



James R. Fouts, Mayor

**Purchasing Division
Office of the Controller**
One City Square, 4th Floor, Suite 425
Warren, Mi 48093-5289

Vincent Mikiel, Buyer
586-574-4675

REQUEST FOR PROPOSALS

RFP-W-7733

May 22, 2008

SEALED BID PROPOSALS FOR **ACTUARIAL SERVICES** FOR THE CITY OF WARREN RETIREMENT SYSTEM ARE BEING ACCEPTED.

SEALED BIDS MUST BE **DELIVERED TO THE**

DIVISION OF PURCHASING,
CITY OF WARREN,
ONE CITY SQUARE, 4TH FLOOR
WARREN, MI 48093-5289,
ON OR BEFORE 5:00 PM, JUNE 12, 2008.

BIDS RECEIVED AFTER 12:30 PM OF THE DATE THEY ARE DUE WILL NOT BE ACCEPTED OR WILL BE MARKED LATE, AND RETAINED UNOPENED. **INCLUDE ORIGINAL AND TEN (10) COPIES.**

ADDENDA, CLARIFICATIONS AND CHANGES TO THE BID DOCUMENTS MUST BE OBTAINED ON LINE BY REGISTERING (FREE REGISTRATION AVAILABLE) FOR THE MITN SYSTEM AS FOLLOWS: 1) GO TO WWW.MITN.INFO SELECT THE MICHIGAN MITN SYSTEM (MITN), 2) SELECT VENDOR REGISTRATION AT THE TOP OF THE PAGE, 3) REVIEW THE VENDOR REGISTRATION OPTIONS THAT ARE AVAILABLE TO VENDORS, AND THEN 4) CLICK "PROCEED TO REGISTRATION AREA" TO REGISTER. BID TABULATIONS WILL BE POSTED ON MITN.

THE CITY OF WARREN RESERVES THE RIGHT TO ACCEPT OR REJECT ANY AND ALL BIDS AND TO WAIVE ANY AND ALL IRREGULARITIES OR SPLIT AWARD BY ITEMS UNLESS OTHERWISE STIPULATED AND TO ACCEPT THE BID WHICH WILL BEST SERVE ITS INTEREST.

YOU SHOULD REGISTER FOR THE FOLLOWING COMMODITY CODES:

94612 – ACTUARIAL SERVICES AND RETIREMENT PLANNING

ADDITIONAL INFORMATION REGARDING THIS BID OR ANY QUESTIONS CAN BE ANSWERED BY CONTACTING THE BUYER, VINCENT MIKIEL, OF THE CITY OF WARREN PURCHASING DIVISION PREFERABLY BY E-MAIL, vmikiel@cityofwarren.org , Subject: RFP-W-7733.

Sincerely,
Vincent Mikiel
Buyer

**CITY OF WARREN
CITY OF WARREN GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT SYSTEM AND
VEBA TRUST REQUEST FOR PROPOSALS**

RE: ACTUARIAL SERVICES

A. OVERVIEW

The City of Warren General Employees Defined Benefit Retirement System and General Retiree Health, Life & Disability Benefits Plan and Trust (VEBA Trust) Board of Trustees (“Boards”) are seeking actuarial professionals to perform the annual plan valuation and other related actuarial services. The Boards routinely test the market for all consultants and advisor services as a part of its fiduciary responsibilities to assure that the Plan is being best served. This RFP does not reflect any dissatisfaction with the Plan’s current Actuarial Consultant. We are seeking one actuary to provide actuarial services to both Boards. However, the contracts will be separate. Therefore, quote fees for each Plan separately. If possible, provide sample contracts for review.

B. PLAN PROFILE

The City of Warren General Employees Defined Benefit Retirement System is a closed plan that currently provides for pension and disability benefits to approximately 250 active and 500 retired members and has assets of over \$130 Million. The City of Warren also maintains a QEBA Trust to provide excess benefits to retirees so as to maintain their tax exempt status with the IRS. The City of Warren VEBA Plan and Trust is also a recently closed plan that currently provides healthcare benefits to approximately 550 active and 530 retired members and has assets of over \$20 Million.

