



Patricia A. Peshka
Purchasing Agent

Scott Avedisian
Mayor

City of Warwick
Purchasing Division
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The following notice is to appear on the City of Warwick's website Tuesday, May 15, 2018. The website address is <http://www.warwickri.gov/bids>.

**CITY OF WARWICK
PROPOSALS REQUESTED FOR**

RFP2019-039 GASB75 OPEB Actuarial Valuation & Consulting Services

Specifications are available in the Purchasing Division, Warwick City Hall, Monday through Friday, 8:30 AM until 4:30 PM on or after Tuesday, May 15, 2018.

Sealed proposals will be received by the Purchasing Division, Warwick City Hall, 3275 Post Road, Warwick, Rhode Island 02886 up until 11:00 AM, Wednesday, May 30, 2018. The proposals will be opened publicly commencing at 11:00 AM on the same day in the Lower Level Conference Room, Warwick City Hall.

Awards will be made on the basis of the lowest evaluated or responsive proposal price. Please note that no proposals can be accepted via email or fax.

The City of Warwick, in addition to soliciting bids in response to this RFP, may consult, consider, and make an award for any and all open bid offers for a comparable unit as sought herein at the following websites:

RI State MPA: <http://www.purchasing.ri.gov/MPA/MPASearch.aspx>

NASPO: <https://www.naspo.org/>

NJPA (National Joint Powers Alliance): <https://www.njpacoop.org/cooperative-purchasing>

MHEC (Massachusetts Higher Education Consortium): <https://www.mhec.net/>

Individuals requesting interpreter services for the hearing impaired must notify the Purchasing Division at 401-738-2013 at least 48 hours in advance of the proposal opening date.

Original Signature on File

Patricia A. Peshka
Purchasing Agent

PLEASE COMPLETE THIS PAGE & SUBMIT WITH YOUR PROPOSAL

Acknowledgement of Addendum (if applicable)

Addendum Number	Signature of Bidder
_____	_____
_____	_____

COMPANY NAME: _____

COMPANY ADDRESS: _____

COMPANY ADDRESS: _____

BIDDER'S SIGNATURE: _____

BIDDER'S NAME (PRINT): _____

TITLE: _____ TEL. NO.: _____

EMAIL ADDRESS: _____*

*Please include your email address. Future proposals will be emailed, unless otherwise noted.
=====

II. AWARD AND CONTRACT:

The CITY OF WARWICK, acting as duly authorized through its Purchasing Agent/Finance Director/Mayor, accepts the above proposal and hereby enters into a contract with the above party to pay the proposal price upon completion of the project or receipt of the goods unless another payment schedule is contained in the specifications. All terms of the specifications, both substantive and procedural, are made terms of this contract.

DATE: _____

RFP2019-039 Purchasing Agent

PLEASE COMPLETE THIS PAGE & SUBMIT WITH YOUR PROPOSAL

CERTIFICATION & WARRANT FORM*

**This form must be completed and submitted with sealed bid.
Failure to do so will result in automatic rejection.**

Any and all bids shall contain a certification and warrant that they comply with all relevant and pertinent statutes, laws, ordinances and regulations, in particular, but not limited to Chapter 16- Conflicts of Interest, of the Code of Ordinances of the City of Warwick. Any proven violation of this warranty and representation by a bidder at the time of the bid or during the course of the contract, included, but not limited to negligent acts, either directly or indirectly through agents and/or sub-contractors, shall render the bidder's contract terminated and the bidder shall be required to reimburse the City for any and all costs incurred by the City, including reasonable attorney fees, to prosecute and/or enforce this provision.

Signature

Date

Company Name

Address

Address

***This form cannot be altered in any way**

**CITY OF WARWICK
NOTICE TO BIDDERS**

RFP2019-039 GASB75 OPEB Actuarial Valuation & Consulting Services

If you received this document from our homepage or from a source other than the City of Warwick Purchasing Division, please check with our office prior to submitting your proposal to ensure that you have a complete package. The Purchasing Division cannot be responsible to provide addenda if we do not have you on record as a plan holder.

Proposals received prior to the time of the opening will be securely kept, unopened. No responsibility will be attached to an officer or person for the premature opening of a proposal not properly addressed and identified. No proposals will be accepted via facsimile or email.

