

**TOWN OF WEST HARTFORD  
OFFICE OF  
FINANCIAL SERVICES**

**REQUEST FOR PROPOSALS**

**FOR**

**CONSULTING ACTUARIAL SERVICES**

**Release Date: March 26, 2019**

**RFP Submission Due Date: April 22, 2019 at 3:00 p.m.**

**BID# 6694RFP**



**INFORMATION**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**CONSULTING ACTUARIAL SERVICES**  
**TOWN OF WEST HARTFORD**  
**50 SOUTH MAIN STREET**  
**WEST HARTFORD, CT 06107**  
**BID# 6694RFP**

**ALL QUESTIONS TO**

Peter Privitera  
Purchasing Agent

All questions must be submitted by email to  
[Peter.Privitera@westhartfordct.gov](mailto:Peter.Privitera@westhartfordct.gov)

## **Introduction**

The Town of West Hartford, Connecticut, Office of Financial Services, is requesting proposals for actuarial consulting services relating to the Town's Pension Fund and OPEB obligation for the fiscal years July 1, 2019 to June 30, 2021, and subject to satisfactory completion of each year's work, for two (2) additional option years thereafter (through June 30, 2025).

The Town has established a trust for deposit of funds to facilitate its other post-employment benefits and it has one defined benefit pension plan covering substantially all fulltime city employees, except those employees of the Board of Education who are eligible to participate in the State of Connecticut Teachers' Retirement System. Selected data and description of the individual plans are contained in annual actuarial and audit reports and are available upon request.

The Town invites proposals for actuarial services from firms that have had experience in providing actuarial services to towns of similar size and scope, and that have the staff capacity and expertise to do so for the Town of West Hartford.

## **Issuing Office**

This RFP is being issued by the Purchasing Department of the Town of West Hartford on behalf of the Office of Financial Services, hereinafter referred to as the "Town." The issuing officer is the Director of Financial Services.

## **Inquiries**

All technical inquiries regarding this RFP must be in writing and must be addressed to:

Peter Privitera  
Director of Financial Services  
Town of West Hartford  
50 South Main Street  
West Hartford, CT 06107-2431  
T: 860 561-7461  
Peter.Privitera@westhartfordct.gov

The deadline for submitting questions related to this RFP is Wednesday, April 10, 2019. Responses to all questions will be furnished through a formal addendum following the closing date listed herein.

## **Incurring Cost**

The Town will not be held responsible for any costs incurred by the proposer for work performed in preparation and production of a proposal or for any work performed prior to the issuance of a contract.

## **Rejection/Acceptance of Proposals**

The Town reserves the right to refuse for any reason deemed to be in the Town's best interest any and/or all proposals submitted under this RFP.

This RFP is not an offer to contract. Acceptance of a proposal neither commits the Town to award a contract with any firm, even if all requirements in this RFP are met, nor limits its right to negotiate in the best interest of the Town. The Town reserves the right to contract with any firm.

### **Addenda to RFP**

Amendments to this RFP may be necessary prior to the closing date and will be furnished to all prospective proposers. Failure to acknowledge receipt of amendments in accordance with the instructions contained in the amendment may result in the proposal not being considered.

### **Submission of Proposals**

Each proposer must submit one original and six (6) copies of the proposal in a sealed envelope bearing on the outside the name of the firm, full address, name of the project for which the proposal is submitted and the date and time the proposal is due to: Peter Privitera, Director of Financial Services, at the address previously identified.

These proposals must be received by the Town no later than Monday, April 22, 2019 at 3:00 p.m. Proposals received after the date and time prescribed shall not be considered for contract award and shall be returned to the proposer. Neither faxed nor emailed RFP responses will be accepted as a qualified RFP submission.

A proposer may correct, modify, or withdraw a proposal by sealed written notice, clearly marked as a correction, modification, or withdrawal, and received by the Purchasing Department prior to the time and date set forth for proposal submission.

### **Proprietary Information**

The Town will not disclose any portion of the proposals except to members of the proposal evaluation team prior to contract award. The Town retains the right to disclose the name of the successful proposer, the financial considerations and any other information in the proposal that is pertinent to the selection of the proposer.

