



REQUEST FOR PROPOSALS
FOR
ACTUARIAL AND ADMINISTRATIVE SERVICES
FOR
POLICE PENSION PLAN OF TOWN OF CUMBERLAND
AND
OTHER POST-EMPLOYMENT BENEFITS PLAN

45 BROAD STREET
CUMBERLAND, RI 02864

Date Issued: June 4, 2021
Date Due: June 25, 2021 by 9:00 a.m.

Town of Cumberland
Pension Board/OPEB Board
45 Broad Street
Cumberland, RI 02864
Phone: 401-728-2400 x134

**TOWN OF CUMBERLAND
INVITATION TO BID
BID # 2021-0625-01
REQUEST FOR PROPOSALS**

Sealed bids clearly marked – “Actuarial and Administrative Services for Police Pension Plan and OPEB Trust” will be received at the Mayor’s Office at Cumberland Town Hall, 45 Broad Street, Cumberland, Rhode Island, until 9:00 AM on June 25, 2021. They will be opened virtually via Zoom. **Please include five (5) copies of your bid proposal. Also, the Town requires that your bid be emailed to sking@cumberlandri.org no earlier than 9:15 AM on June 25, 2021.**

Please use the link below to join the webinar:

When: Jun 25, 2021 09:00 AM Eastern Time (US and Canada)

Topic: Pension Board/OPEB Trust Actuarial and Administrative Services Bid Opening

<https://us02web.zoom.us/j/88631581863>

Or One tap mobile :

US: +13017158592,,88631581863# or +13126266799,,88631581863#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

*US: +1 301 715 8592 or +1 312 626 6799 or +1 646 876 9923 or +1 346 248 7799 or
+1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782*

Webinar ID: 886 3158 1863

International numbers available: <https://us02web.zoom.us/u/kbWXiiCqDG>

There will be an optional, virtual Pre-Bid Conference on June 16, 2021 at 10:00. Interested bidders should contact Sarah King at 401-728-2400 X132 or sking@cumberlandri.org on or before June 14, 2021 for meeting information.

No bid may be withdrawn for a period of sixty days subsequent to the opening thereof without permission of the Finance Director.

The Town reserves the right to reject any or all bids, waive any informality in the bidding, or accept the bid deemed to be in the best interest of the Town.

Please contact Sarah King, Mayor’s Office, at 401-728-2400 x132 if you have any questions.

INTRODUCTION

A. General Information:

The Pension Board, also known as the Retirement Board (Pension Board) and the Other Post-Employment Benefits Board of Trustees (OPEB Board), are appointed by the Town of Cumberland, Rhode Island to administer the Police Pension Plan of Town of Cumberland (Police Pension Plan) and the Other Post Employment Benefits Trust (OPEB Trust) (together referred to as the “Boards”). The Boards are issuing this request for proposal (RFP) to obtain written proposals for third party administration (TPA) services and actuarial services related to the Police Pension Plan and OPEB Trust.

The proposal should be submitted with the emphasis on services for the Pension Board, with an added alternate proposal for the OPEB Trust.

This RFP provides additional introductory information, describes the general scope of work, sets forth proposal requirements, and outlines the selection procedures. Applicants should submit proposals for all of the services sought herein.

Any inquiries concerning this request for proposals should be addressed in writing to Sarah King, Mayor's Office. Please deliver five (5) copies of your proposal to 45 Broad Street, Finance Department, Cumberland Town Hall, Cumberland, RI 02864 by 9AM on June 25, 2021 to be considered. The Town of Cumberland reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town of Cumberland, reserves the right, where it may serve the Town of Cumberland's best interest, to request additional information or clarifications from proposers, or to allow corrections of minor errors or omissions. At the discretion of the Town of Cumberland, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Cumberland reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Cumberland and the firm selected.

B. Term of Engagement

A three-year contract is contemplated, subject to the annual review, the satisfactory negotiation of terms, including a price acceptable to both the Town of Cumberland, Rhode Island and the selected firm, with the concurrence of the Cumberland Town Council. Continuation beyond the initial fiscal year of the three-year contract will be at the discretion of the Town.

C. General Terms and Conditions

1. RECEIPT AND OPENING OF PROPOSALS

Sealed Bids (proposals) will be accepted, and time stamped upon receipt in the office of the Finance Director, Town Hall, Cumberland, Rhode Island, until the time indicated on the attached Advertisement for Bids, listed in the specification and will then be publicly opened via Zoom.

