

REQUEST FOR PROPOSALS



The Finance Department is requesting proposals for:

**Actuarial Services to Value Other Post-Employment
Benefits (OPEB) in Compliance with Government
Accounting Standards Board Statement No. 45 (GASB 45)**

RELEASE DATE: May 7, 2021

RESPONSE DUE: May 27, 2021

GENERAL INFORMATION

The City of San Fernando is seeking proposals from qualified professional service firms to provide actuarial services to value Other Post-Employment Benefits (OPEB) in compliance with Government Accounting Standards Board Statement No. 45 (GASB 45) for inclusion in the City's Comprehensive Annual Financial Report (CAFR) as of June 30, 2021 as well as subsequent OPEB actuarial updates and general actuarial services on an as-needed basis through June 30, 2025. The last OPEB report the City has is as of measurement date June 30, 2019. Based on the June 30, 2019 actuarial valuation. The required services and performance conditions are described in the Scope of Work.

BACKGROUND

The City of San Fernando was incorporated in 1911 and is currently organized according to the City Council/City Manager form of government with six departments, including a Police Department, Public Works Department, and Recreation and Community Services Department. The City employs approximately 130 full-time equivalent employees from a total Adopted Budget for fiscal year 2020-2021 of \$40.6 million, which includes a General Fund budget of \$20 million. The City is a cost conscious provider of outstanding public services to its citizens and local businesses.

INSTRUCTIONS TO SUBMITTING FIRMS

A. Examination of Proposal Documents

By submitting a proposal, the prospective firm represents that it has thoroughly examined and become familiar with the services required under this RFP, and that it is capable of delivering quality services to the City in a creative, cost-effective & service-oriented manner.

B. Questions/Clarifications

Please direct any questions regarding this RFP to Diego Ibanez, Director of Finance, via e-mail at dibanez@sfcity.org. Questions must be received by 5:30 p.m. on **Tuesday, May 18, 2021**. All questions received prior to the deadline will be collected and responses will be emailed by close of business on **Thursday, May 20, 2021**.

C. Submission of Bid Proposals

All bid proposals shall be submitted via email to Diego Ibanez at dibanez@sfcity.org and the subject line of the email shall read, "City of San Fernando RFP – OPEB Actuarial

Services.” Proposals must be received no later than Thursday, **May 27, 2021 at 5:30 p.m.** All proposals received after that time will not be accepted.

D. Withdrawal of Proposals

A firm may withdraw its proposal at any time before the due date for submission of proposals as provided in the RFP by delivering a written request for withdrawal signed by, or on behalf of the prospective firm.

E. Rights of City of San Fernando

This RFP does not commit the City to enter into a Contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract.

The City reserves the right to:

- 1) Make the selection based on its sole discretion;
- 2) Reject any and all proposals without prejudice;
- 3) Issue subsequent Requests for Proposal;
- 4) Postpone opening for its own convenience;
- 5) Remedy technical errors in the Request of Proposal process;
- 6) Approve or disapprove the use of particular sub-contractors;
- 7) Negotiate with any, all, or none of the prospective firms;
- 8) Solicit best and final offers from all or some of the prospective firms;
- 9) Accept other than the lowest offer; and/or
- 10) Waive informalities and irregularities in the proposal process.

F. Contract Type

It is anticipated that a standard form professional services agreement contract will be signed subsequent to review and approval of the recommended firm.

G. Collusion

By submitting a proposal, each prospective firm represents and warrants that; its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the prospective firm has not directly, induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and, that the prospective firm has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

SCOPE OF SERVICE

The City of San Fernando is seeking proposals from qualified firms interested in providing actuarial services to the City for valuation of OPEB offered by the City. The primary objectives for this actuarial valuation include:

1. Ensure compliance with the reporting requirements of all applicable GASB statements, including, but not limited to, GASB Statements 43, 45, 74 and 75.
2. Determine OPEB related valuation as of fiscal year ending June 30, 2021 and annual updates through June 30, 2025.
3. Prepare necessary information for inclusion in the City's CAFR.

The City contributes to a single-employer defined benefit plan to provide post-employment health care benefits. Specifically, the City participates in the CalPERS healthcare program to provide health insurance for its retired employees and their dependent spouses (if married and covered on the City's plan at time of retirement), or survivors in accordance with Board resolutions. Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of 5 years' service with the City, as long as such individuals retire within 120 days of separation from employment and receive a monthly retirement allowance.

Retiree Medical Tier I: Employees retired on or before June 30, 2015

The City pays 100% of all premiums charged for the retiree and dependents under the health benefit plan administered by CalPERS in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. Medical coverage is provided for the surviving spouse of retired employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 5 years of service within the PERS system in addition to satisfying the requirement to retire within 120 days of separation. The City will pay 100% of the premiums charged until the surviving spouse remarries, becomes enrolled under another group health plan, or cancels coverage. There are currently 109 retired employees covered under this plan.