### **Independent Project Cost Determination and Gratuities**

By submission of a proposal, the proposer certifies that in connection with its procurement:

The financial data in this offer has been arrived at independently, without consultation, communication, or agreement, for the purposes of restricting competition, as to any matter relating to such prices with any other proposer or competitor.

The financial data quoted in this offer will not change for a period of one hundred twenty (120) days after the receipt date, at the Town, of this offer.

Unless otherwise required by law, the financial data which has been quoted in this offer have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to award, directly or indirectly to any other proposer or to any competitor.

No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not to submit an offer for the purpose of restricting competition.

No elected official or appointed official or employee of the Town shall benefit financially or materially from this contract.

### **Prime Contractor Responsibility**

Vendors submitting proposals to this RFP may not utilize the service of subcontractors without the prior written approval of the Town.

### **Termination for Default or for the Convenience of the Contracting Agency**

Performance under any contract resulting from this RFP may be terminated by the Town whenever:

The contractor shall default in the performance of his/her contract and shall default within the period specified by the contracting officer in a notice specifying default; or

The contracting officer shall determine that termination is in the best interest of the Office of Financial Services of the Town.

Termination will be effected by delivery to the contractor of a notice to terminate, stating the date upon which the termination becomes effective.

In the event of termination of this agreement as a result of a breach by the contractor hereunder, the Town shall not be liable for any fees and may, at its sole option, award an agreement of the same services to another qualified firm with the best proposal or call for new proposals and award the agreement thereunder. The contractor shall be responsible for direct and consequential damages as a result of its breach, including but not limited to, extra costs required under the new agreement of similar services.

### **Ambiguity in the Request for Proposals (RFP)**

Prior to submitting the proposal, the contractor is responsible to bring to the Town's attention any ambiguity in this RFP. Failure to do so shall result in the contractor forfeiting any claim for adjustment based on such ambiguity as should have been noted by a prudent contractor.

In the event of any ambiguity between the Town's RFP and the proposer's proposal, then whatever shall be more favorable to the Town as determined in the sole discretion of the Director of Financial Services shall prevail and take precedence.

### **Ownership Information**

The Town shall have unlimited rights to use, disclose or duplicate, for any purpose whatsoever, all information developed, derived, documented or furnished by the proposer under any contract resulting from this RFP.

In the event of contract award, all data collected and other documentation produced as part of the contract will become the exclusive property of the Town and may not be copied or removed by any employee of the proposer without written permission of the Town.

### **Contract Agreement**

The selected proposer will be required to agree to and sign a formal written contract agreement between the Town and the proposer prepared by the Legal Department of the Town.

The annual fee relating to the period of performance under this contract is subject to annual appropriation by the Town. If there is no annual appropriation, then the contract will become null and void and of no force and effect. Both the Town and the Actuary will have the right, under the terms of the contract, to cancel the contract as of June 30 of any year on notice to the other party at least sixty days prior to that June 30<sup>th</sup> date.

### **Insurance Requirements**

The selected proposer, upon the signing of the formal contract, will be required to deliver an insurance certificate in amounts, companies and terms acceptable to the Risk Manager of the Town. See attached insurance requirements.

### **Competition Intended**

It is the Town's intent that this RFP permit competition. It shall be the proposer's responsibility to advise the Town in writing if any language, requirement, scope, specification, etc., or any combination thereof, inadvertently restricts or limits the requirements stated in this RFP to a single source. Such notification must be received by the Town not later than fourteen (14) days prior to the date set for acceptance of proposals.

### **Tax Exempt**

The Town is exempt from the payment of taxes imposed by the Federal Government and/or State of Connecticut. Such taxes must not be included in the bid price.

