

CONTRA COSTA COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION (CCCERA)



Request for Proposal

for Other Post-Employment Benefits
(OPEB) Trust Actuarial Services

RFP Release Date
12/18/2020

Proposal Due Date
01/22/2021 – 5:00p.m. PST

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SECTION I BACKGROUND

CCCERA is a contributory defined benefit pension plan covering the employees of the County of Contra Costa and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, *et seq.* CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County.

CCCERA, with its own governing board, is an independent governmental entity separate and distinct from the County of Contra Costa. The 12 member Board of Retirement is responsible for the general management of CCCERA. Of the twelve members, three are alternates, one for the appointed members, one for safety, and one for retirees. Five Board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees, one as an alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

Effective January 1, 2015, CCCERA became a direct employer for its entire staff. CCCERA's Post-Retirement Health Care Plan is a single-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System ("CalPERS"). The Plan provides healthcare insurance benefits to eligible retirees. CCCERA contributes the Public Employees' Medical Hospital Care Act ("PEMHCA") minimum required employer contribution. Based on established requirements outlined in the Memorandum of Understanding or CCCERA Unrepresented Resolution some employees are eligible to receive additional retiree medical employer contributions.

In February 2018, CCCERA established an Irrevocable Trust agreement per IRS Code Section 115 for the purpose of pre-funding OPEB obligations for CCCERA, the direct employer only, and contracted with Public Agencies Retirement Services (PARS) for OPEB Trust fund management services. CCCERA's most recent actuarial valuation for the OPEB Trust was as of January 1, 2018 with a biennial roll-forward prepared as of December 31, 2019.

CCCERA's current authorized position count is approximately 65 full-time equivalent personnel and 6 retirees receiving OPEB health and dental benefits. As of December 31, 2019, CCCERA's Total OPEB liability amounted to \$5.1 million; less OPEB Trust assets of \$3.6 million; resulting in Net OPEB liability of \$1.5 million.

SECTION II SCOPE OF SERVICES

CCCERA is soliciting proposals for actuarial consulting services for the OPEB Trust only, for inclusion in CCCERA's Comprehensive Annual Financial Report (CAFR) as of December 31, 2020 as well as subsequent OPEB Trust actuarial valuations and roll-forward updates and services on a biennial basis through fiscal year ending December 31, 2025.

The selected Actuary Consultant will provide a report that satisfies the Governmental Accounting Standards Board (GASB) Statements 74 and 75 disclosure requirements for the OPEB Trust, or any future GASB pronouncement or accounting governmental reporting requirements which may be issued, no later than 90 days after the end of the fiscal year. The selected Actuary Consultant will help CCCERA understand the OPEB liability and funding level options and will recommend actuarial and economic assumptions appropriate for CCCERA based on plan benefits, anticipated funding levels, and the current economic environment.

For additional information on CCCERA's OPEB Trust, benefits and obligations it may be found online within CCCERA's CAFR by visiting www.cccera.org.

Summary of Services Desired

1. Preparing actuarial valuations in compliance with the reporting requirements of all applicable GASB statements, including, but not limited to, GASB Statements 74 and 75 and any future GASB pronouncements and governmental accounting reporting requirements.
2. Deliver OPEB related biennial valuations as of December 31, 2020, December 31, 2022, and December 31, 2024.
3. Deliver OPEB biennial roll-forward updates as of December 31, 2021, December 31, 2023, and December 31, 2025.
4. Preparing necessary information for inclusion in CCCERA's CAFR to comply with current and future GASB pronouncement reporting and disclosure requirements.
5. Providing OPEB Trust actuarial certification, a funding policy certification, and all other valuation information required by GASB to include in CCCERA's CAFR.
6. Determining the implicit rate subsidy and the impact it has on the OPEB liability.

7. Assistance in implementing any new GASB statements and other financial pronouncements related to OPEB obligations.
8. Meeting either in person or virtually as needed to plan, make necessary decisions and report progress on valuations, including auditor related inquiries and financial reporting issues.
9. Submitting a draft report for review and approval prior to submission of final report.
10. Be available to attend Board meetings and/or audit committee meetings for the purpose of discussing and presenting the biennial OPEB Trust Actuarial Valuation report.

SECTION III GENERAL INFORMATION

No Contact

No contact with CCCERA Board members and CCCERA staff regarding the contents of this RFP will be allowed during the pendency of this RFP.

Due Date

Three printed copies of your proposal in a sealed package or packages and one electronic copy including all submitted documents sent to **info@cccera.org** are due no later than **5:00pm** on **January 22, 2021**. All packaged proposals must be delivered to:

CCCERA
Attn: Accounting Manager
1200 Concord Ave, Suite 300
Concord CA 94520

No Reimbursement For RFP Expenses

CCCERA will not provide reimbursement for any fees, expenses, or other costs incurred in connection with this RFP including the costs of preparing the response, providing any additional information and attending an interview or interviews. All material submitted in response to this RFP will become the sole property of CCCERA. CCCERA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights.

Interviews

Interviews may be conducted at CCCERA's discretion. All organizations selected for interview will be notified of the interview date(s) at least one week in advance.

Confidentiality

All responses to this RFP become the property of CCCERA and will be kept confidential until such time as a recommendation for award of a retainer agreement has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a responding organization believes that any portion of its submittal is exempt from public disclosure, such portion may be marked "confidential." CCCERA will use reasonable and legally permissible means to ensure that such confidential information is safeguarded to the extent that CCCERA, in its independent judgment, concludes that the information is in fact exempt from disclosure, but CCCERA will not be liable for inadvertent disclosure of such materials, data and information. Proposals marked "confidential" in their entirety will not be honored and CCCERA will not deny public disclosure of all or any portion of submittals so marked.