The opening of proposals will be in the order established by the posted agenda and the agenda will continue uninterrupted until completion.

Once an item has been reached and any proposals on that item has been opened, no other proposals on that item will be accepted and any such proposal will be deemed late.

The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap for any position for which the employee or applicant is qualified and that in the event of non-compliance the City may declare the contractor in breach and take any necessary legal recourse including termination or cancellation of the contract.

A bidder filing a proposal thereby certifies that no officer, agent, or employee of the City has a pecuniary interest in the proposal or has participated in contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same call for proposals, and that the bidder is competing solely in his own behalf without connection with, or obligation to, any undisclosed person or firm.

All proposals should be submitted with one (1) original and two (2) copies a sealed envelope, which should read: *YOUR COMPANY NAME* plainly marked on the exterior of the envelope as well as "RFP2019-039 GASB75 OPEB Actuarial Valuation & Consulting Services." Any confidential items, i.e. annual financial reports, should be submitted in a separate sealed envelope with the company name, bid # and marked "CONFIDENTIAL".

Should you have any questions, please contact Brian Silvia, Treasurer, 3275 Post Rd., Warwick, RI at 401-921-9727.

All proposals should be written in ink or typed. If there is a correction with whiteout, the bidder must initial the change.

Negligence on the part of the bidder in preparing the proposal confers no rights for the withdrawal of the proposal after it is open.

Any deviation from the specifications must be noted in writing and attached as part of the bid proposal. The bidder must indicate the item or part with the deviation and indicate how the proposal will deviate from specifications.

The IRS Form W-9 available on www.warwickri.gov should be completed and submitted with the proposal if the bidder falls under IRS requirements to file this form.

NOTE: For pricing purposes, if a performance bond were to be required, it would be for 100 percent of the total contract cost.

The successful bidder must provide the City of Warwick with an original **Certificate of Insurance** for Professional Liability in a minimum amount of \$1 million. The company name must be listed as the insured and not the owner. It is the vendor's responsibility to provide the City of Warwick with an updated certificate of insurance upon expiration of the original certificate.

For a bid to be awarded to a corporation, limited liability company or other legal entity, prior to commencing work under the awarded bid, that corporation, company or legal entity may be required to provide to the Purchasing Agent a **Certificate of Good Standing** from **The Rhode Island Secretary of State** dated no more than thirty (30) days prior to the date upon which the bid approval was made. **Please note that no other State's Certificate of Good Standing will be accepted.**

The successful bidder will provide said **Certificate of Insurance** and **State of Rhode Island's Certificate of Good Standing** (if required) within ten (10) calendar days after notification or the City reserves the right to rescind said award.

Prices to be held firm Fiscal year ended June 30, 2018 through Fiscal year ended June 30, 2021. Term contracts may be extended for one additional term upon mutual agreement unless otherwise stated.

The contractor must carry sufficient liability insurance and agree to indemnify the city against all claims of any nature, which might arise as a result of his operations or conduct of work.

The City is exempt from the payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30, Paragraph I, as amended.

The Purchasing Agent reserves the right to reject any and all proposals, to waive any minor deviations or informalities in the proposals received, and to accept the proposal deemed most favorable to the interest of the City.

The successful bidder must comply with all Rhode Island Laws applicable the public works projects, including, but not limited to provisions of Chapter 13 of Title 37 of the Rhode Island General Laws, pertaining to prevailing wage rates, and all other applicable local, state and federal laws.

The City reserves the right to terminate the contract or any part of the contract in the best interests of the City, upon 30-day notice to the contractor. The City will incur no liability for materials or services not yet ordered if it terminates in the best interests of the City. If the City terminates in the interests of the City after an order for materials or services have been placed, the contractor will be entitled to compensation upon submission of invoices and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided, as well as expenses necessarily incurred in the performance of work up to time of termination.

No extra charges for delivery, handling or other services will be honored. All claims for damage in transit will be the responsibility of the successful bidder. Deliveries must be made during normal working hours unless otherwise agreed upon.

