

**Burlington Employees Retirement System  
Pension and Other Post-Employment Benefits (OPEB)  
Actuarial Services**

**Request for Proposal**

**Due July 12, 2017**



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## **PART A PROCUREMENT INFORMATION**

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### **A-1 Introduction**

The Burlington Employees' Retirement System (BERS) is soliciting proposals for Pension and OPEB Actuarial Services. The following document outlines the requirements for responding to this Request for Proposal (RFP).

#### **A-1.1 EXECUTIVE SUMMARY**

Burlington Employees Retirement System (BERS) is soliciting proposals from firms interested in serving as Consulting Actuary. BERS is seeking professional actuary services to perform the annual pension plan valuation and bi-annual OPEB valuation and other related services as required by current or future GASB pronouncements. A complete description of required services is included in **Section B, Scope of Pension and OPEB Actuarial Consulting Services**.

#### **A-1.2 BERS POINT OF CONTACT**

From the issue date of this RFP until the selection and announcement of a successful offeror, offerors are not allowed to communicate, for any reason, with any BERS staff regarding this particular procurement, except through the Contracting Officer named herein. For violation of this provision, BERS shall reserve the right to reject the proposal of the offending offeror.

The point of contact for questions and all other contractual matters relating to this RFP is:

Name: Rich Goodwin  
Title: Director Financial Operations  
Address: 149 Church Street, 2<sup>nd</sup> Floor  
Burlington, VT 05401  
E-Mail: rgoodwin@burlingtonvt.gov

The deadline for offeror's proposals is, **July 12, 2017 by 3:00 PM** delivered to the BERS office, marked to the attention of:

Name: Rich Goodwin  
Title: Director Financial Operations  
Address: 149 Church Street, 2<sup>nd</sup> Floor  
Burlington, VT 05401  
E-Mail: rgoodwin@burlingtonvt.gov

**By submitting a proposal, the offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements.**



### A-1.3 OFFEROR QUESTIONS ABOUT RFP AND PROCUREMENT

Submit offeror questions relating to this RFP and/or procurement via email to the Point of Contact named in Section A-1.2 through **June 19, 2017**. Submit all questions as a Word document using the format specified in Table 1 below. Failure to comply with the use of this format may be grounds for the questions not being answered.

**Table 1. Format for Submission of Offeror Questions**

No.	RFP Section	RFP Page	Question
Q1			
A1			
Q2			
A2			

Email is the required method of communications – using a Word file as an attachment. All written questions must include the name of the firm and the person submitting the questions. BERS will post a compilation of all questions and answers, along with any RFP addenda, to the BERS website <https://www.burlingtonvt.gov/RFP> no later than **June 27, 2017**. Individuals and Firm names will not be listed on responses.

### A-1.4 BIDDERS RFP RSVP

Offerors that intend to bid on the BERS RFP are expected to notify BERS via email to the Point of Contact named in Section A-1.2 of their intent to do so by the date and time shown in Section A-2.3.

### A-1.5 REQUESTS FOR CLARIFICATION

Upon review of proposals submitted by offerors, BERS may, at its discretion, submit to offerors written questions and requests for clarification relating to their technical and/or cost proposals. Offerors will be provided a reasonable period of time in which to submit written responses to BERS’ questions and requests for clarification. Such question and answer exchanges may be repeated until BERS is satisfied that all offeror information necessary to enable a complete evaluation of proposals has been obtained.

All such written exchanges between BERS and the successful offeror will be incorporated by reference into the contract to be executed by the two parties.

### A-1.6 PRESENTATIONS

At BERS’ discretion, offerors who receive high scores after the initial review of proposals may be required to provide presentations on site at BERS’ offices, at the offeror’s office or via webinar session. If presentations are required, offerors will be offered alternative dates from which to select.

BERS requires meeting the key assigned staff when conducting the presentations. BERS’ objective is to discern the offeror’s proposed staffs’ familiarity with the proposed services and their ability to explain, communicate, converse, and interact with BERS staff. While respecting the role of sales and marketing staff in the sales process, BERS is most interested in interacting with key service providing members. BERS reserves the right not to conduct offeror presentations, and/or customer site visits.



## **A-1.7 BEST AND FINAL OFFERS (BAFO)**

At BERS’ discretion, Best and Final Offers (BAFO) may be solicited from offerors whose scores are ranked highest after the initial review of proposals, presentations and site visits (if presentations and site visits are conducted).

BAFOs may address cost, scope changes, staffing changes, service changes – both those solicited by BERS and those offered by the offeror.

These offerors’ Best and Final Offers must be received at the address identified in Section A-1.2 by the time specified in the solicitation. If a Best and Final Offer is not submitted, the previous submittal will be construed as the Best and Final Offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1). After Best and Final Offers are received, final evaluations will be conducted for an award.

BERS reserves the right not to solicit Best and Final Offers.

## **A-1.8 RFP ORGANIZATION**

This RFP is organized as described below.

### **PART A – Procurement Information**

This part of the RFP sets forth the procedures for conducting the procurement, the nature of the services being sought, the project timetable, and a description of BERS’ existing environment.