By submitting information with portions marked "confidential", the responding organization represents it has a good faith belief that such material is exempt from disclosure under the California Public Records Act and agrees to reimburse CCCERA for, and to indemnify, defend and hold harmless CCCERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CCCERA's non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

SECTION IV PROPOSAL REQUIREMENTS

Following is a list of the information to be provided. A proposal that does not include the information required below may be deemed non-responsive and subject to rejection.

Firms are encouraged to be brief (no more than 10 pages excluding the cover page) and relevant to the specific information requested herein. Proposals should be straightforward, concise, and provide "layman" explanation of technical terms that are used. Emphasis should be on completeness and clarity of content.

General Submission Requirements

1. A transmittal letter signed by an official authorized to enter into contracts for the organization should refer to this RFP by title and date. It should include the name and number of a contact person.
2. Provide evidence that the organization meets legal requirements to provide actuarial consulting services in the State of California.
3. Length of time the organization has been performing actuarial consulting services specifically for defined benefit pension plans.
4. Discuss the organization's competitive advantage over other Firm's providing actuarial consulting services.

Qualifications and Experience

1. A brief description of the organization and its various business functions;
2. A description of the qualifications and previous experience on similar or related projects including performance history;
3. Brief resumes for the key staff members assigned, including professional actuary qualifications and experience related to actuarial services;
4. Contact information of three local government agencies for which the organization provides or has provided similar services (agency name, contact individual, mailing address, phone number and email address);
5. A description of the Firm's ability to access actuarial research and professional standards, technical information, and professional actuarial groups and societies, for the purpose of obtaining prompt responses to inquiries arising from technical or procedural questions developed in the course of conducting actuarial projects; and
6. A description of the relationship, qualifications and experience of any subcontractors to be used in actuarial consulting services.

Rates, Costing and Billing Information

1. Provide a complete schedule of fees (one-time or recurring) for all scope of services.

2. For additional services requested by CCCERA that are not included within the scope of the routine services outlined in this RFP, please indicate your hourly time charges.
3. State any special considerations with respect to billing or payment of fees and expenses that your organization offers and that you believe would differentiate it from other Responders and make your organization's services more cost effective to CCCERA.
4. CCCERA expects to receive the lowest rate charged by your organization for its governmental and/or non-profit clients. If for any reason your organization is not prepared to do so, please indicate your reasons.

Business Approach/Philosophy

A description of your business approach and philosophy of providing OPEB Trust actuarial valuation services including how this would be most appropriate for CCCERA. Please describe any services that would be provided by a third party and if so describe the manner in which the third party would be compensated.

Implementation

Describe key tasks, project milestones, dates and responsibilities for implementing the OPEB Trust valuation, including reports, services or data to be provided by CCCERA. Identify assumptions used in developing the service implementation schedule.

Financial Stability

Provide your latest financial statement and describe in detail the financial history and resources of your organization. Disclose any settlements or legal claims where litigation is currently pending or has occurred against your organization within the last five years.

SECTION V EVALUATION AND SELECTION

Evaluation Criteria

CCCERA will evaluate the responses and make a recommendation to the full CCCERA Board for approval. The evaluation committee will consider the following factors:

1. Understanding of the services required.

2. Quality, clarity and responsiveness of proposal.
3. Proposed fees¹.
4. Information provided by client references.
5. Demonstrated competence and professional qualifications necessary for successfully performing the work required.
6. Background and related experience of the principal individuals to be assigned to provide services.
7. Approach in providing OPEB Trust actuarial consulting services.
8. Interviews, if conducted.

Selection Process

CCCERA will initially review all responses to determine responsiveness. Any response that does not address all requested requirements or is incomplete will be rejected.

CCCERA will evaluate all responses based on the criteria stated above. The evaluation committee may afford organizations the opportunity to clarify responses for the purpose of assuring a full understanding of their responsiveness to the RFP.

CCCERA may conduct interviews with organizations found to be most qualified to perform the services required, based upon the criteria listed in this RFP. If so, the organizations will be notified in advance of the proposed interview date.

All responding organizations will be notified in writing once one or more organizations have been selected and approved.

SECTION VI RESPONSE INSTRUCTIONS AND CONDITIONS

1. This RFP does not commit CCCERA to award a contract, pay any costs incurred in the preparation of a response, or procure or contract for services of any kind whatsoever. CCCERA reserves the right, in its sole discretion, to negotiate with any or all organizations considered, or to cancel this RFP in whole or in part.

¹ Although proposed fees will be given significant weight in the selection process, CCCERA reserves the right to negotiate with any organization selected, lower fees or a different fee structure.

2. Responding organizations may be requested to clarify the contents of their response.
3. A responding organization may be requested to provide hourly fee, price, costing, technical or other revisions to its response which may result from fee negotiations.
4. All material submitted in response to this RFP will become the sole property of CCCERA.

Response Submission

Responses **must** include a cover letter indicating the mailing address of the office from which the response is submitted, the name of the individual who will represent the organization as the primary contact person for the response, and the telephone, fax and e-mail information of the primary contact person.

Administrative Specifications

1. All responses must be irrevocable for 180 days and signed by an authorized officer of the organization.
2. Successful responding organizations must agree to provide CCCERA with audit access on request during the term of the contract and for 7 years thereafter.
3. CCCERA at any time, in its sole discretion, may terminate its contract with the selected organization, or postpone or delay all or any part of the contract, upon written notice to the selected organization.

SECTION VII CONTRACT APPROVAL

After Board approval, staff will commence contract negotiations with the selected proposer. If a satisfactory contract cannot be negotiated in a reasonable time, CCCERA, in its sole discretion, may terminate negotiations with the initially selected proposer and begin contract negotiations with the next highest ranked proposer.