



MONTGOMERY COUNTY PUBLIC SCHOOLS
MARYLAND

www.montgomeryschoolsmd.org

301-279-3172

April 27, 2011

RFP Number: 1139.3
Questions Due: May 5, 2011
Due Date: May 19, 2011
Open Time: 2:00 p.m.

To: Prospective Offerers

Montgomery County Public Schools (MCPS) is seeking proposals from qualified firms to provide actuarial consulting services for the Montgomery County Public Schools Employees Retirement and Pension (Pension Plan) System and Other Post Employment Benefits (OPEB) Trust.

Proposals must be received on or before 2:00 p.m., on May 19, 2011. Proposals received after this date and time will not be considered. Proposals must be delivered in a sealed opaque envelope with the RFP number, opening date and opening time indicated in the lower left corner of the envelope. Proposals are to be delivered to Montgomery County Public Schools, (MCPS) Division of Procurement, 850 Hungerford Drive, Room 162, Rockville, Maryland 20850

The provider must submit one (1) original and four (4) CD copies of their proposal. **The proposal must be signed by an official having authority to contract with MCPS.** The firm and official's name shall be used. This solicitation does not commit the district to pay any costs incurred in the submission of proposals or guarantee that an award will be made.

In the event of emergency closing of Board of Education offices, this bid will open at the same time on the next regular working day.

Sincerely,

Philip J. McGaughey, Director
Division of Procurement

PJM:br
Enclosure

Division of Procurement

Carver Educational Services Center ♦ 850 Hungerford Drive, Room 162 ♦ Rockville, Maryland 20850

**MONTGOMERY COUNTY PUBLIC SCHOOLS
RFP #1139.3, Actuarial Consulting Services for the
Montgomery County Public Schools**

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**Annual Review and Actuarial Valuation of the Employees' Retirement and Pension Systems as of
July 1, 2010**

July 1, 2010 GASB 45 Report for Postretirement Medical and Life Insurance Benefits

COG Rider

PART B

General Instructions and Business Section

**Department of Materials Management
Division of Procurement
MONTGOMERY COUNTY PUBLIC SCHOOLS
850 Hungerford Drive
Rockville, Maryland 20850-1747**

**Request For Proposal No. 1139.3, Actuarial Consulting Services
for the Montgomery County Public Schools**

PART A

1.0 INTENT

This Request for Proposal (RFP) is seeking proposals from qualified firms to provide actuarial consulting services for the Montgomery County Public Schools Employees Retirement and Pension (Pension Plan) System and Other Post Employment Benefits (OPEB) Trust.

2.0 BACKGROUND

Montgomery County Public Schools (MCPS) provides a comprehensive and competitive package of health and welfare benefits to approximately 22,000 active and 11,000 retired employees and their eligible dependents. All eligible MCPS employees participate in the MCPS sponsored defined benefit retirement plans, which has two sub-systems. The Employee's Retirement System (ERS) provides benefits for employees who enrolled in the plan prior to December 31, 1979, and the Employees' Pension System (EPS) provides benefits for employees enrolled on or after January 1, 1980, or who elected to transfer from the ERS to the EPS. Benefits from the plans are supplemental to benefits provided by the Maryland State Retirement Agency for those members who are also enrolled in the Maryland State Teachers' Retirement or Pension Systems. Full benefits are provided to those MCPS members who are not enrolled in the Maryland State Teachers' System. Employee contribution amount varies based on plan.

The ERS and EPS covers approximately 22,000 active and 15,000 retired or vested former members. In 1995, the Board of Education merged the ERS and EPS, and as of February 2011, the merged plan had assets of approximately \$1 billion. Plan assets are managed by multiple money managers under the direction of a nine-member Board of Investment Trustees. Hewitt Ennis Knupp serves as investment consultant to the Board of Investment Trustees. The combined MCPS and employee contributions to the plans were \$80.0 million for the plan year beginning July 1, 2010

MCPS established the OPEB Trust in June 2007 for the purpose of funding health and welfare benefits promised to future retirees. Initial funding totaled \$16 million in September 2007 with an additional \$18 million added in August 2008. No further funding has occurred due to budgetary constraints and as of February 2011 Trust assets exceed \$38 million. Plan assets are across a diverse group of index mutual funds under the direction of a nine-member Board of Investment Trustees. Hewitt Ennis Knupp serves as investment consultant to the Board of Investment Trustees.