All costs directly or indirectly related to the preparation of a response to this solicitation, or any presentation or communication to supplement and/or clarify any response to this solicitation which may be required or requested by the City of Warwick will be the sole responsibility of and will be borne by the respondent.

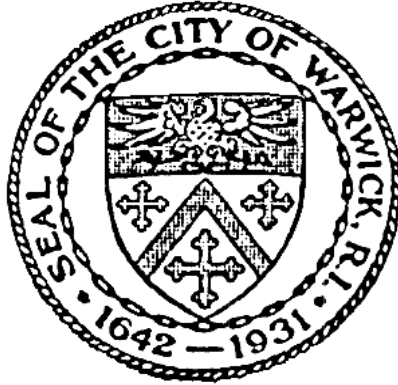
If the respondent is awarded a contract in accordance with this solicitation and if the respondent fails or refuses to satisfy fully all of the respondents obligations thereunder, the City of Warwick will be entitled to recover from the respondent any losses, damages or costs incurred by the City as a result of such failure or refusal.

The City reserves the right to award in part or full and to increase or decrease quantities in the best interest of the City.

Any quantity reference in the proposal specifications are estimates only, and do not represent a commitment on the part of the City of Warwick to any level of billing activity. It is understood and agreed that the agreement will cover the actual quantities ordered during the contract period.

The City reserves the right to rescind award for non-compliance to proposal specifications.

The successful bidder must adhere to all City, State and Federal Laws, where applicable.



**THE CITY OF WARWICK
FINANCE DEPARTMENT**

**REQUEST FOR PROPOSAL
FOR
GASB75 OPEB ACTUARIAL
VALUATION & CONSULTING SERVICES**

MAY 2018

I. **ENGAGEMENT OVERVIEW**

A. **Purpose and Scope of Services**

The City of Warwick is requesting proposals from qualified firms to perform a comprehensive actuarial valuation of the City's post-employment benefits, other than pensions. This other post-employment benefit (OPEB) calculation must be performed in accordance with the terms of Governmental Accounting Standards Board Statement #74 & 75 (GASB74 & 75). This calculation shall be accomplished by applying standard actuarial methodology and assumptions to the demographic data. When complete, this valuation will quantify the present value of the City's future expected other post-employment benefit obligation. Additionally it will determine the actuarial accrued liability, the unfunded portion of the liability, the annual required contribution and the net OPEB obligation. This calculation will cover both City and School employees and retirees. **Please note that the City and School calculations must be reported separately.**

The results of this valuation will be reported within the City's Annual Financial Report as an accrued liability. The full actuarial valuation will be updated every two years. As such, the selected firm will be engaged for a four-year period and will be responsible for preparing (2) complete actuarial valuations, along with annual updates if required. The first valuation will be due in September 2018, and will include calculations for fiscal 2018 and 2019. The second valuation will be due in September 2020, and will include calculations for fiscal 2020 and 2021.

The actuarial valuation report shall be accompanied by a complete explanation of the methodology employed. Additionally, the Actuary must be available to meet formally and informally with City and School Officials to review the valuation in detail.

B. **General Information**

The City of Warwick was established in 1642 and incorporated in 1931. The City has the second largest population in the State of Rhode Island. Total net position for the year ended June 30, 2017 amounted to -\$347.1 million, and the fiscal 2018 operating budget totals \$308.2 million.

The City contributes to the following pension plans:

- City Employees (Municipal) Pension Plan
- Police I and Fire
- Police II
- Fire II
- Warwick School Employee's Pension Plan
- Employee's Retirement System of the State of RI

Upon receiving retirement benefits, the City of Warwick pays medical insurance benefits for vested municipal, police and fire employees. Medical coverage, individual and family, is provided for police and fire employees up to age 65. Police employees retiring after 7/1/2003, and fire employees retiring after 7/1/2002, are also eligible for a Medicare supplement at age 65. Additionally, fire employees retiring after 7/1/2002, who are over the age of 65, will also have their Medicare Part B reimbursed by the City. Municipal employees receive medical coverage until age 65, and receive a Medicare supplement at age 65.

The Warwick School Department provides medical coverage for all professional retirees who have 30 years or more of credited service with the Rhode Island State Retirement System. The retiree contributes 20% of the cost of the plan. Coverage is also offered to professional retirees with 20-29 years of credited service, with a copayment of 60%. This coverage is available until the retiree reaches the age of 65. Retirees who obtain equivalent coverage through another source are not eligible for this benefit. Non-certified employees retiring at age 62 or older, with 25 or more years of service, receive medical coverage for themselves and any dependents until age 65, with a 20% copayment. If a classified employee retires at age 62 and has less than 25 years of service, they are permitted to pay into the medical plan by paying the group rate until age 65.

II. QUALIFYING REQUIREMENTS

A. Experience

Each firm must have experience performing similar municipal OPEB calculations. They should be able to demonstrate experience in performing other post-employment benefit actuarial valuations to public sector clients of a similar size within the United States. These valuations must exhibit compliance with applicable state and federal laws, and must be performed in accordance with generally accepted accounting principles.

B. Firm/Staff

The bidder must provide information relative to their firm, for example the size of the firm, range of client services, and years in business. The proposal should detail the firms experience to date with municipalities in the State of Rhode Island. The proposal must define the qualifications and experience of the staff who will be assigned to this project. Specific reference should be made to GASB45 and GASB75 experience.

C. Professional References

The bidder must provide a listing of professional references, with emphasis on OPEB actuarial valuations for large municipal clients.

D. HIPPA Compliance

The bidder must demonstrate knowledge of, and compliance with, the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations. If, through this valuation process, it is determined that the City will be receiving protected health information, then the City and the “Firm” will be required to sign documentation necessary to keep both parties in compliance with HIPAA.

E. Equal Opportunity Act

The financial institution must comply with the Equal Opportunity Act. The bidder is required to have an Affirmative Action Plan which declares that the institution does not discriminate on the basis of race, color, religion, sex, national origin or age.

III. CONTRACT TERMS

A. Contract Period

The contract entered into between the City and the Firm shall be for a period of four years. In the event the Firm to whom the contract is awarded fails to meet any of the requirements set forth in this Request for Proposal, the City reserves the right to cancel the contract, and re-award to the next best proposal, or to issue a new Request for Proposal.

B. Compensation

Compensation for services shall be at the conclusion of each of the two full actuarial valuations, following the delivery of the report.

C. Termination of the Contract

Following implementation, should the Finance Director find that the firm has failed, in any material respect, to perform its agreed upon obligations under the contract, the contract shall be cancelled. In the event of termination of this contract as a result of breach by the contractor, the City shall not be liable for any fees and may, at its sole option, award a contract for the same services to another qualified firm or issue a new RFP. The contractor shall be responsible for consequential damages as a result of its breach, including, but not limited to, additional costs required under the new contract for similar services.

D. Period of Performance

The actuarial valuations should be prepared according to a predefined schedule. Extensions will only be granted by mutual agreement.

E. Actuarial Valuation Team

The specific employees initially assigned to the actuarial valuation are considered key to the project's success. Substitutions may only be made upon mutual agreement between the City and the firm.

F. Indemnification and Insurance

The selected firm shall indemnify and save the City harmless from liability in any manner of claims, law suits and damages for any type of losses, including the loss of life, due to its work or operations on City property, in carrying out and completing the full scope of services under this agreement.

G. Collusion

Any act or acts of misrepresentation or collusion shall be a basis for disqualification of any proposal or proposals submitted by such persons guilty of said misrepresentation or collusion. In the event that the City enters into a contract with any proposer who is guilty of misrepresentation or collusion and such conduct is discovered after the execution of said contract, the City may cancel said contract without incurring liability, penalty or damages.

H. Proposal/Disclosure

The City will not be liable for any costs incurred in the preparation of the response to this Request for Proposal. All proposals become the property of the City and will not be returned. Respondents to this RFP are hereby notified that all proposals submitted and information contained therein and attached thereto shall be subject to disclosure under the Freedom of Information Act.

IV. **MINIMUM PERFORMANCE REQUIREMENTS FOR ACTUARIAL VALUATION**

Bidders must demonstrate that the following information will be delivered to the City of Warwick by a predetermined date, within the months of September 2018 and September 2020:

A. Actuarial Study Assumptions

The actuarial study shall include the following core assumptions:

1. The valuation date shall be June 30th each year, or on a schedule determined by the City of Warwick.
2. Investment rate of return: Percentage rates must be mutually agreed upon by the City and the Contractor.
3. Actuarial cost method: The cost method that will produce the lowest ARC, upon agreement between the City and the Contractor. The City currently utilizes the projected unit credit method.
4. Amortization Period was 30 years when the first valuation was completed in June 2008. Remaining periods will be determined accordingly.
5. Amortization Method will be agreed upon by the City and the Contractor. The City currently utilizes a level payment approach.
6. Expected benefit payments, included in the calculation of the annual OPEB expense, will be replaced with actual fiscal payments when available.
7. All cost and liability estimates should be separated between active employees and retirees (pre-65 and post-65, where applicable). **It will be necessary for these calculations to also be broken down between City and School employees.**

B. Contents of Actuarial Valuation

The actuarial valuation must be performed in accordance with all the provisions required by GASB75, including the following:

- a) An actuarial valuation assuming no provision of an irrevocable trust
- b) An actuarial valuation assuming provisions of an irrevocable trust
- c) Disclosure of the implicit rate subsidy, if any, and its impact on the OPEB liability
- d) A proposed funding schedule under the provisions of both (a) and (b)
- e) Discussion of the following variables:
 - Turnover
 - Retirement age
 - Disability retirement age
 - Mortality rate
 - Projected salary increases
 - Inflation rate
 - Healthcare cost trend in the New England region
 - Amortization timeframe
 - Investment return
 - Post retirement benefit increases

- f) Valuation must detail the plans covered and associated benefits
 - g) Actuarial methods employed
 - h) Actuarial assumptions
 - i) Data used in the valuation
 - j) Demonstrated understanding of any healthcare related federal, state, or municipal legislative changes that impacted the valuation
 - k) Disclosure of any other provisions relevant to GASB75 reporting
2. The valuation must include adequate documentation which supports the calculation
 3. Recommendations for future annual data collection
 4. Calculation and discussion of the Present Value of the Future Expected Post-Employment Benefit Obligation (EPBO)
 5. Calculation of the Actuarial Accrued Liability (AAL)
 6. Summary of any Plan Assets
 7. Calculation of the Unfunded Actuarial Accrued Liability (UAAL)
 8. Calculation of the Normal Cost
 9. Calculation of the Annual Required Contribution
 10. Calculation of the Annual OPEB Cost
 11. Calculation of the Net OPEB Obligation
 12. All calculations must be split between City and School. Additionally, the City's Net OPEB obligation must be split between Public Safety (Police & Fire) and General (All Other).
 13. GASB 75 Accounting footnote information (separating City & School portions) including:
 - A summary of the actuarial methods and assumptions
 - Calculation of the Annual OPEB Cost as a dollar amount and a percentage of payroll
 - Reconciliation of the Net OPEB Obligation at the start of the year and the end of the year.
 14. Information to assist the City in future budgeting, including:
 - The ten year "pay as you go" cost
 - Annual Required Contribution (ARC) to fund retiree benefits over the working lifetime of eligible employees
 - Other suggestions for managing the liability

15. An Actuarial Certification including indication of compliance with Actuarial Standards of Practice No. 41 “Actuarial Communications” and American Academy of Actuaries “Qualification Standards for Prescribed Statement of Actuarial Opinion”. Certification must be signed by a Fellow of the Society of Actuaries (FSA).

V. Contents of the RFP Response

A. Information Sheet

All Bidders are required to complete the attached Information Sheet. Please attach additional sheets with your responses to the questions.

B. Bid & Contract Form

All relevant pricing information should be included on the attached Bid & Contract Form. Fee must be provided separately for the City and School portions of the valuation.

C. Professional Profile

Bidders should provide a professional profile of their firm, including resumes of the staff who will participate in the valuation process. Experience and education with GASB45 and GASB75 valuations should be detailed.

D. Professional References

Bidder should provide professional references which provide evidence of their experience performing GASB45 and GASB75 actuarial valuations for similar municipal clients.

