

**THE CITY OF BINGHAMTON
REQUEST FOR PROPOSALS
ACTUARIAL CONSULTING SERVICES FOR COMPLIANCE WITH GASB 75**

1. INTRODUCTION

The City Of Binghamton, herein after referred to as the “City” is seeking an actuarial review of the City’s post-employment benefits package for retired employees. The review will allow compliance with of the Governmental Accounting Standards Board (GASB) rules regarding accounting for Other Post-Employment Benefits (OPEB), otherwise known and hereafter referred to as GASB 75. The City requires an estimate of the outstanding and future liabilities associated with providing certain post-employment benefits.

2. ATTACHMENTS

The attachments below are included with this Request for Proposal (RFP) for your review and submittal:

- Attachment 1 - Scope of Services
- Attachment 2 – Insurance Requirements

3. INSTRUCTIONS TO PROPOSERS

3.1 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

- 3.1.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
- 3.1.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
- 3.1.3 Represent that all information contained in the proposal is true and correct.
- 3.1.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms or conditions of this proposal.
- 3.1.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition. The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

3.2 Submission of Proposals

All proposals shall be submitted to: Board of Contract & Supply

City: Binghamton, NY 13901
Address: 38 Hawley Street 2nd Floor

Proposals must be delivered no later than 10:30 a.m. on Wednesday October 28, 2020. All proposals received after that time will be returned to the Proposer unopened.

The Proposer shall submit three (3) copies of its proposal in a sealed envelope, addressed as noted above, bearing the Proposer's name and address clearly marked "ACTUARIAL CONSULTING SERVICES (GASB 75)."

3.3 Withdrawal of Proposals

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

3.4 Rights of the City

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:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

4. Proposed RFP Timeline

The RFP Timeline is as follows:

RFP Issued	October 9, 2020
Deadline for Receipt of Proposals	October 28, 2020
Interviews (if needed)	Week of November 16, 2020
Contract awarded	November 30, 2020

5. Information to be Submitted

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer's understanding of the City's requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 5 in the proposal document.

5.1 Proposal Summary

This section shall discuss the highlights, key features and distinguishing points of the Proposal and a list of individuals and contacts for this Proposal and how to communicate with them.

5.2 Profile on the Proposing Firm(s)

This section shall include a brief description of the Prime Proposer's firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm's financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors 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 consultant or its insurers within the last five years.

5.3 Qualifications of the Firm

This section shall include a brief description of the Proposer's and proposed sub-consultant's qualifications and previous experience on similar or related projects. Provide descriptions of pertinent project experience with other public municipalities that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, 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 the project.

5.4 Work Plan or Proposal

This section shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Proposer understands the City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

5.5 Proposal Costs

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm's understanding of the project and provides staff with tools to negotiate the cost.

This section shall 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. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

PLEASE NOTE: The City does not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment 2.

6. Review and Selection Process

City staff will evaluate the proposals provided in response to this RFP based on the following criteria:

- Quality and completeness of proposal;
- Proposer's experience, including the experience of staff to be assigned to the project, the engagements of similar scope and complexity;
- Cost to the City;
- Proposer's ability to perform the work within the time specified;
- Proposer's prior record of performance with other cities or governmental agencies.

7. Oral Interviews

Proposers may be required to participate in an oral interview.

8. Collusion

By submitting a proposal, each Proposer 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 Proposer 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 Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

9. Non-Conforming Proposal

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

10. Questions

Please direct any questions regarding this RFP to Chuck Shager, Comptroller City of Binghamton at ceshager@cityofbinghamton.com.

**CITY
REQUEST FOR PROPOSALS
SCOPE OF SERVICES**

A. Project Purpose

The City is seeking an actuarial review of the City's post-employment benefits package for retired employees. The review will allow implementation of the Governmental Accounting Standards Board (GASB) rules regarding accounting for Other Postemployment Benefits (OPEB). The City needs an estimate of the outstanding and future liabilities associated with providing its post-employment benefit package.