### **Scope of Services**

Specifically, the Consultant shall perform the following tasks:

## **Section A**

### **Terms and Conditions of the Engagement**

#### **Summary of Principal Services Required**

1. The Actuary shall annually conduct an actuarial valuation and a review of the Town's pension plan as of each July 1<sup>st</sup> and shall prepare a written report thereon for the plan. At the Town's election, valuation work will be performed on an annual or biennial cycle. If a biennial valuation is performed, in "off" years the valuation will include employer contribution calculations and up to 25 copies of an abbreviated written report will be developed for the plan. In these years, current asset information will be utilized, but no data preparation will be performed other than use of union contract compensation increases and standard actuarial projection. Regardless of frequency, the report shall include all data necessary to meet the requirements of Governmental Accounting Standards Board Statements (Financial Reporting for Defined Benefit Pension Plans, Accounting for Pensions by Local Governmental Employers and Accounting) and the requirements of any future amendments to those pronouncements, as well as the data necessary to prepare any reports required by the federal government relative to the pension plan, as well as the breakdown of cost by union. Such actuarial valuation shall be based on census information provided annually to the actuary by the Town, and on

such actuarial assumptions that the Town and the actuary agree are reasonable and appropriate in the circumstances. The report shall also set forth the actuary's recommended employer contribution percentage (as a percent of payroll) for the Town's fiscal year beginning on the following July 1. Such report shall be completed by the actuary within 90 days after the City has submitted all required census information. If, for whatever reason, the report is not completed by February 1, of the year, the actuary shall also provide the Town, by January 15<sup>th</sup>, with an estimated contribution as percent of salaries to be used in preparing the Town's budget for the fiscal year beginning on the next July 1.

2. The Actuary shall conduct full actuarial valuations every two years beginning June 30, 2019 to measure and report upon OPEB liabilities. The OPEB report shall be used to project, discount, and allocate the cost of post-employment benefits to the appropriate period of employee service. It shall determine the Actuarially Determined Employer Contribution (ADEC), disclose and report upon OPEB assets and liabilities and contributions to the plan. The required two year full valuation shall be updated every other year to address municipal budgetary needs and to provide information on the plan to the Town's auditors for inclusion in the CAFR. The Town's OPEB obligations shall be actuarially determined in accordance with GASB (Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). Full valuations shall take into consideration factors including employee turnover, retirement age, mortality, projected salary increases, inflation rate, investment return, and post-retirement benefit increases, and actuarial gains or losses. Such actuarial valuations shall be based on census information provided annually to the actuary by the Town, and on such actuarial assumptions that the Town and the actuary agree are reasonable and appropriate in the circumstances. The ADEC shall also show cost per union. The report shall also set forth the Town's ADEC percentage for the fiscal year beginning on the following July 1. Such reports shall be completed by the actuary within 90 days after the Town has submitted all required census information and completed by February 1, in order that the ADEC be used in preparation of the Town's budget for the fiscal year beginning on the next July 1<sup>st</sup>.

3. Keep the Town informed on a timely basis, in writing, of all federal and state legislation affecting or related to the Town's pension plan or OPEB.

4. Attend one pension fund meeting with the Town Pension Board shortly after completion of the annual actuarial valuation to review the report and discuss any recommendations made therein. Attend additional meetings of the Town Pension Board or other Town Boards on request, to a maximum of five additional meetings per fiscal year. Attendance at meetings in excess of these six meetings would be compensated on the basis of contractual hourly rates.

5. Compute pension benefit adjustments to retirees pursuant to current collective bargaining agreements or as such requirements are amended through collective bargaining.

6. Serve as a consulting actuary in connection with pension matters arising in labor negotiations by Town proposals. In this regard, in response to a request from the Town, the actuary would advise the Town regarding a proposed pension change and would compute the impact of a proposed change on the Town's annual pension contribution and on the pension liability.

7. In addition, on an annual basis, the actuary shall provide the detail supporting the pension and OPEB reports, which should include a breakdown by union and by department, and employee/term vested/retiree, if applicable, or as otherwise required by the Town.

8. Respond to informational requests from the Town Pension Board, provided such requests are within the purview of their authority and their willingness and ability to pay for such services from Trust sources, if such requests are beyond what is covered under the annual fee.