C. MINIMUM QUALIFICATIONS

The Boards require that all prospective service providers have strong credentials, be in good financial standing, be an enrolled actuary and be a member of the Michigan Association of Public Employee Retirement Systems. Public Funds will represent at least 30% of the client base.

D. SCOPE OF SERVICES

The Boards are attempting to identify an actuary that has the ability to:

1. Conduct annual actuarial valuations and reviews of the Retirement System and provide written reports which comply with all federal and state accounting requirements.
2. Perform all retirement benefit calculations and provide other related services.
3. Provide useful, accurate, and timely periodic and/or annual reporting statements.
4. Organize, design and evaluate retiree benefit programs and formulate strategy to meet those obligations.
5. Assist with actuarial/member record keeping services.

6. Attend an annual meeting at the discretion of the Board and be available to address Board questions from time to time.
7. Provide administrative and technical support.
8. Provide all required services within reasonable fee levels.

When responding to the attached Request for Proposal, the Board encourages you to describe the ways in which you believe your service capability is special or distinctive.

E. SUBMISSION REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposal be organized in the following manner:

1. Title Page:

Please indicate the RFP subject, the name of your organization, address, telephone number, name of contact person and date.
2. Table of Contents:

Clearly identify the material by section and page number.
3. Letter of Transmittal:

Limit to one or two pages.
 - a. Briefly state your organization's understanding of the nature of the work.
 - b. Give the names of the persons who will be authorized to make presentations for your organization, their titles, addresses, and telephone numbers.
4. Submission:

The Boards request that a total number of ten (10) complete sets of your proposal be submitted.

Proposals must be presented in a sealed envelope clearly marked as follows:

RFP-W-7733: Actuarial Services
One City Square, Suite 425
Warren, MI 48093-5289
Attention: Purchasing Division

Your response to this RFP must be received at the above address by 5:00 p.m. on June 12, 2008.

All inquiries about the RFP should be in writing and brought to the attention of Vincent Mikiel, Purchasing Division.

**ACTUARIAL PROCESSING AND REPORTING SERVICES
REQUEST FOR PROPOSAL**

ORGANIZATION BACKGROUND

1. How long has your company been in existence?
2. Is your organization a subsidiary, parent, or affiliate of any other company? If so, please describe in detail. Also, do any of these companies provide any other retirement fund services? If so, how do the companies protect against conflicts of interest?
3. What is the number of full time employees in your company? What is the location of your nearest office?
4. Provide the names, titles and credentials of the individuals who would be assigned to the Retirement System's account. What are their specific responsibilities? Where are these individuals located? Who will attend Board meetings? Provide the names of other clients that they serve.
5. How many professionals have left your company in the last three (3) years? How many support staff have left your company in the last three (3) years?
6. How many major accounts/clients do you have? How many municipal retirement systems accounts do you service? Please provide a representative client list.
7. How many accounts/clients have you gained in the last 3 years? How many have left your company in the last three (3) years.

ADMINISTRATION

8. Tell us about your administrative, actuarial, and operations staffs. How many administrative and actuarial personnel do you employ? What is your process for assigning personnel to your clients?

PENSION REPORTS

9. How many actuarial reports are issued annually? How many EDRO/DRO estimates are issued monthly?
10. What types of reports do you typically generate for a retirement system?
11. Do you have computer modeling and simulation to assist in solving funding problems?

