shall maintain, and document routines and applications used to extract data, manipulate data, and produce the report. The contractor shall respond to requests for data related to this report or other UI data from researchers, Congressional staff, etc.
8. The contractor shall publish official five-year UI projections and Federal and state trust fund account status in the UI Outlook. These projections are updated twice a year in conjunction with the Federal budget process. The publication shall be made available both via email and on the OUI website. Routines and spreadsheets must be documented by SOPs.
9. The contractor shall produce annual estimates of the amounts of FUTA taxes paid by employers in each state and compile data on the amounts returned to the states for administration and benefits. The contractor shall publish these data on the OUI website. Estimating procedures will be documented with SOPs which are to be kept current.

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10. The contractor shall compute annually, or more frequently as required, state fund adequacy measures such as the Average High-Cost Multiple and perform analyses of these measures as required. The contractor shall publish these data in a form determined by the COR.

Data Analysis for Operations

Under the direction of the COR and/or the designated Program Office point of contact (POC):

11. Analyze data reported by state UI agencies identifying reporting issues or areas in need of improvement.
12. Review all reporting mechanisms, forms, and the tools used to determine if any corrections or changes are necessary to the reporting requirements or the tools.
13. Provide technical assistance to state UI agencies on UI tax-related matters, including accurate reporting of UI Tax data.
14. Analyze recommendations from the UI Tax Reengineering initiative and the existing tax operations programs including the TPS program. Prepare plans and document results of analysis as necessary, including identifying any changes necessary within the TPS program and other tax reporting mechanisms, forms, or tools.
15. Document results of tax data analysis and produce operational guidance materials, revise instructions in the relevant section(s) of the handbooks, and or other informative analysis and guidance documents, as appropriate.
16. The contractor will support any virtual and in-person training efforts related to UI tax performance management and reporting requirements as required.

V. WORK SITE AND GOVERNMENT-FURNISHED FACILITIES

Apart from part-time staff and training seminars, the work on this project will be based at the Office of Unemployment Insurance of the Employment and Training Administration in Washington, D.C. This will support facilitation and coordination with OUI staff and access to certain on-site resources. Telework will be coordinated between the project manager and the COR and/or program office POC. Part-time staff will be provided with remote access capabilities to access these systems from offsite locations. Some travel may be necessary. The Government will furnish each individual assigned to the contract proper identification to facilitate entry and departure from Government buildings as deemed necessary by the COR. The Government will provide on-site contract staff with the office space, furniture, supplies,

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equipment, computer hardware and software, and other support, as necessary, to complete project tasks within specified timeframes. The Government will also provide access to the appropriate computer systems and databases necessary to perform the tasks under this contract.

VI. KEY PERSONNEL

The contractor shall be required to provide the necessary personnel to accomplish each task listed above. The key personnel positions and their required time commitments are listed as follows:

Project Director – 10% Time Commitment

This person should have a 10% time commitment to this project, should have a Ph.D. in economics, statistics, or a related field and should have at least 10 years professional experience, including economic and statistical analysis, R and SPSS or similar programming, project management, unemployment insurance actuarial work, and provision of training on statistical techniques.

Project Manager – 100% Time Commitment

This person should have a 100% time commitment to this project, should have at least a Master's degree in economics, statistics, or a related field and should have at least 5 years professional experience, including economic and statistical analysis, R and SPSS or similar programming, project management, and work related to unemployment insurance.

Economic Analyst – 100% Time Commitment

This person should have a 100% time commitment to this project, should have at least a Bachelor's degree in economics, statistics, or a related field and should have at least 2 years professional experience, including economic and statistical analysis, R and SPSS or similar programming, and work related to unemployment insurance.

Data Analyst – UI Tax – 50% Time Commitment

This person should have a 50% time commitment to this project, should have at least a Bachelor's degree in economics, statistics, or a related field and should have at least 10 years professional experience related to unemployment insurance, along with experience in statistical data analysis, UI tax operations/performance management, and data validation/verification techniques.

Data Analyst – Performance/Analytics– 50% Time Commitment

This person should have up to a 50% time commitment to this project, should have at least a Bachelor's degree in economics, statistics, or a related field and should have at least 10 years professional experience

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related to the unemployment insurance program and/or data analytics. This person should have experience in statistical data analysis, and data validation and/or visualization techniques.

VII. PERIOD OF PERFORMANCE

The period of performance for this project will be one base year of 12 months, plus four 12-month options.

VIII. REPORTS AND DELIVERABLES

DELIVERABLE SCHEDULE

The contractor shall be responsible for submission of reports and deliverables as described in Section C.4 of the solicitation. Due dates for the various tasks enumerated in Section C.4 are as follows:

Profiling Methods Training

1. Seminar dates will be set by the COR, at least five months in advance. It is expected that no more than one seminar will be held each year.

Budget and Legislative Analysis

2. Models will be updated by May 15 and October 15 each year.
3. Quarterly actuarial calculations are to be completed within 5 business days after the end of the appropriate quarter. 10-year projections are to be completed by September 1 of each year.

