

CITY OF SEDALIA

REQUEST FOR PROPOSALS (RFP)

SEDALIA PROJECT NO. 2011-1012-01

ACTUARIAL SERVICES RELATED TO THE FIRE PENSION PLAN

ISSUE DATE: Friday, April 23, 2010

ISSUED BY: City of Sedalia, Missouri
200 S. Osage Avenue
Sedalia, Missouri 65301

Website : www.CityofSedalia.com

PROJECT CONTACT: Arlene Silvey, MRCC
City Clerk

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Email : ASilvey@CityofSedalia.com

PROPOSALS DUE: Thursday, May 20, 2010
2:00 PM Central Daylight Time

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REQUEST FOR PROPOSALS

1. INTRODUCTION

The City of Sedalia ("City"), with a population of 20,339 residents, is a city of the 3rd class in Pettis County, Missouri.

The City is a general purpose government and provides municipal services through the following departments : Administration, Finance, City Clerk, Airport, Fire, Police, Streets, Sanitation, Community Development, Building Maintenance, Community Center, and Cemetery. Additional services provided include Library Services, Parks & Recreation and Water Pollution Control (storm and wastewater).

The City provides retirement benefits for all full-time employees and, as such, manages a pension plan ("Plan") for members of the City's Fire Department. The Plan is overseen by the Firemen's Retirement Fund Board of Trustees ("Board") as authorized by City ordinance and as appointed by the Mayor.

The Plan, as described in this request for proposals ("RFP"), is a non-ERISA defined benefit plan with approximately \$6,000,000 in assets. There are forty-one (41) active participants, thirty-five (35) retired participants and no terminated participants with a vested benefit.

The City of Sedalia, Missouri is seeking proposals from qualified vendors to provide an actuarial report for the plan and ongoing actuary services as requested by the Board.

2. GENERAL REQUIREMENTS

The core services anticipated to meet the requirements of this RFP are:

Actuarial Valuation

- The Actuary will perform actuarial valuations of the Plan during the course of this contract based on the results of in-depth experience investigation. If the results of the analysis differ from the current adopted actuarial assumptions, the valuations should be made using both the current and recommended assumptions. Provide a sensitivity analysis of alternative sets of economic and other assumptions.
- Recommend contribution rates necessary to meet whatever funding goal is established by the Board.
- Prepare an actuarial report containing a glossary of terms and sufficient explanatory text to permit a reasonable understanding by the Board of the actuarial assumptions, cost methods and conclusions. This shall include, but is not limited to, a summary of the plan, description of actuarial assumptions and cost methods, display of age groups and services matrices for active members and display of retired lives by age groups and types of benefits.

Actuarial Gain/Loss Experience Analysis

- Reports for these analyses shall be delivered to the Board by the actuary no later than ten (10) weeks after the board has delivered complete data for the analysis to the actuary.
- The analysis shall describe the reasons for recommending changes in the contribution rates from year to year, based on a comparison of actual changes in liabilities with expected changes according to each of the various actuarial assumptions.

Ongoing Services

- Provide additional day-to-day services relating to the above services. This includes consultation with the Board and Retirement staff and appearances before the Board.
- Annual services shall be provided. Examples of such consulting projects:
 - Provide actuarial consultation and advisory services on any technical or administrative problems arising during the course of operations – by occasional meeting and routine telephone calls and written correspondence.
 - Make recommendations from time to time relative to possible changes in the benefit structure of the system and to new developments in the retirement industry and their implications for the Plan. Keep the Board apprised of current trends and progress within the actuarial profession.
 - Assist in the preparation of proposed changes to retirement laws.
 - Develop and provide various tables and factors needed by the Plan. These include, but are not limited to, mortality tables, present value factors and survivor benefit factors.
 - Keep the Board advised of developments in Federal legislation and/or regulations regarding financing, benefits, vesting, fiduciary responsibility, disclosure, etc.
 - If requested, provide retirement benefit calculations.
 - If requested, provide annual benefit statements for all participants.
 - Provide any information required to allow the Board and Retirement staff to fully comply with generally accepted accounting principles.

3. RESPONSE INSTRUCTIONS

The submitted proposal must follow the rules and format established within this RFP. Adherence to these rules will ensure a fair and objective analysis of all proposals. Failure to complete any portion of this request may result, at the City's sole discretion, in the rejection of a proposal.