9. If requested, prepare comprehensive annual statements to be mailed to each active employee and pensioner. This statement will set forth an estimate of each individual participant's current accrued and projected benefit at retirement.
10. If requested, prepare or update booklets to be distributed to participants of the pension plan describing the plan and benefits thereunder. This involves drafting copy only. The printing will be done by the Town.

#### Town Contact

Subsequent to the signing of a legal contract, the Town will designate a principal contact person between the actuary and the Town. That individual would transmit requests for actuarial services or specialized computations. Responsibility for the timely submission of census data to the actuary would rest with the Department of Financial Services. The actuary will be in contact, from time to time, with Town personnel regarding both pension and OPEB related matters.

### **Proposal Content**

#### **Section B**

#### **Format of Proposals**

To enable the Town to compare the proposals received, we ask that your proposal include the information specified below, in the sequence listed, with each section of your proposal numbered to correspond to the numbers sequenced below.

#### Profile of Proposer

1. Affirm that the proposer is a firm properly licensed or otherwise permitted to provide independent actuarial consulting services in Connecticut.
2. Indicate whether your firm is local, regional, national or international in the scope of its practice.
3. Indicate the address of your home office.
4. Indicate the major national and regional organizations of which your firm or its principals are members.
5. Indicate whether your firm has been the subject of any professionals' disciplinary action by federal, state government or by a professional association. If yes, describe that disciplinary action.
6. Identify any municipal governments and public employees' retirement systems that are comparable in size to the Town for which your firm currently provides independent consulting actuarial services of a type similar to that outlined in this request for proposals.
7. Describe your firm's professional development programs and any continuing professional education requirements imposed by your firm on professional actuarial services personnel. Identify specialized programs offered within your firm in the area of governmental actuarial services.
8. Describe any periodical or occasional publications produced by your firm in the actuarial service area.
9. Identify the local office that would handle the Town engagement, including address and phone number.



Identify the partner or other individual in charge of that office. Indicate the total number of professional staff personnel currently assigned to that office. If that office is not in West Hartford, describe how your firm's personnel assigned to the Town engagement would be available throughout the year for consultation or meetings as well as for the annual actuarial valuation.

10. Identify the larger actuarial services clients handled by that local office, including non-profit organizations and governmental units (current or within the past five years). For governmental clients, please indicate how many years your firm has been their independent consulting actuaries.

11. Identify the partners, managers, specialists or other professional staff persons from that local office and from any other offices of your firm who would be assigned to the Town actuarial services engagement. Describe their roles and provide a brief description of their professional experience, including their experience designations, licenses, and memberships that these individuals hold. Indicate the extent to which their governmental actuarial experience has been within the State of Connecticut. Indicate their participation in professional development programs in the governmental or nongovernmental actuarial services area. If more convenient, resumes may be included in an appendix appropriately cross-referenced here.

12. Please provide any additional information about your firm that you believe will assist the Town in making its selection.

### **Proposed Approach**

Describe in narrative form your proposed approach to this engagement, including time deadlines by which you would want information from the Town, method of transmission of data from the Town to your firm, turnaround time in preparing the report of the annual pension actuarial valuation, bi-annual OPEB valuation with annual updates, quality controls within your firm with regard to reviewing the report before it is transmitted, the format of a standard report of an actuarial valuation (attach examples, if possible), how your personnel would participate in the Town's labor negotiations where pension changes are involved, how you would want to receive questions arising during labor negotiations, how you would handle those and what the turnaround time would be and how you would propose to work with the pension board members.

### **Fee**

1. Indicate your firm's proposed fee structure for the scope of work described in Section A of this Request for Proposals for each of the four fiscal years beginning with the year July 1, 2019 to June 30, 2021. Present a fee schedule for valuation work under an annual and biennial cycle. It is anticipated that Items 1 through 7 of Section A will be considered core services and be subject to a basic annual fee. However, this should not deter inclusion of some or all of Item 6 into either a basic annual fee or at reduced rates from those that apply for services outside the scope of this engagement. Your fee presentation should include any additional charges for out-of-pocket expenses and include the hourly rates of those individuals who would perform work that is outside the scope of the basic annual fee. Your fee presentation should be clear as to what will or could be charged during each year of the term of the engagement.