B. Background

The City's defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The specifics of each contract are on file at the City offices. The plan is a single-employer defined benefit healthcare plan administered by the City.

During the 30 years with the health plan, 400+ City employees have enrolled. The retirement health benefit is available only to employees who retire from the City. To be eligible for City-paid retirement health benefits, an employee must meet the requirements for retirement and must begin taking retirement benefits immediately upon separation from City employment. The required contribution rates of the employer and the member vary depending on the applicable agreement.

Currently, the City uses a pay-as-you-go approach for retiree health insurance.

C. Scope of Services

The objective of this project is to be able to recognize OPEB costs systematically over employees' years of service and to provide relevant information about the actuarial accrued liabilities for these benefits and ensure compliance with GASB Statement 75 and future amendments. Specifically, the selected firm will provide:

1. Methodology Information:

- a. Describe the firm's process for conducting the annual evaluation
- b. Describe the required client information needed for the firm's valuation
- c. Describe firm's methodologies and approach to developing actuarial assumptions

2. Deliverables:

- a. Prepare information for the financial reporting that conform to all the requirements of GASB 75 and required supplementary information.
- b. A complete demographic analysis of the Client's current covered employees, retirees, and their dependents.
- c. The calculation of the Actuarial Accrued Liability, separately identifying the amounts for Actives and Retirees.
- d. GASB Statement No. 75 accounting information including the following:
 - i. Annual required contribution as a dollar amount percentage of payroll
 - ii. Normal cost
 - iii. Outstanding balance and amortization of the Unfunded Actuarial Accrued Liability
 - iv. Annual OPEB cost
 - v. OPEB assets
 - vi. Reconciliation of the Net OPEB Obligation (NOO) during the current year, and projected NOO at end of year.
- e. Information to assist the Client in future budgeting, including:
 - i. The ten-year "pay-as-you-go" cost projections.
 - ii. Annual Required Contribution (ARC) to fund retiree benefits over the working lifetime of eligible employees.
 - iii. Recommendations on managing the liability.
- f. A compilation of a comprehensive report including the following:
 - i. Results of the Actuarial Study.
 - ii. Description of the plan provisions, including groups covered and benefits valued.
 - iii. Description of the Actuarial methods, including the actuarial funding method.
 - iv. Description of the Actuarial Assumptions.
 - v. Description of the data used in the valuation, including age/service distribution table(s).
- g. Actuarial Certification, including indication of membership to the Society of Actuaries, and meeting the American Academy of Actuaries "General Qualification Standard for Prescribed Statements of Actuarial Opinion" relating to postretirement health care plans.

D. Term of Agreement and Project Deadlines

The term of the Agreement is three years. The City, may, at its option, extend the Agreement with the same or more limited scope of required services for up to two (2) additional one-year terms.

**MUNICIPALITY/CITY
INSURANCE REQUIREMENTS**

WORKERS COMPENSATION INSURANCE: Minimum statutory limits.

COMMERCIAL GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE: General Liability and Property Damage Combined.

\$1,000,000.00 per occurrence including comprehensive form, personal injury, broad form personal damage, contractual and premises/operation, all on an occurrence basis. If an aggregate limit exists, it shall apply separately or be no less than two (2) times the occurrence limit.

Prior to commencement of services, insurance coverage must be evidenced by a properly executed certificate of insurance and it shall name "The Municipality/City, its elective and appointed officers, employees, and volunteers, as additional insureds."

ERRORS AND OMISSIONS INSURANCE: \$1,000,000.00 aggregate.

NOTICE OF CANCELLATION: The City requires 30 days written notice of cancellation. Additionally, the notice statement on the certificate should not include the wording "endeavor to" or "But failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."

To prevent delay and insure compliance with the requirements of the specifications, the insurance certificates and endorsements must be returned with proposal: