

CITY OF WORCESTER – OPEB BOARD OF TRUSTEES RFP: ACTUARIAL VALUATION SERVICES

DATE RFP ISSUED:06/02/21 | CLOSED: 06/30/21

RFP REVIEW TEAM COMPOSITE RATING SHEET
(REVIEW TEAM: OPEB BOARD MEMBERS WITH OPEB VALUATION EXPERIENCE : BOB STEARNS, TIM MCGOURTHY)

7/21/21

Combined Evaluation of Timothy McGourthy and Robert Stearns OPEB Board members

Summary of overall evaluation	Lewis & Ellis Actuaries & Consultants	KMS Actuaries LLC	Bolton
Met Mandatory Criteria?	Y	Y	Y
Overall Evaluation	Advantageous	Highly Advantageous	Advantageous

Summary of Comparative Criteria	Lewis & Ellis Actuaries & Consultants	KMS Actuaries LLC	Bolton
Relevant Experience	Highly Advantageous	Highly Advantageous	Highly Advantageous
No. of Municipal Clients	Advantageous	Advantageous	Highly Advantageous
References	Advantageous	Highly Advantageous	Advantageous
Plan of Services	Advantageous	Highly Advantageous	Advantageous
Quality of Reporting and Presentations	Advantageous	Highly Advantageous	Advantageous

Proposer Name: Lewis & Ellis

Date of review: 7/16/2021

MANDATORY CRITERIA (section 2 of RFP CR-7620-W1)	<u>Comply (Y/N)</u>
2.1 Provide a cover letter / statement of qualifications which demonstrates the proposer's ability to provide all of the services identified in the attached scope. Please include resumes of individuals that will provide services under this scope as well as the timeline/schedule to complete the services. Responder must be a member of the American Academy of Actuaries.	<u>Y</u>
2.2 Provide, at a minimum, a list of three references who can be contacted during the RFP process indicating customer name, contact person, his/her title, address, telephone number and email address for whom you are presently providing similar services. Also include identical information for two additional references that are no longer active customers. Poor references may be used as a basis for determining that a vendor is not a responsible proposer. The City of Worcester can and will act as its own reference.	<u>Y</u>
2.3 Provide, at a minimum, three complete valuation reports from other municipalities as they pertain to GASB 74/75. 2.3.1. With respect to 2.3, provide schedules in the development of a single discount rate based on GASB 75 that includes (1) GASB 75 "crossover" discount rate projections, (2) a schedule of Projected Contributions for Current Participants, (3) a Projection of Fiduciary Net Position, and (4) the Present Value of Projected Benefit Payments.	<u>Y</u>

COMPARATIVE EVALUATION CRITERIA (section 4 of RFP CR-7519-W1)

Section	Rating	Notes
A. Experience	Highly Advantageous	The respondent has submitted a statement of qualifications with resumes and have 5 years or more experience practicing OPEB valuations, is a member of the American Academy of Actuaries, and is a fellow or associate with the Society of Actuaries.

B. No. of Muni Clients	Advantageous	Multiple governmental and municipal clients with participants eligible for OPEB were listed but the number of participants was not listed so there was no way to count the total clients over 5,000. A search of the CAFR's reported for the list of cities showed most were small size. El Paso, Worcester and LA Dept. of Water/Power were above 5,000. LA Water was last performed by Segal and not L&E.
C. References	Advantageous	<ol style="list-style-type: none"> 1. Worcester - The City has worked with L&E over the past three years. Valuation was timely. 2. Wisconsin Legislative Bureau – Erin S (7/26/21) positive reference 3. Tempe AZ – Tom Dunning - positive reference (7/23/21) 4. City of Huntsville TX – positive reference 7/27/21 – Steve Ritter 5. Other 2 references – both prior clients – 1 did not call back, 1 number is no good.
D. Plan of Services	Advantageous	<p>The proposal provides a solid but basic work plan, but did not discuss discount rate recommendations/advice.</p> <p>Did not specifically address the request in scope of services for 3 reform scenarios (item #10 p 17).</p>
E. Quality of Reporting and Presentations	Advantageous	<p>The City of Worcester report is solid. The others are difficult to assess since it's not clear if the numbers are based on real-world scenarios. The format is sufficient for the City's needs.</p> <p>The City of Worcester sought GASB reporting on the development of the discount rate since the current period will be the first year for the City in this reporting. In the scope of services this was a requirement (p17 item 8) and the respondent did not provide examples.</p>