Copies of the July 1, 2010 Pension Plan and OPEB Trust actuarial valuations are attached.

3.0 SCOPE OF SERVICE

MCPS desires to retain an actuarial consultant to provide some or all of the following tasks.

- 3.1 Review the annual actuarial valuation for the Pension Plan for the plan year ending June 30, 2010, and report/comment on the appropriateness of actuarial assumptions, funding methodology, contributions, requirements, funding ratios, and accrued liability projections for coming years etc.

Review the bi-annual actuarial valuation for the OPEB Trust for the plan year ending June 30, 2010, and report/comment on the appropriateness of the actuarial assumptions, funding recommendations and accrued liability projections for coming years.

The 2010 experience studies are attached.

- 3.2 Prepare the annual Pension Plan actuarial valuation for the plan year ending June 30, 2011. The valuation must include, but not be limited to, all data contained in the July 1, 2010 valuation.

Prepare the bi-annual OPEB Trust actuarial valuation for the plan year ending June 30, 2012. The valuation must include, but not be limited to, all data contained in the July 1, 2010 valuation. (NOTE: Proposed changes to retiree eligibility and health care benefits may result in a July 1, 2011 actuarial valuation being request.)

- 3.3 Prepare projections of future employer contributions to the Retirement and Pension System for the next six fiscal years.
- 3.4 Present results of the valuation study, to MCPS staff, the Board of Investment Trustees, and the Board of Education Fiscal Management Committee as requested.
- 3.5 If requested, assist MCPS officials in evaluating benefit plan proposals and options preceding and during labor negotiations.
- 3.6 If requested, assist MCPS in reviewing and amending plan documents and updating summary plan documents.
- 3.7 Provide on-going actuarial consulting services as necessary.

4.0 CONTRACT TERM

The initial term of contract shall be for two (2) years as stipulated in the RFP. However, the contract may not begin until one day after approval by the Board of Education and will conclude as stated under the Article 8, Period of Performance. MCPS reserves the right to extend this contract at existing prices, terms and conditions for up to two (2) two-year additional terms. Written notice indicating MCPS' intention to pursue the extension of the contract will be issued to the successful vendor(s) 90 days prior to the expiration of the original contract. The vendor(s) shall have ten (10) days from the date of notification to return the notice acknowledging its intent to accept or reject the extension. Once the response is evaluated, MCPS staff may make a recommendation to the

Board of Education to extend the contract or decide to rebid. If the contract is extended by the Board of Education a contract amendment will be issued.

5.0 PROVISION FOR PRICE ADJUSTMENT

Price increases will not be considered for the first two (2) years of the contract. Thereafter, if the contract is extended, the successful vendor must submit a written request for price relief. Adjustments will be based upon the Consumer Price Index (CPI), specifically, the All Consumer Index, published by the U.S. Department of Labor, Bureau of Labor Statistics, for the Washington D.C., Metropolitan Area and shall not exceed seventy-five percent (75%) of the percentage change of January 1 CPI's, rounded to the nearest tenth of a percentage. Downward adjustments shall be made by MCPS without a request from the successful vendor.

MCPS reserves the right to accept or reject the request as may be determined to be in the best interest of MCPS. If the price increase is accepted, a contract amendment will be issued. Any services requested prior to a request for a price increase shall be honored at the original contract price.

6.0 DEVIATIONS

MCPS expects to enter into a contract that has terms and conditions as stated in the RFP. Proposals must clearly identify any variances from or objections to the specifications in this RFP, including the terms and conditions in this section. Lacking any response to the contrary, MCPS will infer that respondent agrees to the conditions of the RFP.