2. Indicate your firm's current hourly billing rates for all classifications of professional personnel for services that might be requested by the Town that are beyond the scope of this engagement and identify how, if at all, these rates may be adjusted during the term of the engagement.

3. Describe the method you would use in charging for any special request, reports, or broadening of the scope of the work beyond that described in Section A of this Request for Proposals.

4. Indicate your proposed schedule of billing dates during each year for the basic fee.
5. Please provide any additional information about your firm's proposed charges for this engagement.

### **Other Information**

Provide any other information that you believe will assist the Town in making its selection. Such information may be in this last section of your proposal or may be presented in one or more appendices.

### **Eligibility**

The successful consultant shall not be eligible to respond to any Town bid or RFP that is developed as part of this consultancy, nor shall any firm that is related or associated in any way to the consultant be eligible to respond to such bids or RFPs. Each proposal shall include a list of firms and individuals related to the proposing firm that would be unable to respond to such bids or RFPs.

### **Basis for the Award**

Proposals will be evaluated on a predetermined set of criteria including, but not limited to, general qualifications and experience of the firm, proposed approach to this engagement, fee proposal, references and whatever other information is provided by the proposer to assist the selection committee in making a selection decision.

During the evaluation process, the selection committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the selection committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The Town reserves the right to reject any or all proposals submitted, to request additional information from any Proposer, and to negotiate with any of the Proposers regarding the terms of the engagement. The Town intends to select the firm that, in its opinion, best meets the Town's needs, not necessarily the firm that proposes the lowest fees.

**Indemnification and Insurance Exhibit  
Professional Actuarial Consulting Services  
Bid# 6694RFP**

For purpose of this Exhibit, the term "Consultant" shall also include their respective agents, representatives, employees, contractors of any tier; and the term "Town of West Hartford and West Hartford Board of Education" (hereinafter called the "Town") shall include their respective boards, commissions, officers, officials, employees, agents, representatives and volunteers.

**I. INDEMNIFICATION**

- A. Consultant agrees to defend, indemnify and hold harmless Town of West Hartford, West Hartford Board of Education and their respective boards and commissions, officers, officials, agents, representatives, employees and volunteers from any and all suits, claims, losses, damages, costs (including without limitation reasonable attorney's fees), compensations, penalties, fines, liabilities or judgments of any name or nature for, including, but not limited to, injuries or alleged injuries to person(s) (including without limitation, bodily injury, sickness, disease or death), or to property, real or personal, or financial losses (including, without limitations, those caused by loss of use) sustained by any person or concern is caused or alleged to have been caused in whole or in part by any and all negligent or intentional acts, errors or omissions of the Consultant, and Consultant's employees, agents, representatives, and contractors including any violation or non-compliance with any federal, state, local statute, ordinance, rule, law or regulation.
- B. This duty to indemnify shall not be constrained or affected by the Consultant's insurance coverage or limits, or any other portion of the Contract relating to insurance requirements. It's agreed that the Consultant's responsibilities and obligations to indemnify shall survive the completion, expiration, suspension or termination of the Contract.
- C. The Consultant shall have no responsibility or liability for the adequacy of the Town's Risk Management Fund and makes no representations or warranties, express or implied concerning the solvency or ability of the Town to pay claims.

**II. INSURANCE**

**A. Insurance Requirements**

1. The Consultant shall obtain and maintain at its own cost and expense all the insurance described below continuously for the duration of the Contract, including any and all extensions, except as defined otherwise in this Exhibit.
2. Consultant's policies shall be written by insurance companies authorized to do business in the State of Connecticut, with a Best's rating of no less than A:VII, or otherwise approved by the Town.
3. All policies (with the exception of Worker's Compensation and Professional Liability) shall be endorsed to include the Town of West Hartford, West Hartford Board of Education, and their respective boards, commissions, officers, officials, employees, agents, representatives, and volunteers as an Additional Insured. The coverage shall include, but not be limited to, investigation, defense, settlement, judgment or payment of any legal liability. Blanket Additional Insured Endorsements are acceptable. Any Insured vs. Insured language shall be amended to eliminate any conflicts or coverage restrictions between the respective Insureds.
4. When the Town or the Consultant is damaged by failure of the Consultant to purchase or maintain insurance required under this Exhibit, the Consultant shall bear all reasonable costs including, but not limited to, attorney's fees and costs of litigation properly attributable thereto.