Retiree Medical Tier II: Employees hired on or before June 30, 2015 and retire on or after July 1, 2015

Active employees hired before June 30, 2015 are "grandfathered" and have the same benefit as Retiree Medical Tier I. The City pays 100% of all premiums charged for the retiree and dependents under the health benefit plan administered by CalPERS in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. Medical coverage is provided for the surviving spouse of retired employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 5 years of service within the PERS system in addition to satisfying the requirement to retire within 120 days of separation. The City will pay 100% of the premiums charged until the surviving spouse remarries, becomes enrolled under another group health plan, or cancels coverage. There are currently 65 active employees covered under this plan.

Retiree Medical Tier III: Employees hired on or after July 1, 2015

If the employee meets the vesting schedule set forth in California Government Code Section 22892, the employee will receive the Public Employees Medical Health Care Act (PEMHCA) minimum to be used toward medical premiums. There are currently 20 active employees covered under this plan.

Depending on the employee’s bargaining unit, employees that are in Retiree Medical Tier III will receive a contribution from the City ranging from \$50 to \$150 per month into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. Any unit member may elect to contribute an additional amount to the RMT or RHS, at its option.

Deliverable(s):

The City requires a final report that includes, at a minimum:

1. A summary of the current plan provisions.
2. A summary of all assumptions and methods applied in developing expenses and liabilities.
3. Liabilities and expenses by employee group based on medical benefits.
4. Liabilities by active, deferred vested, retiree and beneficiary status.
5. A projection of trends and cash flows to provide a forward looking estimate of financial impact to the City.
6. First report due by September 30, 2021 for inclusion in the fiscal year 2020-2021 CAFR.

PROPOSED TERM OF CONTRACT

The proposed term of the contract is **five years**, up to and including an OPEB actuarial valuation to be used in the CAFR as of June 30, 2025.

SCHEDULE FOR SELECTION

RFP Available:	May 7, 2021
Deadline for submittal of Questions:	May 18, 2021
Response to Questions:	May 20, 2021
Deadline for submittal of Proposal:	May 27, 2021
Interviews (if necessary)	Early June 2021

METHOD OF SELECTION AND NOTICES

The Director of Finance will evaluate the information provided in the submitted proposals using the following criteria as a guideline:

- Completeness and Comprehensiveness.
- Responsiveness to City's issues.
- Potential to benefit the City.
- Experience of the firm providing similar services to other municipalities.
- Cost effectiveness.
- Quality of proposed staff.

INFORMATION TO BE SUBMITTED

1. Prospective Firms must submit one digital copy of their proposal via email.
2. Include a *Proposal Summary* Section

This section shall discuss the highlights, key features, and distinguishing points of the Proposal. A separate sheet shall include all the contact people on the Proposal and how to communicate with them.

3. Include a *Profile of the Proposing Firm(s)* Section

This section shall include a brief description of the Firm, including size, location of office(s), number of years providing service, organizational structure of the responsible division, etc.

Additionally, this section shall include a listing of any lawsuit and the result of that action resulting from (a) any public project undertaken by the Firm where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the Firm or its insurers within the last five years.

2. Include a *Qualifications of the Firm* Section

This section shall include a brief description of the Firm's qualifications and previous experience on similar or related projects. Provide a description of pertinent project experience with other public municipalities (maximum of four) that includes a summary of the work performed, the total project cost, the period over which the work was completed, and the name, title, and phone number of clients to be contacted for references. Give a brief statement of the Firm's adherence to the schedule and budget for each project.

3. Include a *Work Plan and Timetable* Section

In this section, present a well-conceived service plan. This section of the proposal shall establish the Firm's understanding of the City's objectives and work requirements and the Firm's ability to satisfy those objectives and requirements. Describe the proposed approach for addressing the scope of service, outlining the approach that would be undertaken in providing the requested services. Include a timetable for providing the service. Describe related service experience by the Firm in similar work. Please describe the role, extent of services (number of people used, engagement duration, and contract value).

4. Include a *Project Staffing* Section

In this section, discuss how the Firm would propose to staff this project. Firm's key project team members shall be identified by name, specific responsibilities on the project and their qualifications. An organizational chart for the project team and resumes for key Firm personnel shall be included. Key Firm personnel will be an important factor considered by the Director of Finance. **There can be no change of key personnel once the proposal is submitted, without prior approval of City.**

5. Include a *Proposal Costs Sheet and Rates* Section

In this section, include the proposed costs to provide the services desired. Include any other cost and price information that would be contained in a potential agreement with the City.

In addition, include the costs for any other services that are considered optional additions.