7.0 CONTRACT TERMINATION

MCPS reserves the right to cancel the contract in whole or in part at any time in accordance with Article 26, Part B.

8.0 INSURANCE

The contractor shall maintain Comprehensive Business insurance for protection from claims under the Workmen's Compensation Act, claims for damages because of bodily injury, death, or property damage to others, including employees of the Board of Education; and claims for damages arising out of the operation of motor vehicles, which may arise during the performance of the contract whether caused by the contractor or by any subcontractor or anyone directly or indirectly employed by either of them. The contractor shall also maintain product liability insurance. The aforementioned insurance shall cover the duration of the contract period, including all periods of the time and all places where work is performed under an expressed or implied warranty. The limits of such liability insurance for each occurrence shall be equal to or greater than \$500,000 for Bodily Injury and \$100,000 for Property Damage.

Prior to the execution of the contract by Montgomery County Public Schools (MCPS), the proposed awardee must obtain at its own cost and expense and keep in force and affect until termination of the contractual relationship with MCPS the following insurance with insurance company/companies

licensed to do business in the State of Maryland evidence by a certificate of insurance and/or copies of the insurance policies. Contractor's insurance shall be primary.

Commercial General Liability

A minimum limit of liability of two million dollars (\$2,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following coverages:

Contractual Liability
Premises and Operations
Independent Contractors
Products and Completed Operations

Automobile Liability Coverage

A minimum limit of liability of two million dollars (\$2,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following:

Owned automobiles
Hired automobiles
Non-owned automobiles

Worker's Compensation/Employer's Liability

Meeting all requirements of Maryland Law and with the following minimum limits:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$1,000,000 policy limits
Bodily Injury by Disease - \$500,000 each employee

Additional Insured

Montgomery County Public Schools must be named as an additional insured on all liability policies.

Policy Cancellation

Forty-five (45) days written notice of cancellation or material change of any of the policies is required.

Certificate Holder

Montgomery County Public Schools
Division of Procurement
850 Hungerford Drive, Room 162
Rockville, Maryland 20850

All such policies of insurance shall 1) be carried with companies A rated or better by A.M. Best; 2) shall name MCPS as an additional insured, except that MCPS need not be named an additional insured under Contractor's workers' compensation policy; 3) shall contain a requirement that MCPS be provided written notice at least thirty (30) days prior to cancellation; and 4) shall be maintained for the entire term of the agreement. Upon request, Contractor shall provide to MCPS certified copies of certificates evidencing coverage required. The insurance requirements set forth shall in no way be deemed to limit Contractor's liability under or related to the services.

9.0 FORMAT OF RESPONSE

Responses to this RFP should be in the same sectional format and sequence and provide an individual response to each RFP specification. All proposals must be presented using the same numbering sequence and order used in this RFP document or as otherwise specified by MCPS.

Vendors must include any and all statements and representations made within its proposal in the contract for services with MCPS. This includes, but is not limited to, the vendor's point-by-point response to this RFP. If vendor responds only "Understand and comply" it is assumed that the vendor complies with MCPS' understanding of the requirement.

One (1) original and four (4) CD copies of the entire RFP, to include Parts A and B.

Contact Barbara Regalia, Senior Buyer, via e-mail, Barbara_Regalia@mcpsmd.org to have an electronic copy of the RFP sent to them to help prepare their response.

MCPS shall not be responsible nor be liable for any costs incurred by the vendor in the preparation and submission of their proposals and pricing.

