

**CITY OF GRIDLEY  
REQUEST FOR PROPOSALS  
ACTUARIAL CONSULTING SERVICES  
(GASB 43 & 45)**

**1. INTRODUCTION**

The City of Gridley is seeking an actuarial review of the City's post-employment benefits package for retired employees. The review will allow implementation of the Governmental Accounting Standards Board (GASB) rules regarding accounting for Other Post-Employment Benefits (OPEB). The City needs an estimate of the outstanding and future liabilities associated with providing its post-employment benefit package. The review must be done so that the City is eligible to participate in the CalPERS California Employer's Retiree Benefit Trust Program ("CERBT") or similar program using the results from the review. The City desires to have the review done in a timely fashion with the intention that preliminary information is available for inclusion with the City's 2009-2010 budget preparation process (April 2009 – May 2009 timeframe).

**2. ATTACHMENTS**

The attachments below are included with this Request for Proposal (RFP) for your review and submittal:

- Attachment 1 – Scope of Services
- Attachment 2 – Insurance Requirements

**3. INSTRUCTIONS TO PROPOSERS**

3.1 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

- 3.1.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
- 3.1.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
- 3.1.3 Represent that all information contained in the proposal is true and correct.
- 3.1.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms or conditions of this proposal.
- 3.1.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or

condition. The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

### 3.2 Submission of Proposals

All proposals shall be submitted to:

City of Gridley  
Attn: Brad Wilkie, Finance Director  
685 Kentucky St  
Gridley, CA 95948

Proposals must be delivered no later than 5:00 p.m. on Friday, February 20, 2009. All proposals received after that time will be returned to the Proposer unopened.

The Proposer shall submit three (3) copies of its proposal in a sealed envelope, addressed as noted above, bearing the Proposer's name and address clearly marked "ACTUARIAL CONSULTING SERVICES (GASB 43 & 45)."

### 3.3 Withdrawal of Proposals

A Proposer may withdraw its proposal at any time before the expiration of the time for submission of proposals as provided in the RFP by delivering a written request for withdrawal signed by, or on behalf of, the Proposer.

### 3.4 Rights of the City of Gridley

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

## 4. Proposed RFP Timeline

The RFP Timeline is as follows:

RFP Issued	January 22, 2009
Deadline for Receipt of Proposals	February 20, 2009
Interviews (if needed)	Week of February 23, 2009
Contract awarded	March 2, 2009

5. Information to be Submitted

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer’s understanding of the City’s requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 5 in the proposal document.

5.1 Proposal Summary

This section shall discuss the highlights, key features and distinguishing points of the Proposal and a list of individuals and contacts for this Proposal and how to communicate with them.

5.2 Profile on the Proposing Firm(s)

This section shall include a brief description of the Prime Proposer’s firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm’s financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

5.3 Qualifications of the Firm

This section shall include a brief description of the Proposer’s and proposed sub-consultant’s qualifications and previous experience on similar or related projects. Provide descriptions of pertinent project experience with other public municipalities that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed,

and the name, title, and phone number of clients to be contacted for references. Give a brief statement of the firm's adherence to the schedule and budget for the project.

#### 5.4 Work Plan or Proposal

This section shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Proposer understands the City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

#### 5.5 Proposal Costs

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm's understanding of the project and provides staff with tools to negotiate the cost.

This section shall include the proposed costs to provide the services desired. Include any other cost and price information that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

PLEASE NOTE: The City of Gridley does not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

#### Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment 2.

#### 6. Review and Selection Process

City staff will evaluate the proposals provided in response to this RFP based on the following criteria:

- Quality and completeness of proposal;
- Proposer's experience, including the experience of staff to be assigned to the project, the engagements of similar scope and complexity;
- Cost to the City;
- Proposer's ability to perform the work within the time specified;
- Proposer's prior record of performance with other cities or governmental agencies.

7. Oral Interviews

Proposers may be required to participate in an oral interview.

8. Collusion

By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

9. Non-Conforming Proposal

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

10. Questions

Please direct any questions regarding this RFP to:

City of Gridley  
Attn: Brad Wilkie  
Finance Director  
685 Kentucky Street  
Gridley, CA 95948

E-mail contact: [bwilkie@gridley.ca.us](mailto:bwilkie@gridley.ca.us).  
Phone: 530-846-5695  
Fax 530-846-3229

**CITY OF GRIDLEY  
REQUEST FOR PROPOSALS  
SCOPE OF SERVICES**

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A. Project Purpose

The City of Gridley is seeking an actuarial review of the City’s post-employment benefits package for retired employees. The review will allow implementation of the Governmental Accounting Standards Board (GASB) rules regarding accounting for Other Postemployment Benefits (OPEB). The City needs an estimate of the outstanding and future liabilities associated with providing its post-employment benefit package.

B. Background

The City has participated in the California Public Employees’ Retirement System (CalPERS) since 1958 and in the CalPERS Health Plan since 2001. The City’s contribution toward health insurance for employees (and dependents) is equal to the second highest premium available in the 95948 ZIP code area. At the time the City entered the CalPERS Health Plan, the City chose the “unequal” method for retirees. Retirees currently receive \$40.40 per month towards their health premium costs, if they participate in the plan. If a retiree or employee selects a plan with a premium that exceeds the amount contributed by the City, he/she pays the excess. In 2002, the City provided management employees and retirees with the Section 22825.5 benefit which provides for payment of retiree health premiums at the rate that the State of California provides for retirees – the “100/90 formula.”