2. FORM OF BID

Five (5) copies of the bidder's proposal, following the guidance outlined in the Request for Proposal, shall be submitted with supplemental information, drawings, warranties and other required documentation, literature, and material to be provided, with the bid, on the bidder's own form.

3. SUBMISSION OF BIDS

- a. Envelopes containing bids must be sealed and addressed to the Office of the Finance Director, Town Hall, 45 Broad Street, Cumberland, RI 02864, and must be marked with the name and address of the bidder, date, and hour of opening, and name of item in bid call.
- b. The Finance Director will decide when the specified time has arrived to open bids, and no bid received thereafter will be considered.
- c. Any bidder may withdraw his bid by written request at any time prior to the advertised time for opening. Telephonic bids, amendments, or withdrawals will not be accepted.
- d. Unless otherwise specified, no bid may be withdrawn for a period of sixty (60) days from the time of bid opening.
- e. Negligence on the part of the bidder in preparing the bid confers no rights for the withdrawal for the bid after it has been opened.
- f. Proposals received prior to the time opening will be securely kept, unopened. No responsibility will be attached to an officer or person for the premature opening of a proposal not properly addressed and identified.
- g. Any deviation from the Specifications must be noted in writing and attached as part of the bid proposal. The Bidder shall indicate the item or part with the deviation and indicate how the bid will deviate from the Specifications.

4. RHODE ISLAND SALES TAX

The Town is exempt from the payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30.

5. FEDERAL EXCISE TAX

The Town is exempt from the payment of any excise tax or federal transportation taxes. The price bid must be exclusive of taxes and will be so construed.

6. QUALIFICATION OF BIDDERS

The Town may make such investigations as it deems necessary to determine the ability of the bidder to perform the work. The bidder shall furnish the Town with all such information and data for the purpose as may be requested.

7. ADDENDA AND INTERPRETATIONS

No interpretation on the meaning of the terms within this Request for Proposal will be made to any bidder orally. Every request for such interpretations should be in writing, addressed to the Sarah King, Mayor's Office, Cumberland Town Hall, 45 Broad Street, Cumberland, R.I., 02864 (or sking@cumberlandri.org), and to be given consideration, must be received at least seven (7) days prior to the date fixed for the opening of the bids. An addendum will be posted on the Town's website. The Town is not responsible for information obtained from any other source.

8. DELIVERY

All bids are to be delivered to the Mayor's Office, Town Hall, 45 Broad Street, Cumberland, RI 02864. Deliveries must be made during normal working hours 8:30 a.m. until 4:30 p.m.

9. HOLD HARMLESS

The successful firm shall be responsible for its work. The successful firm agrees to indemnify and save harmless the Town of Cumberland, its employees and agents, against loss or expense by reason of the liability imposed by law upon the contractor, or owner for damage because of bodily injuries, including person or persons or on account of damage to property arising out of or in consequence of the performance of this work whether such injuries to persons or damage to property are due or claimed to be due to any negligence, including gross negligence the owner, the general contractor, his or their employees or agents, or any other person.

10. PROFESSIONAL LIABILITY INSURANCE

The successful firm shall take out and maintain during the life of this Contract Professional Liability Insurance coverage of not less than \$3 Million.

All bidders, upon award of contract, shall furnish an insurance certificate naming the Town of Cumberland as an Additional Insured. If it is necessary that the successful firm have its employees and/or agents work on Town Hall property, then the successful firm will be required to show adequate Worker's Compensation coverage.

BACKGROUND

The Pension Board administers the Police Pension Plan. The Police Pension Plan is a non-frozen defined benefit plan governed by Chapter 22 of the Code of Ordinances of the Town of Cumberland, the Internal Revenue Code, and the plan document. As of 12/31/20, the Police Pension Plan had seventy-seven (77) participants, seventy-seven (77) retirees, alternate payees, or beneficiaries receiving benefits, and zero (0) terminated vested participants, and a market value of approximately \$25,000,000.

MINIMUM REQUIREMENTS TO RESPOND

Applicants that respond to this RFP must be able to meet or exceed the following minimum criteria to be considered for the award of a professional services contract:

1. 5 or more years' experience providing pension services to Rhode Island municipal government entities.
2. 3 or more Rhode Island clients under contract for pension services similar to those described in this RFP.
3. With respect to the specific actuarial staff assigned to the Police Pension Plan:
 - a. must have performed actuarial valuations for defined benefit plans for at least 3 years;
 - b. must have performed at least 5 actuarial valuations of a defined benefit pension plan sponsored by a governmental entity in Rhode Island; and
 - c. at least one staff member must be a Fellow or Associate of the Society of Actuaries or a Fellow or Associate of the Conference of Actuaries in Public Practice.

