

REQUEST FOR PROPOSALS  
TOWN OF CANTON, CONNECTICUT

GASB 43/45 ACTUARIAL CONSULTING SERVICES

**I. INTRODUCTION**

The Town of Canton, hereafter known as “the Town”, is requesting proposals from qualified actuarial firms to conduct a comprehensive Other Post Employment Benefits (OPEB) actuarial valuation to assist the Town to prepare for and comply with GASB Statements #43 and #45.

**A. Scope of Services**

1. Evaluation of Current Program Cost and Liability:  
Conduct an actuarial valuation of current OPEB that meets the standards of GASB requirements. This shall be accomplished by applying standard actuarial methodology and assumptions to the demographic data. The result of the valuation will be a quantification of the unfunded actuarial accrued liability and a calculation of an Annual Required Contribution (ARC). The Consultant will be required to assist with formal and informal presentations with handouts to Town groups including the Board of Selectman and Board of Finance.
2. Optional Services:  
The Consultant may be required to conduct additional reviews. The response should include an hourly rate for that optional work, if any.

**B. Qualifying Requirements**

In order to qualify for consideration, a consulting firm must meet certain minimum requirements.

1. Experience – Each firm must provide evidence of similar municipal OPEM or OPEB-like evaluation experience and provide client references. Identify key personnel to perform analysis.
2. Non-discrimination – All firms submitting a proposal must be in compliance with all municipal, state and federal affirmative action and equal employment practices, as well as ADA requirements. The Equal Opportunity Affirmative Action form included with the Request for Proposal must be filled out and returned with your proposal.

## II. HOW TO PROCEED

### A. Proposal Form

All proposers must use the attached proposal cover letter, information sheet and must include all required attachments. All such information shall become public record upon the proposal due date.

### B. RFP Calendar

1. March 15, 2016: The CAO Office posts RFP.

An electronic copy of this request for proposal, along with any changes, will be posted on the Town web page (<http://www.townofcantonct.org/>).

The applicant is responsible for monitoring the Town website for any possible amendments to this request.

Minority and Woman Business Enterprises are encouraged to consider submitting qualifications for consideration. The Town is an Affirmative Action - Equal Opportunity Employer.

2. April 15, 2016: 11:00 a.m. Proposals due. Proposals must be signed by an authorized member of the consulting firm, and the name address and telephone number of a representative qualified to answer questions during the review process must be included. Respondents must submit one original copy and five (5) additional copies to:

Office of the Chief Administrative Officer  
Town of Canton  
4 Market Street  
P O Box 168  
Collinsville, CT 06022

Proposals or amendments to proposals received later than time and date specified will not be considered. No proposal may be withdrawn within 90 days after the submission due date.

3. A committee appointed by the Chief Administrative Officer will begin reviewing proposals. The Town reserves the right to reject any and all proposals, to waive any and all informalities, defects or immaterial irregularities, and to request further clarification.

C. **Evaluation Criteria**

A committee appointed by the Chief Administrative Officer will review all proposals. Proposals will be evaluated on the following criteria.

1. The thoroughness of the proposal.
2. The firm's overall qualifications and the experience of key personnel.
3. The firm's recent experience on similar projects with an emphasis on municipal GASB-43/45 experience and municipal health benefits.
4. The firm's responses to the information sheet.
5. The proposed fee for services.

D. **Questions**

Questions regarding the submission requirements may contact the below individual via email only (telephone inquiries related to proposal requirements shall not receive a response):

Amy O'Toole  
Chief Financial Officer  
Town of Canton  
aotoole@townofcanton.org

III. **TERMS AND CONDITIONS**

A. **Contract Period**

The contract for Consulting Services will be from July 1, 2016 through June 30, 2020.

B. **Compensation**

Compensation for services shall be at the conclusion of the evaluation and delivery of the valuation. However, the Town may consider a progressive payment schedule.

C. **Termination**

Following implementation, should the Chief Administrative Officer find that the firm has failed in any material respect to perform its agreed upon obligations under the contract, the contract shall be canceled by the Chief Administrative Officer as being in the best interest of the Town of Canton. In the event of termination of this contract as a result of breach by the contractor, the Town 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 call for new proposals. The contractor shall be responsible for consequential damages as a result of its breach, including, but not limited to, extra costs required under the new contract for similar services.

**D. Period of Performance**

The actuarial valuations required under the scope of services shall be completed by October 31<sup>st</sup> of the year in which they occur.

**E. Evaluation Team**

The key personnel assigned to this evaluation are considered essential to the work being performed. Substitutions may only be made upon mutual agreement between the Consultant and the Town.