Profiling Model Technical Assistance

4. Work is ongoing. Due dates depend in part on state requests and are to be determined by the COR.

Trust Fund Forecasting Technical Assistance

5. Benefit Financing Model (BFM) work is ongoing. Due dates depend in part on state requests and are to be negotiated with Federal staff.
6. The Excel BFM work is ongoing. While an initial prototype model has been completed, additional ongoing work and due dates will depend on incorporating new states and adding new features. It is expected that a state will be provided with a model within two months after their initial request.

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7. The dates for the Benefit Financing Seminar will be set by the COR, at least five months in advance. It is expected that no more than one seminar will be held each year.

Reports

8. The UI Outlook is to be published on the dates of the official release of budget data by the Office of Management and Budget, usually the first Monday in February and July 15.
9. The UI Data Summary is to be published within eight weeks of the end of each quarter, or within three weeks after all data becomes available, whichever is later.
10. The FUTA data is to be published by August 15 each year.
11. The Average High Cost Multiple is to be published by March 15 each year.

UI Tax Data Analysis

12. Analysis of the recommendations of OUI's Tax reengineering workgroup that determines which recommendations may be implemented, identifies any limitations, and develops plans and business requirements for implementation as part of the analysis. Due dates will be negotiated with the designated Program Office POC.
13. Coordinate with the Program Office POC to update the Tax Performance System Handbook and provide support for any related guidance and training. Due dates will be negotiated with the designated Program Office POC.

In addition, the contractor will submit to the COR, at the time the monthly invoice is submitted, a monthly status report for each month of the contract. This report will include a description of work performed during the most recent month, work to be performed in the upcoming month, and the current status of the various tasks.

IX. VENDOR RESPONSE

ETA encourages respondents which fit the general criteria of this RFI to comprehensively detail their organization's knowledge and expertise regarding the UI system, particularly regarding technical support activities for trust fund forecasting and worker profiling. All interested parties are invited to submit in writing, by the closing date indicated below, a response package entitled "Statement of Qualifications/Capabilities". The response must address the knowledge, capabilities and experience requested in each of the **three (3)** capability sections listed below in Section V.

Vendors shall use the following format for their written responses to this Request for Information (RFI).

Page Size: 8 ½ x 11" with at least 1" margins on all sides

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- Font Size: 12 point
- Page Numbering: Pages consecutively numbered within each section. There are three **(3) questions**, which will require response. Partial response to a question is acceptable for this RFI.

Note: The submittals shall not exceed 16 pages, TOTAL.

Format of Vendor Responses

The capabilities statement package must be transmitted under a **one (1) page** cover letter and must cite the following information at a minimum:

PAGE 1

1. Response to RFI Number: **1630-OUI-23-CTR-0012**
2. Company Name, Address, and Company Point of Contact (phone number and email)
3. DUNS Number and UEI,
4. Are you fully registered (for all awards, REPS & CERTS) in the System for Award Management (SAM) for Federal contracts?

Answer: Yes or No.

5. Are you fully registered in the System for Award Management (SAM), as a Small Business?

Answer: Yes or No. **If yes**, please indicate your company's socio-economic status (if applicable) and Business Size.

6. Do you have a GSA Schedule?

Answer: Yes or No. **If yes**, provide your GSA Schedule number, and list the approved Categories (SINs) under your Schedule, for no more than ten (10) SINs.

7. Provide your Primary NAICS code that is registered in SAM.

PAGE 2 thru PAGE 16 - Maximum of 5 pages for replies to each of the Questions (Section X).

Each Section response should have the Title of the response section and have consecutively numbered pages.

Note: The Government will not answer questions for this Sources Sought Notice (RFI). Questions will be allowed at the Solicitation stage (RFP or RFQ).

X. RESPONSE SECTIONS

1. Technical Knowledge

- a. *Describe your company's knowledge and understanding of the complexities of the Unemployment Insurance (UI) system, of UI data and of modeling techniques for benefit programs.*

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- b. *Describe your proposed approach to developing, improving, and maintaining models for budget and legislative estimates.*
- c. *Describe your company's knowledge of state and Federal UI tax operations and the ETA Handbook 407, Tax Performance System Handbook.*
- d. *Describe your proposed approach to the oversight and continued development of the OUI tax performance system.*

2. Training and Technical Assistance

- a. *Describe your proposed approach to the provision of benefits cost/financing training and profiling methods training.*
- b. *Describe your proposed approach to the provision of trust fund forecasting technical assistance.*
- c. *Describe your proposed approach to the provision of profiling methods technical assistance.*

3. Staffing Experience & Qualifications

- a. *Describe your company's ability to recruit, retain, and provide highly skilled and qualified personnel, both key and non-key.*
- b. *Describe your proposed staff's experience and qualification with respect to defined responsibilities.*

NOTE:

Potential sources are invited to submit a response via email only to anderson.phillip.l@dol.gov Contracting Specialist, pickard.valerie.s@dol.gov Contracting Officer, by **12:00 P.M., March 28, 2023.**

PLEASE NOTE: THE SUBJECT LINE OF YOUR EMAIL MUST STATE: "Response to Sources Sought Notice 1630-OUI-23-CTR-0012 by (your company). Fail to do so may result in your company being overlooked.