**B. Required Insurance Coverages:**

1. **Commercial General Liability:** \$1,000,000 each occurrence for premises/operations, contractual liability, independent contractors, personal injury and broad form property damage.
2. **Professional Liability (claims-made):** \$1,000,000 each claim / \$2,000,000 aggregate. Retroactive date under the policy shall precede the effective date of this Contract. The Consultant shall maintain continuous coverage or obtain an extended reporting period in which to report claims for two (2) years after completion of the work to be performed under this Contract.
3. **Workers' Compensation and Employer's Liability:** Statutory coverage in compliance with the Workers' Compensation laws of the State of Connecticut. Policy shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 disease/policy limit, \$100,000 disease/each employee.

The Consultant represents that they are currently in compliance with all requirements of the State of Connecticut Workers' Compensation Act and that it shall remain in compliance for the duration of the Contract. The Consultant agrees that Workers' Compensation is their sole remedy and shall indemnify and hold harmless the Town from all suits, claims, and

actions arising from personal injuries to the Consultant, however caused. This indemnity shall not be affected by a lapse of Workers' Compensation coverage and/or if the Consultant failed, neglected, refused or is unable to obtain Workers' Compensation insurance.

4. **Personal Property:** All personal property of the Consultant are the sole risk of the Consultant. The Consultant agrees to indemnify, defend and hold harmless the Town from any and all losses or damages, however caused, to any and all personal property belonging to the Consultant.

**C. Additional Terms**

1. Minimum Scope and Limits: The required insurance shall meet the minimum scope and limits of insurance specified in this Exhibit, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever coverage is greater. Providing proof of compliance with the insurance requirements described in this Exhibit is not intended, and shall not be construed to exclude the Town from additional limits and coverage available to the Consultant.

Acceptance by the Town of insurance submitted by the Consultant does not relieve or decrease in any manner the liability of the Consultant arising out of or in connection with this Contract. The Consultant is responsible for any losses, claims and costs of any kind which exceed the Consultant's limits of liability, or which may be outside the coverage scope of the policies, or a result of non-compliance with any laws. The requirements herein are not intended, and shall not be construed to limit or eliminate the liability of the Consultant that arises from the Contract.

2. Certificates of Insurance: The Consultant shall provide certificates of insurance and policy endorsements acceptable to the Town confirming compliance with this Exhibit and thereafter upon renewal or replacement of each required policy of insurance. Upon request, the Consultant agrees to furnish complete copies of the required policies.
3. Premiums, Deductibles and Other Liabilities: Any and all related costs, including but not limited to, deductibles, retentions, losses, claim expenses, premiums, taxes, and audit charges earned are the sole responsibility of the Consultant.
4. Occurrence Form, Primary and Non-Contributory: All required insurance coverage shall be written on an occurrence basis, except as defined otherwise in this Exhibit. Each required policy of insurance shall be primary and non-contributory with respect to any insurance or self-insurance maintained by the Town.
5. Claims-made Form: Insurance coverage written on a claims-made basis shall have a retroactive date that precedes the effective date of this Contract. The Contractor shall maintain continuous coverage or obtain an extended reporting period in which to report claims following end of the Contract, for a minimum of two (2) years, except as defined otherwise in this Exhibit.
6. Waiver of Rights of Recovery: Both the Consultant and Consultant's insurers shall waive their rights of recovery or subrogation against the Town.
7. Claim Reporting: Any failure of the Consultant to comply with the claim reporting provisions of the required insurance policies shall not relieve the Consultant of any liability or indemnification in favor of the Town for losses which otherwise would have been covered by said policies.
8. Cancellation Notice: Each required insurance policy shall not be suspended, voided, cancelled or reduced except after thirty (30) days prior written notice has been given to the Town, ten (10) days for non-payment of premium.