During the 8 years with the health plan, approximately 85 City employees have been enrolled. Currently, 47 active employees and 11 retirees (6 retirees are in the management group) are covered. An additional 3 active employees are eligible to participate in the health plan but decline coverage. The retirement health benefit is available only to employees who retire from the City. To be eligible for City-paid retirement health benefits, an employee must meet the requirements for retirement (be at least age fifty and have five years of service) and must begin taking retirement benefits within 120 days of separation from City employment.

Currently, the City uses a pay-as-you-go approach for retiree health insurance. The following table shows the amounts paid for retiree health insurance:

Fiscal Year	Number of retirees	Amount paid
2008 – 2009	11 (6 Management)	\$66,051 budgeted
2007 – 2008	11 (5 Management)	\$49,477
2006 – 2007	9 (4 Management)	\$32,626
2005 – 2006	8 (4 Management)	\$28,638
2004 – 2005	5 (3 Management)	\$25,128

2003 – 2004	3 (2 Management)	\$12,451
2002 – 2003	2 (1 Management)	\$ 5,016
2001 – 2002	1	\$967

The City has not previously conducted an actuarial study of postemployment benefits.

C. Scope of Services

The objective of this project is to be able to recognize OPEB costs systematically over employees' years of service and to provide relevant information about the actuarial accrued liabilities for these benefits. Specifically, the selected firm will provide:

1. A determination of the City's retiree medical benefit actuarial liability as of June 30, 2008. The method used in determining the liability shall be in compliance with the CalPERS' California Employer's Retiree Benefit Trust Program ("CERBT") or similar program guidelines so that the City is eligible to participate in the CERBT or similar programs.
2. A breakdown of this liability by the following:
  - Current Employees
  - Retired Employees and dependents (survivors)
  - Over age 65
  - Under age 65
  - Valuation of liability
3. An analysis and explanation of the various funding strategies that might be considered for funding the cost of benefits associated with past service and strategies for reducing the cost of the benefit going forward including the CalPERS' "CERBT" provided funding program or similar program.
4. The required annual total contribution amounts under the various funding strategies utilizing three different amortization periods (20, 25, and 30 years).
5. For each valuation, a breakdown of the annual contribution amount into the following components:
  - Normal contribution amount
  - Past service amount
  - All other unfunded liabilities
  - Interest earning component on contribution amounts
  - Timeline with estimated funding requirements of current pay-as-you-go approach

6. A schedule for each valuation indicating the projected number of retirees for each of the next 30 years based on the current pools of retirees and active, with the projected benefits payable.
7. A summary of the actuarial basis and assumptions used in the valuations.
8. An executive summary of the results of this analysis.

The contracted firm shall perform the following activities to complete the actuarial funding study for the City's OPEB programs:

1. Meet with City Staff to help select appropriate actuarial cost method (entry age, frozen entry age, attained age, or other deemed appropriate).
2. Estimate the appropriate Governmental Accounting Standards Board (GASB)-required reserve for the outstanding liability as of June 30, 2008, or more recently if possible.
3. Prepare a written report summarizing conclusions and recommendations and documenting the analysis.
4. Attend one or more meetings with City officials and possibly with an external auditor to discuss the report.

D. Term of Agreement and Project Deadlines

The term of the Agreement is one year. The City, may, at its option, extend the Agreement with the same or more limited scope of required services for up to two (2) additional one-year terms. Please note that the extension of the Agreement beyond the initial one-year contract will also be contingent upon funding approval by the City Council.

E. Questions

Please direct any questions concerning this scope of services or any information concerning this RFP, to Brad Wilkie, (530) 846-5695, Fax – (530) 846-3229, City of Gridley, 685 Kentucky St, Gridley, CA 95948, email [bwilkie@gridley.ca.us](mailto:bwilkie@gridley.ca.us).

**CITY OF GRIDLEY  
INSURANCE REQUIREMENTS**

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WORKERS COMPENSATION INSURANCE: Minimum statutory limits.

COMMERCIAL GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE: General Liability and Property Damage Combined.

**\$1,000,000.00 per occurrence including comprehensive form, personal injury, broad form personal damage, contractual and premises/operation, all on an occurrence basis. If an aggregate limit exists, it shall apply separately or be no less than two (2) times the occurrence limit.**

Prior to commencement of services, insurance coverage must be evidenced by a properly executed certificate of insurance and it shall name "The City of Gridley", its elective and appointed officers, employees, and volunteers, as additional insureds."

ERRORS AND OMISSIONS INSURANCE: \$1,000,000.00 aggregate.

NOTICE OF CANCELLATION: The City requires 30 days written notice of cancellation. Additionally, the notice statement on the certificate should not include the wording "endeavor to" or "But failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."

To prevent delay and insure compliance with the requirements of the specifications, the insurance certificates and endorsements must be returned to:

**Brad Wilkie**  
**Finance Director**  
City of Gridley  
685 Kentucky St  
City of Gridley, CA 95948