10.0 PROPOSAL SUBMISSION AND DUE DATE

Proposals shall be submitted in two parts, a Technical Section and a Business Section, as indicated in Part B of this RFP. The response shall address each paragraph in the same order as the RFP. Proposals must contain all required information in order to be considered responsive. Proposals in response to this RFP are due on or before 2:00 p.m. May 19, 2011, at the address below. An original and four (4) CD copies of the proposal should be sent by mail, courier or hand-delivery to:

Montgomery County Public Schools
Division of Procurement
Attn: Barbara Regalia
850 Hungerford Drive, Room 162
Rockville, MD 20850

11.0 MANDATORY SUBMISSIONS

Respondents must follow the format outlined below or their proposals may be considered non-responsive and subject to disqualification. Written proposals must include the following:

11.1 Qualification of Contractor

- 11.2** A brief summary of the firm's history and its experience in providing actuarial and other consulting service similar to that outlined in this RFP.
- 11.3** A description of the scope, diversity, and types of actuarial consulting experience, including a listing and description of experience with government contracts over the last three years.
- 11.4** A description of the contractor's financial responsibility including at least two (2) current financial and credit references.
- 11.5** A description of all prior and pending legal actions filed against the offeror within the last five years.
- 11.6** Three or more recent references including addresses and telephone numbers of contact individuals, which demonstrate prior expertise in providing services requested in this RFP.
- 11.7** Provide a list of clients lost during the last 24 months and list the reasons those clients are no longer doing business with the firm.
- 11.8** A brief description of qualifications, experience and availability of each of the full-time professionals who will be assigned to perform the work specified. Assigned staff may not be removed from the project without the written consent of MCPS.
- 11.9** Briefly describe system security measures and back-up plans for any data you may be asked to maintain for MCPS.
- 11.10** Provide a detailed description of the process you will employ to complete tasks 3.1, 3.2 and 3.3 in this RFP, including suggested timelines for completion. Please keep in mind that the results of the actuarial valuation will determine the employer contribution for FY 2013, and should be completed in time to be incorporated into the fall budget process.

12.0 AWARD CRITERIA

- 12.1** MCPS will evaluate all proposals in a fair and impartial manner. The criteria to be considered in evaluating the proposals will include, but may not be limited to the following:
- Methodology of analysis, approach, and resources applied in accomplishing the tasks identified in the Scope of Services
 - Depth and diversity of actuarial consulting experience of the firm.
 - Experience as actuarial consultant for plans of boards of education, governments or government instrumentalities.
 - Information received from the vendors references
 - Professional qualifications of personnel assigned to the project
 - Cost

- 12.2** The contract will be awarded to the responsive and responsible vendor meeting specifications and considered to be in the best interest of MCPS. Interviews may be held, at the discretion of MCPS, with top ranked firms. After receipt and evaluation of proposals, MCPS reserves the right to negotiate with the finalist with respect to costs and the scope of work to be performed.
- 12.3** MCPS reserves the right to accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified offers in any manner necessary to serve the best interests of MCPS.

13.0 SCHEDULE OF EVENTS

RFP issued:	April 27, 2011
Questions related to RFP due:	May 5, 2011
MCPS response to questions:	May 9, 2011
E-mail notice of intention to respond to: barbara_regalia@mcpsmd.org	May 13, 2011
Proposals due:	May 19, 2011
Notification of finalist's interviews to be held at MCPS discretion the week of June 6, 2011	
Board Approval	June 27, 2011

All dates are subject to change at the discretion of MCPS.

14.0 REFERENCES

Bidders are required to provide references. The references shall have company name, contact person, address and phone number of three (3) current customers for which similar services have been provided. If the referenced information is not accurate and MCPS cannot contact the person(s) named, then your bid may not be considered.