12. Do you have software that is specifically tailored to municipal retirement system applications? Please identify clients who are familiar with your software programs and who would be able to provide insight on how your system works on an administrative level.
13. Please detail the software programs and technical support services utilized in providing your services. Please explain how your system works with a client's existing system, how it is maintained/updated and what requirements /costs are associated with such a system.
14. Please describe your record retention policy and your systems backup process.
15. Please explain the transition of information from a prior actuarial firm to your company and your transition of information to a succeeding actuarial firm.
16. What experience do you have in the valuation of post-retirement health care benefits? Tell us about your services with respect to Retiree Health Care Plan, actuarial valuations, GASB 43 and 45 valuations, and other retiree health care related services.
17. How are changes communicated to and from clients? Do you provide educational information to your clients? How does your company view its responsibility for tax and/or legal advice to participants?
18. Do your routine services also include experience studies, economic assumption studies, actuarial reviews, audits, and projections.
19. Describe both the features and benefits of your reports and system. Be sure to include descriptions of your capabilities and internal audit practices.
20. Describe the infrastructure you have built for providing actuarial services.
21. The Retirement System's auditors from time to time may want to perform routine spot audits. Will the actuarial records you maintain be "open" to auditors?

REPORTING

22. Describe your reporting capabilities. Be sure to comment on issues relating to accuracy and timeliness.
23. What information is requested of a client on an annual basis to prepare an actuarial report?
24. How soon would a client receive an annual actuarial report after all information is provided to your firm?
25. How often do you perform valuations and assumption reviews.

EDUCATION/TRAINING

26. Do you have training programs for your employees? Do you have training programs for your clients? If so, please describe.

RISK MANAGEMENT

27. Describe your system of controls to assure the accuracy of the processing and reporting of information? Do you have documented policies and procedures?
28. Describe the various types of insurance and indemnification provided to protect clients of service(s) proposed, including (Be sure to include specific dollar coverages):

Errors and Omissions Coverage
Risk Coverage
Carriers
Levels
Limits
Deductibles

FEES

29. Please describe in detail your fees and costs.
30. Please provide an estimate of your annual fees.
31. What costs are involved in implementing your program?

REFERENCES

32. Please provide the names, contacts, and phone numbers of Retirement System clients who will share with the Board their first-hand experiences regarding your services (preferably public retirement systems).

MISCELLANEOUS

33. Is your company a member of MAPERS? What other affiliations does your company maintain to keep apprised of unique issues and developments affecting public employee retirement systems?
34. Has your company or its employees been investigated by any state or federal regulatory or law enforcement agency in the last ten years? If yes, please describe in detail the substance and results of each such investigation.

35. Has your company or its employees been a party to any lawsuit, including suits involving misfeasance or professional negligence, within the last ten years? If so, please describe the substance and results of each suit.
36. Please describe the transition process when taking on a new client. Please discuss computer systems and data issues.

OTHER REQUIREMENTS

37. Pre-Qualification: Inviting a proposal does not assume a "pre-qualification" of any proposer.
38. Proposal Preparation Cost: The Board will not be liable for any costs incurred in preparation of proposals.
39. Certification as to "Request for Proposal" Content: By submitting a proposal, the proposer certifies that he/she has fully read and understands the "Request for Proposal" and has full knowledge of the scope, nature, quantity, and quality of work to be performed. Unless specified to the contrary, submitting a proposal will be interpreted as agreement to all provisions in and requirements of the RFP.
40. Additional Information and Instruction: The Proposer shall furnish such additional information as the Board may reasonably require. The Board reserves the right to investigate the qualifications of all proposers as it deems appropriate.
41. Negotiations: The Board reserves the right to conduct pre-contract negotiations with any or all proposers.
42. Proposal Rejection: The Board reserves the right to reject any or all proposals, the right in its sole discretion to accept the proposal which it considers most favorable to the Board's interest, and the right to waive minor irregularities in the procedures. The Board further reserves the right to seek new proposals when such a procedure is in its best interest.
43. Proposals Binding for 90 Days: All proposals submitted shall be binding for ninety (90) calendar days following the above due date for receipt of proposals to allow for evaluation and award of contract.
44. Late Proposals: Proposals received by the Board after the time specified for proposal opening will not be considered.
45. Completeness: All information required by the Request for Proposal shall be supplied to constitute an acceptable proposal. Failure to submit a complete proposal may result in the disqualification of your proposal.

The Board appreciates the time and effort you will have expended in responding to this RFP. Regardless of the outcome, the Board will be pleased to share with you its specific comments regarding the competitiveness of your RFP response.