4. CONTACT WITH CITY EMPLOYEES

To ensure a fair and objective evaluation of all proposals, vendors are required to submit all inquires to the Project Contact noted on the cover of this RFP.

5. ASSESS RFP DOCUMENTS

Before submitting a proposal, vendors shall examine the specifications in order to understand all existing conditions and limitations. The vendor shall indicate in the proposal the total sum to cover the cost of all items included in the RFP.

6. COSTS OF RFP PREPARATION AND SUBMISSION

Each vendor shall be responsible for all costs incurred in order to prepare and submit their response to this RFP.

7. PROPOSAL REVIEW

All documents submitted as part of the vendor's proposal will be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the project team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract. All applicable information will be subject to public disclosure in accordance with the Freedom of Information Act, at award of contract, cancellation of this RFP, or within sixty (60) days, whichever shall occur first.

8. PROPOSAL REQUIREMENTS

Each proposal will be prepared following the outline provided herein and be submitted in a sealed envelope bearing the project number, project title and the name of the vendor. Ten (10) printed copies and one electronic copy on CD shall be submitted to the below address :

City of Sedalia
Attn : Fire Pension RFP
200 S. Osage Avenue
Sedalia, Missouri 65301

Proposals must be received no later than 2:00 p.m. on Thursday, May 20, 2010.

Proposals received by the closing date and time will be opened and evaluated by the City. Proposals not received by the closing date and time will remain unopened and will not be considered. Incomplete proposals may, at City's sole discretion, be disqualified from consideration. The City may select a number of vendors from the responsive proposals to make formal presentations to the City regarding their services.

The City reserves the right to amend or clarify the specifications at any time prior to the closing for receipt of proposals. Copies of any amendments may be transmitted to prospective vendors via fax, e-mail or mail. In order to ensure that you receive any amendments to or clarifications of the specifications, please send a request for notice of amendments and clarifications to:

City of Sedalia
Attn: Arlene Silvey
200 S. Osage Avenue
Sedalia, Missouri 65301
Email : ASilvey@CityofSedalia.com

The proposal must be prepared in the following format:

Section 1 – Executive Summary

Provide a concise overview of the services proposed.

Section 2 – Vendor Background and Qualifications

Provide narrative responses to the following questions, including any necessary documentation, for each item listed below.

Principle Actuary

1. Identify the principle actuary by name and give the year such actuary became a Fellow or Associate of the Society of Actuaries and an enrolled Actuary under Section 3042 of the Employees' Retirement Income Security Act of 1974.

2. Detail how long the principle actuaries have been involved in pension consulting and identify those mid-sized public retirement in which the actuary has worked as the principal actuary. Also, please state whether such work involved the production of yearly actuarial valuations.
3. Please include the resume of the principal actuary with your proposal.

Support or On-Site Actuary

1. Will there be a support or on-site actuary? If so, please add the response to the questions outlined in (1) and (2) above for the support or on-site actuary.
2. Please include the resume of the support or on-site actuary with your proposal.

Other Professional Staff

Identify and describe the qualifications of the professional staff that will be available for work as needed. Please provide a resume of actuarial credentials for each member of the professional staff including the length of time the staff person has worked for a major actuarial firm.

Section 3 – Firm History and Operations

Please address the following questions regarding your firm:

1. How many years has the firm been providing actuarial services?
2. Please detail how many years the team that would be assigned to this account have worked together.
3. Please identify the location of the primary office that will provide services for the Board.
4. Describe the ownership structure of the firm, including the relationships of each branch office to the other branch offices and to the headquarters. Identify the individual who has overall responsibility for the firm's operations.
5. Please describe any material developments in the ownership structure of your organization over the past three (3) years. Describe any planned material changes in your organization in detail.
6. Indicate when and why any senior personnel left or joined the firm in the last three (3) years and specify their involvement in the firm's public pension plan programs. For personnel who have left the firm, please indicate their job titles, number of years with the firm and the name of the individual who replaced.
7. How many employees are located at the branch office that will be responsible for the Plan services under this proposal?
8. If the client contact person is other than the actuary, please identify who will be the client contact person.
9. Describe the firm's computer capabilities in detail.
10. Describe the procedure used "reconciling" or "scrubbing" the data provided annually by the Board. The Board is focused on providing the most accurate data possible; therefore, it is interested in the method in which the vendor will communicate potential variances from year to year to focus on correction if applicable.
11. Please provide a copy of your standard service agreement.