SCOPE OF WORK

I. ADMINISTRATIVE SERVICES

The primary purpose of the engagement as TPA will be to maintain participant records, communicate with participants, advise and assist the Pension Board and the Town Human Resources staff with the day-to-day administrative operation of the Police Pension Plan. TPA services under this RFP must include the following routine administrative services:

- Maintain and update plan document, including drafting required amendments for compliance with applicable law and to implement changes approved by the Pension Board.
- Monitor plan for compliance with current legal requirements.
- Prepare and file reports required for government retirement plans.
- Prepare, maintain, and update ancillary documents, including application for benefit forms, disability benefit confirmation of eligibility forms, and election of benefit option forms.
- Provide counseling, educational, training, and documentation services for the day-to-day operation of the Police Pension Plan, including preparing and updating a plan administration guide.
- Receive and maintain enrollment and beneficiary information.
- Compute and maintain records of vesting, service, breaks in service.
- Handle recordkeeping and reporting relating to participants (active or inactive), alternative payees, beneficiaries, and retirees, including but not limited to benefit selection, benefit calculations, benefit eligibility and payments, contributions, tax documents, and tax withholding.
- Administer claims for disability pension, retirement benefits, alternate payee and surviving spouse benefits.
- Administer and direct payment of benefits.
- Monitor disqualifying conditions and suspend benefits, as necessary.
- Assist with locating missing participants and beneficiaries, and with adjudication of appeals.
- Communicate with participants regarding claims, benefits, required disclosures (such as annual statements).
- Collaborate with the Police Pension Plan's actuary, as necessary, including but not limited to providing required reports necessary to prepare actuarial valuations on a timely basis.
- Provide additional routine administrative or advisory services relevant to retirement plan administration, when reasonably requested by the Pension Board or the Town of Cumberland.

II. ACTUARIAL SERVICES

The primary purpose of the engagement of the actuary will be to conduct an annual actuarial valuation and assist with determining funding amounts and accurate benefit payments. Actuarial Services under this RFP must include the following regular actuarial services:

- At the outset of the engagement:
 - review, reconcile, and confirm baseline census data for Police Pension Plan participants in payment status (including retirees, alternative payees, and beneficiaries) and reconcile eligibility status and benefit calculation; and

- analyze and review the most recent actuarial study(s) and valuation performed, including the appropriateness and reasonableness of the actuarial assumptions.
- Determine funded status and actuarial valuation of the Police Pension Plan on an annual basis and prepare required periodic reports, including the annual Actuarial Valuation Report, review of progress against the Funding Improvement Plan, and any state pension forms or reports that are routinely required.
- Perform and provide calculations for the Pension Board relating to the Police Pension Plan, including recommended annual minimum funding contributions, relative value and QDRO calculations, funded status and impact on the funding improvement plan.
- Attend and present at meetings to review the actuarial valuation and discuss the status of the Police Pension Plan including, at minimum:
 - Pre-valuation meeting with the Pension Board to agree on all actuarial assumptions made for the valuation and to identify any issues in the scope of services for that year's valuation.
 - Draft report meeting with the board to allow for presentation of the valuation report and to address comments or suggestions from the Pension Board.
 - At the request of the Pension Board, attendance at the annual Pension Board, Finance Committee, and/or Town Council meeting to conduct a presentation on the results of the actuarial valuation and answer and all questions.
- Analyze, review, and confirm or update on an annual basis the recommend actuarial assumptions to be used for the Police Pension Plan, including mortality, payroll, contributions, retirement, salary increases, and rate of return, and actuarial factors for the Police Pension Plan to the extent applicable, such as joint and survivor option and minimum distribution.
- Prepare participant communications regarding benefits, including benefit statements and relative value statements.
- Calculate plan benefits for terminating and retiring participants, alternate payees, and beneficiaries, including preparation of forms for participants to make any required elections.
- Prepare actuarial studies and financial reports to ensure that the Pension Board and the Town remain in compliance with all applicable Governmental Accounting Standards Board (GASB) statements relating to the Police Pension Plan, including (as applicable) GASB Statement No. 45, No.67, and No. 68.
- Provide any actuarial language required for amendments or updates to the Police Pension Plan document.
- Provide routine consulting services, including updating the Pension Board on legislative updates, regulatory developments, trends, plan design issues, and the costs or savings of benefit changes.