	<u>Company Name & Address</u>	<u>Contact Person</u>	<u>Phone Number</u>	<u>Contract Number</u>
1.	e-mail address:			
2.	e-mail address:			
3.	e-mail address:			

15.0 ADDENDA/ERRATA

Changes and addenda to a solicitation may occur prior to the solicitation opening date and time. It is the bidder's responsibility to check the MCPS website, under "Event Calendar" or contact the Division of Procurement at 301-279-3172 to verify whether addenda/errata have been issued. Failure to provide the signed acknowledgement of the addenda/errata may result in a bid being deemed non-responsive. MCPS website is <http://www.montgomeryschoolsmd.org/departments/procurement/>

16.0 MULTI AGENCY PARTICIPATION

MCPS reserves the right to extend the terms and conditions of this solicitation to any and all other agencies within the state of Maryland as well as any other federal, state, municipal, county, or local governmental agency under the jurisdiction of the United States and its territories. This shall include but not be limited to private schools, parochial schools, non-public schools such as charter schools, special districts, intermediate units, non-profit agencies providing services on behalf of government, and/or state, community and/or private colleges/universities that required these goods, commodities and/or services. Use of this solicitation by other agencies may be dependent on special local/state requirements attached to and made a part of the solicitation at time of contracting. The supplier/contractor agrees to notify the issuing agency of those entities that wish to use any contract resulting from this bid and will also provide usage information, which may be requested. A copy of the contract pricing and the bid requirements incorporated in this contract will be supplied to requesting agencies. Each participating jurisdiction or agency shall enter into its own contract with the Award Bidder(s) and this contract shall be binding only upon the principals signing such an agreement. Invoices shall be submitted "directly" to the ordering jurisdiction for each unit purchased. Disputes over the execution of any contract shall be the responsibility of the participating jurisdiction or agency that entered into that contract. Disputes must be resolved solely between the participating agency and the Award Bidder. MCPS assumes no authority, liability, or obligation on behalf of any other public or non-public entity that may use any contract resulting from this bid MCPS pricing is based on the specifications provided in this solicitation.

17.0 eMARYLAND MARKETPLACE

As of June 1, 2008 Maryland law requires local and state agencies to post solicitations on eMaryland Marketplace. Registration with eMaryland Marketplace is free. It is recommended that any interested supplier register at www.eMarylandMarketplace.com, regardless of the award outcome for this procurement as it is a valuable resource for upcoming bid notifications for municipalities throughout Maryland.

18.0 INQUIRES

Inquiries regarding this solicitation must be submitted in writing, to Barbara Regalia, Senior Buyer, Montgomery County Public Schools, Division of Procurement, 850 Hungerford Drive, Room 162, Rockville, Maryland 20850, fax number 301-279-3173 by May 5, 2011. Responses shall be distributed by May 9, 2011. The Board of Education will not be responsible for any oral or telephone explanation or interpretation. Vendor contact with any other MCPS employee

regarding this solicitation until the contract is awarded by the Board of Education will be considered by MCPS as an attempt to obtain an unfair advantage and result in non-consideration of its RFP response. The MCPS Procurement website address is <http://www.montgomeryschoolsmd.org/departments/procurement/>

19.0 COST PROPOSAL

Complete the cost proposal data sheet

Cost Data Sheet

Firm: _____

Address: _____

We hereby agree to provide the requested actuarial consulting services as described in MCPS Request for Proposal 1139.3 as follows:

- Review and comment on July 1, 2010 Retirement and Pension valuation
- Review and comment on the July 1, 2010 OPEB Trust valuation
- Prepare the annual actuarial valuation for the plan year ending June 30, 2011 – fee not to exceed _____
- Prepare, if requested, an OPEB Trust actuarial valuation for the plan year ending June 30, 2011
- Prepare the bi-annual OPEB Trust actuarial valuation for the plan year ending June 30, 2013
- Prepare projections of future employee contributions for the next six fiscal years
- For on-going consulting services, the following rates will apply:

Type of Position (Title)	Hourly Rate
_____	_____
_____	_____
_____	_____
_____	_____

Rates should be included for all individuals who will be assigned to work with MCPS. On-going consulting service fees quoted will be used for the basis for evaluating with respect to tasks 3.1 through 3.7 outlined in Section 3.0 of this RFP, if any of those services are requested. Rates should be guaranteed for a minimum of two (2) years, subject to provisions of Section 5.0 of this RFP. All rates should be inclusive of travel, overhead and any other expenses.