Section 4 – Firm Methodology

Provide information, not exceeding two (2) pages, regarding your approach to the scope of work outlined in Item 2 - General Requirements. Should you consider your approach to actuarial services to be different in any way, please describe those differences.

Section 5 – Customer References

List three (3) public employee retirement system clients for whom the firm has provided professional actuarial and consulting services within the past five (5) years. For each reference listed, include client name, address, telephone number and name of contact person.

Section 6 – Pension Consulting Services

Please address the following questions regarding your firm:

1. Describe the media the firm routinely uses to inform its clients of changes in federal requirements, revisions to accounting standards, pending federal legislation or regulation and new methods of achieving benefit objectives.
2. Does the firm produce a newsletter specifically for public retirement plans or is the material produced for both public and private clients?
3. Who prepares the communications materials?
4. Do you have any special pension consulting services?

Section 7 – Actuarial Valuation

Please submit a past template or sample of an actuarial valuation recently completed.

Section 8 – Cost Information

All fees and charges must be guaranteed for a period of not less than three (3) years from the effective date of the ensuing contract. Longer-term fee guarantees will receive additional consideration.

Fees should be expressed as an annual amount.

When quoting fees, please be specific as to the exact services your firm is willing to provide at each price level. If no fee is included for a specific service, or any indication given to the contrary, the city will assume the firm does not wish to be considered as a provider of that particular service.

Submitted proposals will be judged on the following evaluation criteria:

- Scope of proposed services.
- Cost of services and effectiveness of total services performed.
- Experience, expertise and qualifications of key actuarial personnel assigned to the Plan.
- Clarity, completeness and timeliness of information provided for evaluation by the Retirement staff.
- Responses to reference checks.

The City reserves the right to utilize other appropriate selection and evaluation criteria as it deems necessary.

Section 9 – Guarantee of Proposal

Provide a statement guaranteeing the proposal through the anticipated award date of June 3, 2010. Vendors may not withdraw their proposal for a period of thirty (30) days after the closing date for submission of proposals.

Delivery of Proposals: Responses to this RFP must be delivered by the date/time specified and to the place stipulated on the cover of this RFP. It is the sole responsibility of the vendor to see that their RFP is received in the proper time.

9. RIGHT OF REFUSAL

The City reserves the right to reject any or all RFPs in their entirety or to select certain services from among the responses. The City reserves the right to award the contract in any manner deemed in the best interest of the City.

10. EVALUATIONS

The primary criteria for vendor evaluation and consideration are:

- Ability to provide a comprehensive solution to meet the stated requirements
- Customer service (references, measured service rates, etc.)

Evaluation of the proposals is expected to be completed within twenty (20) calendar days after the stated closing date. The Board will evaluate proposals on a variety of quantitative and qualitative criteria. The proposal selected shall be the proposal deemed to be in the best interests of the City while providing the most cost-effective approach to meet the stated requirements. **The lowest priced proposal will not necessarily be selected.**

The City reserves the right to a) reject any or all proposals, or to make no award, b) require modifications to initial proposals or c) to make partial or multiple awards. The City reserves the right to request clarification or explanation on any proposal submitted. The City further reserves the right to excuse technical defects in a proposal when, in its sole discretion, such excuse is in the best interests of the City.

11. ANTICIPATED TIMELINE

Listed below are specific and estimated dates and times of actions related to this RFP. In the event that the City finds it necessary to change any of the specific dates and times for the events listed below, it will do so by issuing an amendment to the RFP as outlined herein.

<u>Date</u>	<u>Event</u>
April 23, 2010 - 3 p.m.	Issuance of RFP
May 20, 2010 - 3 p.m.	Proposal Submission Deadline
May, 2010	Proposal Review
June 3, 2010 - 3:00 p.m.	Anticipated Award of Project

12. COMPENSATION

Following the selection of a firm and the successful negotiation of an agreement for services, a contract shall be entered into between the City and the firm. Reimbursements shall be made according to an agreed upon schedule, specified within the contract for a maximum not-to-exceed amount.