III. NON-ROUTINE OR OPTIONAL SERVICES

The Pension Board may require non-routine, optional services as needed, such as:

- Consultation regarding collective bargaining issues, including the cost impact of proposed modifications to the defined benefit plans.
- Providing expert testimony.

- Assisting legal counsel with plan design issues, preparation of plan documents, ordinances or resolutions governing the plan.
- Assisting with audits and response to findings.

QUALIFICATIONS & EXPERIENCE

1. Provide the name, address, and telephone number of the home office of your firm, the address of the office(s) providing services under the RFP.
2. Provide a general description of the firm including size, number of employees, primary business, other businesses or services, and type of organization.
3. Identify all individuals who will render services to the Police Pension Plan as identified in the RFP, as well as their qualifications, experience, and expertise, particularly with respect to governmental pension plans, and specifically with Rhode Island municipalities and governmental entities.
4. With respect to actuaries who will render services under the contract:
 - a. include a summary of their professional qualifications, credentials, years of service with your firm, and certifications
 - b. identify their experience and expertise with municipal or governmental defined benefit pension plans in Rhode Island
 - c. confirm whether any such staff has ever been suspended, subject to disciplinary action, accused or convicted of any criminal action such as fraud, dishonesty, or breach of fiduciary duty, or named in any malpractice, negligence, or similar action within the past 5 years.
5. Identify the primary contact person who will be the liaison at your firm for administrative and actuarial services. (This person should attend if your firm be selected to be interviewed.)
6. Describe your professional staff's annual turnover during the past 3 years, and the measures that your firm takes to ensure continuity of service.
7. Describe how long your firm has been providing the types of pension services sought under this RFP, specifically to municipalities and government entities, and particularly in Rhode Island.
8. Regarding your current client base:
 - a. How many of your current pension clients are governmental entity pension clients?
 - b. How many of the clients described in (a) are Rhode Island municipal pension clients?
 - c. How many of the clients described in (a) are defined benefit police pension plans?
 - d. What is the average size (number of participants and asset value) of the clients described in (b) and (c)?
9. Provide a list of 3 clients with similar requirements as those outlined in this RFP that the Pension Board may contact as references. Include the name, address, and name of contact person and telephone number for the client reference.
10. Provide a list of clients that have terminated your firm's service in the past 3 years and the reasons for the termination. Names of clients can be redacted if the firm does not have permission to share the information.

11. If your firm will employ any subcontractor or affiliate to provide any of the proposed services, please provide identify those parties and their role, and information for the assigned personnel for items 1 through 10, as applicable.

FEES

1. Insert a table or provide a complete list of:
 - a. Services, including:
 - i. routine administrative and actuarial services your firm will provide under this RFP
 - ii. non-routine and optional services described in the scope of work
 - iii. any additional routine, non-routine/optional, or other administrative or actuarial services your firm can provide
 - b. For each service listed:
 - i. the fees associated with each
 - ii. how fees are calculated
 - iii. how fees are reported and billed
2. Identify any expenses or services not included in the fees described in (1), or for which the firm will seek reimbursement, such as travel, postal, photocopying.
3. What is the maximum length of time the firm is willing to guarantee these fees, and what is the maximum increase in fees following the guaranteed term?

SERVICE STANDARDS

1. Describe your firm's approach to client support, any policies that your firm has in place to ensure high quality customer service, and your intended and expected relationship with the Pension Board, Finance Director, Mayor, Town Solicitor, and Human Resources staff.
2. Provide the typical cadence and agenda you recommend for meetings with pension boards for similar defined benefit pension plans.
3. If applicable, please describe all subcontracts and partnerships, if any, your firm proposes to utilize in the performance of the scope of work and explain the expect working relationships and responsibilities of each firm.
4. Does your firm provide IRS-qualified prototype plan documents and summary plan documents, if applicable, as well as technical assistance and plan updates to incorporate new state or federal legislation, including the required amendments list (if applicable)?
5. Describe your firm's security and privacy plan (including data centers, remote networks, web portal, cloud storage, and vendor-to-vendor transfers), the hardware and software system used to record keep and administer benefit plans, and the disaster recovery plan.
6. Describe the level of general liability, professional liability, errors and omissions, data breach and cyber liability and cybercrime, and similar insurance coverage carried by your firm.
7. Provide a full disclosure of any conflicts of interest that may be relevant to this RFP, and describe the policies used by your firm to avoid or mitigate conflicts of interest, including, but not limited to,

whether your firm receives any things of value from, or your personnel serve in any capacity with, an investment management firms.