E. Annual Financial Report

Please attach a copy of the firm’s most recent annual financial report in a separately sealed envelope marked with the *YOUR COMPANY NAME* on the exterior of the envelope as well as “RFP2019-039 GASB75 OPEB Actuarial Valuation & Consulting Services” and clearly marked “CONFIDENTIAL”.

F. Insurance Certificate

Bidder should demonstrate that they maintain professional liability insurance coverage.

VI. Evaluation Criteria

A committee appointed by the Director of Finance will review all proposals, and will evaluate them based upon the following criteria:

- The thoroughness of the proposal.
- The firm's overall qualifications and the experience of key personnel.
- The firm's recent experience on similar projects with an emphasis on municipal GASB45 and GASB75 experience and municipal health benefits.
- The firm's responses to questions posed on the information sheet.
- The proposed fee for services.

PLEASE COMPLETE THIS PAGE & SUBMIT WITH YOUR PROPOSAL

INFORMATION SHEET

Legal Name of Bidder:

Street Address:

City/State/Zip:

Telephone:

Fax:

E-Mail Address:

Primary Contact Name:

Questions regarding Scope of Services:

(Please attach additional sheets if necessary)

- 1. Will your valuation conform completely to GASB Statement Number 75 – Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions?**

- 2. Briefly describe the process you will utilize to calculate the City’s liability for post employment benefits. Please include a discussion of the variables involved in your calculation, including turnover, retirement age, mortality, healthcare cost trends, benefit increases, investment return, etc.**

- 3. Briefly describe your time budget for completing this project.**

PLEASE COMPLETE THIS PAGE & SUBMIT WITH YOUR PROPOSAL

4. **List the data or statistical information you will require from the City in order to complete this valuation.**
5. **Explain your procedure for projecting future medical healthcare cost trends.**
6. **Will you summarize the advantages/disadvantages of funding the Annual Required Contribution (ARC) vs. other relevant options?**
7. **Will you be able to meet with City officials periodically during the process, and be available for formal/informal presentations upon completion with both the City and School Department?**
8. **Will your report include a glossary of terms and sufficient explanatory text to permit a reasonable understanding of your cost methodology, actuarial assumptions, and recommendations for each pension plan within the City?**
9. **Please provide any additional information which you feel will be pertinent to this RFP and the preparation of this actuarial valuation.**

Please Note: Any representations made with this submission will be relied upon and if proven to be false will be grounds for termination of the contract, if awarded. False representations will also be grounds for forfeiture of all payments under the contract. This will not limit the municipality from seeking other legal or equitable remedies.

Please be sure to attach your...

- Bid and Contract Form**
- Professional Profile**
- Professional References**
- Annual Financial Report (in a separately marked envelope)**
- Insurance Information**

PLEASE COMPLETE THIS PAGE & SUBMIT WITH YOUR PROPOSAL

CITY OF WARWICK

PROPOSAL AND CONTRACT FORM

TITLE OF SPECIFICATION: RFP2019-039 GASB75 OPEB Actuarial Valuation & Consulting Services

I. PROPOSAL:

WHEREAS, the CITY OF WARWICK has duly asked for proposals for performance of services and/or supply of goods in accordance with the above-indicated specifications.

The person or entity does irrevocably offer to perform the services and/or furnish the goods in accordance with the specifications, which are hereby incorporated by reference in exchange for the proposal price.

This offer will remain open and irrevocable until the CITY OF WARWICK has accepted this proposal or another proposal on the specifications or abandoned the project.

The bidder agrees that acceptance by the CITY OF WARWICK will transform the proposal into a contract. This proposal and contract will be secured by Bonds, if required by the specifications.

	City Portion	School Portion
Fiscal Years	Professional	Professional
Ended	Service Fee*	Service Fee*
June 2018/2019	\$ _____	\$ _____
June 2020/2021	\$ _____	\$ _____

Pricing Includes Annual Updates if Required

(*NOTE: Continuation beyond the initial fiscal year of the four year contract will be at the discretion of the municipality. Professional Service Fee must include all expenses associated with this project)

Please do not include the cost of a performance bond in the above bid price. **Please list the cost of the performance bond separately below:**

Years Ended June 2018/2019 \$ _____
Years Ended June 2020/2021 \$ _____