**F. Indemnification and Insurance**

The Consultant selected shall indemnify and save the Town harmless from liability in any manner of claims, law suits and damages for any type losses, including the loss of life, due to its work operations on Town.

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term "professional individual or firm" shall also include the individual's or the firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

Minimum Scope and Limits of Insurance:

1. Broad Form Comprehensive General Liability

\$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products / completed operations.

2. Automobile Liability

\$1,000,000 combined single limit per occurrence for bodily injury and property damage

3. Umbrella Liability

\$5,000,000 per occurrence, following form.

4. Workers' Compensation

Limits as required by State of Connecticut Labor Code

5. Employers' Liability

\$100,000 each accident

\$500,000 disease/policy limit

\$100,000 disease/each employee

6. Professional Liability (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two (2) years following contract completion.)

\$1,000,000 per occurrence

\$1,000,000 aggregate

#### 7. Personal Property Coverage

\$100,000 Professional Papers

##### Notice of Cancellation or Non-renewal:

Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

##### Verification of Coverage:

The Respondent shall furnish the Town with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Chief Administrative Officer before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies, at any time.

#### G. Equal Opportunity – Affirmative Action

The successful contractor shall comply in all aspects with the Equal Employment Opportunity Act. Each contractor with 15 or more employees shall be required to have an Affirmative Action Plan which declares that it does not discriminate on the basis of race, color, religion, sex, national origin or age, and which specifies goals and target dates to assure the implementation of equal employment. Each contractor with fewer than 15 employees shall be required to have a written equal opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin or age. All bidders must fill out the Fair Employment Practices for Qualifications of Bidders form that follows. Findings of non-compliance with applicable State and Federal regulations could be sufficient reason for revocation or cancellation of this contract.

#### H. Collusion

Any act or acts of misrepresentation of 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 Town 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 Town may cancel said contract without incurring liability, penalty or damages.

A respondent filing a response to this RFP certifies that no officer, agent or employee of the Town who has a pecuniary interest in this request for proposal neither has nor shall participate in the contract negotiations on the part of the Town, that the proposal is made in good faith without fraud, collusion or connection of any kind with any other

respondent of the same call for proposals, and that the respondent is competing solely in its own behalf without connection with or obligation to, any undisclosed person or firm.

Respondents must fully disclose, in writing to the Town on or before the closing date of this request for proposals, the circumstances of any possible conflict of interest or what could be perceived as a possible conflict of interest if the respondent were to become a contracting party pursuant to this request for proposals. The Town shall review any submissions by respondents under this provision and may reject any proposals where, in the opinion of the Town, the respondent could be in a conflict of interest or could be perceived to be in a possible conflict of interest position if the respondent were to become a contracting party pursuant to this request for proposals

#### **I. Freedom of Information**

The Town will not be liable for any costs incurred in the preparation of the response for this Request for Proposal. All proposal submissions and materials become property of the Town 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. Proposal Format**

For the sake of consistency and ease of review, each proposal must adhere to the following format:

- Section A: The attached cover letter, including name, address and telephone number of Firm, and name and number of legal representative.
- Section B: Evidence of similar municipal evaluation/audit experience; references from Client companies which received these services.
- Section C: Evidence, including resumes that the firm's staff and the staff participating in the project are experienced in municipal liability insurance and actuarial procedures relative to insured and self-insured programs.
- Section D: An outline of the firm's proposed approach to the GASB-45 valuation:
  - a. How the valuation will be organized.
  - b. How the valuation will be structured and conducted.
  - c. The firm's requirements of the Town's staff and resources.
- Section E: The proposed cost of the evaluation.
- Section F: A copy of the firm's most recent Annual Report.

MANAGEMENT EVALUATION  
COVER LETTER

Robert H. Skinner  
Office of the Chief Administrative Officer  
Town of Canton  
4 Market Street  
P O Box 168  
Collinsville, CT 06022

Dear Mr. Skinner;

We have read and understand the Request for Proposal, and certify that we have adequate personnel, experience and expertise to fulfill the specified requirements. We further understand that:

1. Our proposal will be judged on the eligibility criteria listed under Introduction, Part C, and the information sheet.
2. We must comply with the insurance provisions outlined in the Insurance Exhibit.
3. All information include in, attached to, or required by the Request for Proposal shall be public record upon the designated proposal due date.

As requested, we have attached the following:

1. Evidence of similar experience; references from client companies.
2. Staff resumes and supporting information.
3. An outline of the firm's proposed approach.
4. Our proposed cost.
5. A copy of our Annual Report.
6. The Fair Employment Practices for Qualifications of Bidders Form .