OVERALL NARRATIVE PROPOSAL EVALUATION: ADVANTAGEOUS

Proposer Name: KMS Actuaries

Date of review: 7/16/2021

MANDATORY CRITERIA (section 2 of RFP CR-7519-W1)	<u>Comply (Y/N)</u>
2.1 Provide a cover letter / statement of qualifications which demonstrates the proposer's ability to provide all of the services identified in the attached scope. Please include resumes of individuals that will provide services under this scope as well as the timeline/schedule to complete the services. Responder must be a member of the American Academy of Actuaries.	Y
2.2 Provide, at a minimum, a list of three references who can be contacted during the RFP process indicating customer name, contact person, his/her title, address, telephone number and email address for whom you are presently providing similar services. Also include identical information for two additional references that are no longer active customers. Poor references may be used as a basis for determining that a vendor is not a responsible proposer. The City of Worcester can and will act as its own reference.	Y
2.3 Provide, at a minimum, three complete valuation reports from other municipalities as they pertain to GASB 74/75. 2.3.1. With respect to 2.3, provide schedules in the development of a single discount rate based on GASB 75 that includes (1) GASB 75 "crossover" discount rate projections, (2) a schedule of Projected Contributions for Current Participants, (3) a Projection of Fiduciary Net Position, and (4) the Present Value of Projected Benefit Payments.	Y

COMPARATIVE EVALUATION CRITERIA (section 4 of RFP CR-7519-W1)

Section	Rating	Notes
A. Experience	Highly Advantageous	The respondent has submitted a statement of qualifications with resumes and have 5 years or more experience practicing OPEB valuations, is a member of the American Academy of Actuaries, and is a fellow or associate with the Society of Actuaries.

B. No. of Muni Clients	Advantageous	Multiple governmental and municipal clients. Only two identified with 5,000 or more OPEB members.
C. References	Highly Advantageous	<p>Worcester – positive reference. The City had positive experience with KMS in 2015/2017 when they were the city’s OPEB actuary who performed valuation under prior GASB rules (GASB 45). Work was complete and no issues and was completed on time. The actuary presented results to the City Council in 2015.</p> <p>Called U Maine, spoke with Tracy Elliott – positive reference</p> <p>Called City of Manchester – spoke with Sharon Wickens – positive reference</p> <p>Dukes County – Jonathan Snyder – positive reference</p> <p>Franklin Regional Retirement – Dale Kowacki - positive reference</p>
D. Plan of Services	Highly Advantageous	<p>The proposal provides an excellent, clear, and time-sensitive work plan. Offers reform alternatives in consultation with the Trustees.</p> <p>The proposal provides a superior clear, concise approach to meeting the enclosed scope of services, including programs, methodology and timelines leading to successful performance.</p> <p>The Work Plan addressed the scope outlined in the bid. The Work Plan identified the deadline of Oct 31st, the data collection process, the three future valuations (full & rollforward). The Work Plan includes analysis of up to three reform proposals which was included in the Scope of services p.17 item #10. The list of services listed in the Work Plan are all expected including additional analysis as required which was mentioned in the bid as an item of service as listed in scope #4 in the bid General Info 1.12.</p>
E. Quality of Reporting and Presentations	Highly Advantageous	<p>Reports and representations of data were extremely well done and thorough.</p> <p>The report provided for Duke County was the most comprehensive of the three responders in demonstrating the calculation of discount rate when using the GASB crossover date of fund insolvency</p>