8. Identify the level of bonding carried by your firm.
9. If your firm requires a specific minimum contract term, please specify the minimum term and any penalties or fees imposed for early termination.
10. Briefly describe any unique characteristics of your firm and why in your opinion you feel your service platform is best suited to meet the needs of the Police Pension Plan.
11. For the 5-year period preceding the date of this RFP, list any formal complaints, claims, legal actions, or other proceedings filed with regulatory agencies, including the IRS, DOL, and state regulators, administrative agencies, arbitrators, or courts as a result of actuarial services provided by the firm and/or its actuaries (or any employees, subcontractors, or partners identified above) or that could interfere with your ability to perform the work requested by this RFP.
12. Provide a detailed description of the proposed methodology and procedures to be employed:
 - a. in performing actuarial valuations
 - b. in determining each of the actuarial assumptions to be employed in performing the valuation
 - c. in editing and "cleaning" the member data that will be provided by the board, including a description in detail of the proposed method of accounting for missing data elements.

REPORTING & ACCOUNTABILITY

1. Provide examples of the following from a similar-sized governmental defined benefit pension plan:
 - a. Actuarial valuation report, including applicable charts and schedules
 - b. Relative value statement
 - c. Plan administration guide
 - d. Educational materials for participants, beneficiaries, or plan officials
2. Describe your firm's approach to monitoring and managing regulatory changes imposed by state and federal law or regulation, and how you assist municipal clients in maintaining compliance.
3. What types of reviews or audits does your firm routinely conduct when assuming a new client? Are there additional fees incurred for these reviews or audits and if so, what do they typically cost?

EVALUATION PROCEDURES

A. Evaluation Committee

Proposals submitted will be reviewed and evaluated by the Evaluation Committee and a recommendation will be made to the Town Council for approval by resolution.

B. Review of Proposals

The Evaluation Committee will evaluate the technical proposal by each of the criteria described in Section VIII C below.

The Town of Cumberland, Rhode Island reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- The firm is independent and licensed to practice in Rhode Island, if required.
- The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Cumberland, Rhode Island
- The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.

2. Technical Quality:

Expertise and Experience

- 1) The firm’s past experience and performance on comparable government engagements
- 2) The quality of the firm’s professional personnel to be assigned to the engagement and the quality of the firm’s management support personnel to be available for technical consultation

3. Price

COST WILL BE AN IMPORTANT FACTOR IN THE SELECTION OF FIRM BUT MAY NOT BE THE DECIDING FACTOR.

Proposals will be evaluated using the following scoring weights resulting in a maximum score of 100 points:

	Maximum points
Overall qualifications and experience of the firm and the specific engagement personnel to be assigned focusing on experiences with governmental entities.	40
Overall approach and strategy described/outlined in the proposal and firm capacity to perform the engagement within the specified timeframe (prior experience of the firm in meeting timelines should be factored in here)	30
Fees - See formula for points awarded for fees (*)	30
Maximum evaluation points 100	100

* Evaluation technique – Fees

Fee score = (lowest qualified bid/bid for firm being evaluated) X 30 points

Example: Assuming 3 bids received were: (firm A) - \$40,000, (firm B) - \$46,000, (firm C) - \$50,000

Firm A (the lowest bidder)	awarded 30 points	$\$40,000/\$40,000 \times 30 \text{ points} = 30$
Firm B	awarded 26 points	$\$40,000/\$46,000 \times 30 \text{ points} = 26$
Firm C	awarded 24 points	$\$40,000/\$50,000 \times 30 \text{ points} = 24$

An evaluation grid will be prepared summarizing the scoring by each member of the evaluation committee and the composite ranking. If any firm is disqualified and therefore not evaluated, the reason for such action shall be documented.

D. Oral Presentations

During the evaluation process, the Town of Cumberland may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Town of Cumberland may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The Town Council of Cumberland will select a firm. Following notification of the firm selected, it is expected a contract will be executed between both parties.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Cumberland, Rhode Island and the firm selected.

The Town of Cumberland, Rhode Island reserves the right without prejudice to reject any or all proposals.