Submitted by:

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Company

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Authorized Signature Title

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Date

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Telephone

Fax

**GASB ACTUARIAL SERVICES  
REQUEST FOR PROPOSAL  
Information Sheet**

**Please complete the information below as concisely as possible, if possible within 2-3 sentences.** If you wish to provide additional information please attach and reference location of additional information.

General Information	
Legal Name	
Street Address	
City / State / Zip	
Telephone / Fax	
E-Mail Address	
Internet Address	
Primary Contact Name	
Contact Information	
Confirm, by your signature, that your organization agrees to abide by the Submission Requirements.	Signature
	Title
Description and Scope of Services	
1. Are all actuarial valuations in conformance with GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions?	( <input type="checkbox"/> ) Yes      ( <input type="checkbox"/> ) No
2. Confirm that your evaluation will address and highlight the following assumptions: a. Turnover b. Retirement age	



<ul style="list-style-type: none"> <li>c. Disability retirement age</li> <li>d. Mortality</li> <li>e. Projected Salary increases</li> <li>f. Inflation rate</li> <li>g. Healthcare cost trend data for the New England region</li> <li>h. Amortization timeframe</li> <li>i. Investment return and</li> <li>j. Post retirement benefit increases.</li> </ul>	
<p>3. Are there any additional assumptions:</p> <ul style="list-style-type: none"> <li>a. You propose to analyze?</li> <li>b. You considered but rejected and why?</li> </ul>	
<p>4. Identify the principal and / or supervising actuaries and support staff that will perform services and their professional designation.</p>	
<p>5. How many years have these individuals performed actuarial or support services?</p>	
<p>6. Confirm that all actuarial services performed will be under the supervision of a member of your organization who meets or exceeds the “Standards for Supervising Actuary.”</p>	
<p>7. List the data or statistical information you will require from the Town in order to perform the actuarial analysis of the Town’s liability under GASB 45. Also specify any preference you have for the medium in which this information should be received.</p>	
<p>8. Briefly describe the general process you will follow to analyze the Town’s GASB 45 liability.</p>	
<p>9. Identify the number and approximate dates of on-site meetings you propose for this project.</p>	
<p>10. Confirm your willingness to document in writing the ideas and issues raised in meetings and discussions during the actuarial review regarding the options the Town may consider.</p>	
<p>11. In addition to the actuarial analysis of the Town’s liability briefly describe how you will communicate in writing what: 1) policy, 2) plan design, 3) funding and 4) trust options the Town should consider in</p>	

<p>its compliance with GASB 45. Confirm your willingness to identify strengths and weaknesses for each option and overall recommendations and, at a minimum, your report will supply the information requested in Exhibit 1.</p>	
<p>12. Confirm that your report and recommendations will contain a glossary of terms and sufficient explanatory text to permit a reasonable understanding of the actuarial assumptions and cost methods for each bargaining unit within the Town.</p>	
<p>13. Provide a task list and timeframe for the major tasks that will be performed in the actuarial analysis and who will be responsible for each task including Town personnel.</p>	
<p>14. Confirm your willingness to summarize advantages / disadvantages of funding the Annual Required Contribution (ARC) compared to other options (e.g. over / under-funding the ARC).</p>	
<p>15. The Town is exploring alternate designs and strategies to manage its GASB responsibility. Are you prepared in your analysis, based on current Town benefits, to provide the Town with alternate designs and strategy recommendations? If so, please explain.</p>	
<p>16. Confirm that you will provide the Town on an annual basis, with the completed GASB 45 financial statement and footnote disclosures required for its Comprehensive Annual Financial Reports issued during the contract term, beginning with the Fiscal Year ending June 30, 2007 and issued during the contract term (example footnote included in Exhibit 2).</p>	
<p><b>Cost</b></p>	
<p>1. For each major task for both the initial and follow-up evaluation, identify the:</p> <ul style="list-style-type: none"> <li>a. Personnel who will be responsible</li> <li>b. Total hourly rate and</li> <li>c. Total, not-to-exceed amount for the task.</li> </ul>	

<p>2. For any proposed services between the first and second actuarial evaluation identify the:</p> <ul style="list-style-type: none"> <li>a. Scope and reason for the suggested service,</li> <li>b. Responsible personnel</li> <li>c. Hourly rate and</li> <li>d. Total, not-to-exceed amount for the task.</li> </ul>	
<p>3. Identify any enhancements you propose making to the contract that do not increase cost.</p>	
<p><b>References</b></p>	
<p>1. Please submit the names of three public agency references, preferably where similar services have been provided, of comparable size to the Town and in Connecticut. References should identify the type of services that were provided, the contact person, title, current phone number, size of employer and length of time for which services have been provided.</p>	