OVERALL NARRATIVE PROPOSAL EVALUATION: HIGHLY ADVANTAGEOUS

Proposer Name: Bolton

Date of review: 7/16/2021

MANDATORY CRITERIA (section 2 of RFP CR-7519-W1)	<u>Comply (Y/N)</u>
2.1 Provide a cover letter / statement of qualifications which demonstrates the proposer's ability to provide all of the services identified in the attached scope. Please include resumes of individuals that will provide services under this scope as well as the timeline/schedule to complete the services. Responder must be a member of the American Academy of Actuaries.	Y
2.2 . Provide, at a minimum, a list of three references who can be contacted during the RFP process indicating customer name, contact person, his/her title, address, telephone number and email address for whom you are presently providing similar services. Also include identical information for two additional references that are no longer active customers. Poor references may be used as a basis for determining that a vendor is not a responsible proposer. The City of Worcester can and will act as its own reference.	Y
2.3 Provide, at a minimum, three complete valuation reports from other municipalities as they pertain to GASB 74/75. 2.3.1. With respect to 2.3, provide schedules in the development of a single discount rate based on GASB 75 that includes (1) GASB 75 "crossover" discount rate projections, (2) a schedule of Projected Contributions for Current Participants, (3) a Projection of Fiduciary Net Position, and (4) the Present Value of Projected Benefit Payments.	Y

COMPARATIVE EVALUATION CRITERIA (section 4 of RFP CR-7620-W1)

Section	Rating	Notes
A. Experience	Highly Advantageous	The respondent has submitted a statement of qualifications with resumes and have 5 years or more experience practicing OPEB valuations, is a member of the American Academy of Actuaries, and is a fellow or associate with the Society of Actuaries.
B. No. of Muni Clients	Highly Advantageous	Five or more governmental clients with participants eligible for OPEB of 5,000 or more.

C. References	Advantageous	Maryland Transit Admin- Glenn Davis - positive reference by email Howard County – Rafiu Ighile – phone - positive reference Montgomery County Govt – Corey Orlosky – positive reference Harford County Public Schools –Jay Staab – positive reference Baltimore County Govt – left message 7/22 – no reply
D. Plan of Services	Advantageous	The proposal was straightforward, but did not discuss discount rate recommendations/advice. The proposal was clear and concise but did not discuss added services General 1.12 and Scope item # 10 (p.17) ... advice for lowering the liability through modeling prefunded contributions or changes to assumptions.
E. Quality of Reporting and Presentations	Advantageous	Reports were solid and well done. The sample reports included the calculation of a blended rate (Frederick County) but were lacking in detail compared to KMS. There was some inconsistency in reporting between Baltimore Appendix A p73 compared to p 35 of Frederick County where for Baltimore part of the calculation did not explain why no amounts were listed in the future years for the projected contributions for future employees whereas the calculation was complete for Frederick County p.35.

OVERALL NARRATIVE PROPOSAL EVALUATION: ADVANTAGEOUS

EXHIBIT 1 –COMPARATIVE EVALUATION CRITERIA

3. Comparative Evaluation Criteria:

3.1. Relevant Experience

Highly Advantageous - The respondent has submitted a statement of qualifications with resumes and have 5 years or more experience practicing OPEB valuations under GASB 74/75, is a member of the American Academy of Actuaries, and is a fellow or associate with the Society of Actuaries.

Advantageous – The respondent has submitted a statement of qualifications with resumes and has 3 to 5 years' experience practicing OPEB valuations under GASB 74/75, and is a member of the American Actuarial Academy.

Not Advantageous – The respondent has submitted a statement of qualifications with resumes and has less than 3 years' experience practicing OPEB valuations under GASB 74/75, and/or is not a member of the American Actuarial Academy.

3.2. Number of Municipal Clients

Highly Advantageous – Five or more governmental clients with participants eligible for OPEB of 5,000 or more.

Advantageous – One or more governmental clients with participants eligible for OPEB of 5,000 or more.

Not Advantageous – No governmental clients with participants eligible for OPEB of 5,000 or more.

3.3. References

Highly Advantageous – Five or more positive references from similar clients.

Advantageous – Three to four positive references from similar clients.

Not Advantageous – Less than three positive references from similar clients.

3.4. Plan of Services

Highly Advantageous – the proposal provides a superior clear, concise approach to meeting the enclosed scope of services, including programs, methodology and timelines leading to successful performance.

Advantageous – the proposal provides a satisfactory approach to meeting the enclosed scope of services, including methodology and timelines likely leading to successful performance.

Not Advantageous – the proposal does not provide an adequate approach to meeting the enclosed scope of services, including methodology and timelines leading to successful performance.

3.5. Quality of Reporting and Presentations

Highly Advantageous – Reports exhibit superior professionalism and presentation quality.

Advantageous – Reports exhibit sufficient professionalism and presentation quality.

Not Advantageous – Reports exhibit modest professionalism and limited presentation quality.