### **PART B – Scope of Services**

This part of the RFP defines in detail the scope of services. It addresses the business service requirements to be satisfied, and other required services and deliverables,

### **PART C - Proposal Format and Evaluation**

This part of the RFP provides detailed instructions for the preparation and format of offeror proposals, both technical and cost.

### **PART D – BERS Terms and Conditions**

This part of the RFP sets forth the standard BERS terms and conditions that the offeror must abide by in preparing its response to this RFP and/or in conducting the effort after award.

## **A-1.9 CLARIFICATION OF TERMINOLOGY**

All references in this RFP to features, functions, services, or deliverables that “should”, “must”, “will”, “has ability to”, etc. be provided by the offeror are to be construed as mandatory. Similarly, all references in this RFP to information that “should”, “must”, “will”, “has ability to”, etc. be provided in the offeror’s proposal are to be construed as mandatory.

Bidders may be referred to alternatively as “bidders”, “offerors”, “successful offerors”, “successful bidders”, “vendors”, etc. All such references (except for those explicitly defined otherwise) are to the primary contractor who submits the proposal in response to this RFP and, if successful, who will be responsible for the successful completion of all required deliverables.



References to days are to work days unless otherwise explicitly stated.

Reference to time as stated in this RFP is based on local Eastern Time.

Throughout this RFP, BERS refers to awarding of the contract as if that award were a given. In fact, BERS reserves to itself the right to reject any or all proposals, to negotiate with one or more bidders, or to award the contract in its best interest, as well as reserve to itself the right to make no award whatsoever or re-advertise for additional proposals and to extend the deadline for submission of the proposals.

## **A-2 NATURE OF PROCUREMENT**

BERS is soliciting proposals from firms having recent experience in the supply of actuarial services in the public sector for Pension Systems and Employee Health Systems. To be considered for the purpose stated above, the firm must meet all of the following minimum qualifications. Failure to do so shall result in the rejection of the proposal.

BERS' minimum qualifications,

- The firm must be a professional actuarial consulting firm that provides actuarial valuations, experience investigations, asset/liability studies, or actuarial consulting services.
- The firm must have been in existence as a business entity performing such services for a minimum of five (5) years.
- The firm must have a minimum of three (3) current single-employer, public pension plan clients, each client with at least 3,000 members; with a benefit structure of reasonably similar complexity to BERS.
- The Principal Actuary performing the services under the Contract must be a Fellow of the Society of Actuaries and an enrolled actuary. The Principal Actuary must have ten (10) years of experience as a principal consulting actuary providing pension consulting services, experience analysis, and valuation assignments for one or more single-employer public retirement systems, each with a membership of at least 3,000.
- Any Supporting Actuary performing services under the Contract must be a Fellow of the Society of Actuaries and an enrolled actuary. The primary supporting actuary must have five (5) years of experience as a principal or supporting actuary providing pension consulting services, experience analysis, and valuation assignments for a single-employer public retirement system.
- The firm's technology system must be capable of providing adequate and verifiable security for all client data, including providing a secure means of data transmission between the firm and BERS, as well as, providing encryption of client data at rest within the system using no less than 128-bit key encryption. The firm must further have installed internal controls to ensure that client data is not stored outside of the system.
- The firm must be able to cite five or more such previous public sector actuarial services clients.



## **A-2.1 ABOUT BERS**

BERS is the name that refers to the Burlington City Employee's Retirement System. The system is run by a board that has the Fiduciary duty to administer **one** distinct defined benefit retirement system.

The system's funds provide service retirement benefits as well as death and disability benefits to a population of contributory and non-contributory members and their beneficiaries. The plan covers eligible members employed in the general administrative service of the City and certain non-teacher employees of the Burlington City Public School District. As of June 30, 2016, the BERS membership consisted of the following:

- BERS Retirees and Beneficiaries Receiving Benefits- 700
- Terminated Members Not Yet Receiving Benefits - 400
- Active Plan Members 1,135
- Total Membership of 2,235.

Copy of the ordinances governing the system is available on the City of Burlington's Code of Ordinances in Chapter 24. The Code can be found here: <https://www.codepublishing.com/VT/Burlington/>

## **A-2.2 PROJECT OBJECTIVES AND SCOPE**

The objective of this RFP is to solicit proposals from offerors who will be responsible for completing all of the stated service requests within an agreed upon timetable and in a quality manner with a fixed fee structure.

### **A-2.2.1 General Objectives and Scope**

The objective of this RFP is to solicit proposals from qualified actuarial service firms willing and able to provide stable state-of-the-industry service capable of supporting BERS. The offeror is expected to enable BERS staff to perform all of their duties associated with financial accounting and reporting.

BERS will award this contract to the offeror who can best meet the needs as defined in this RFP. The objective of this RFP is to elicit a response from offerors for the implementation of the defined services.

The RFP also specifies the common format of offeror responses and the estimated timeframe to enable BERS to compare the offerors' services and to make its choice. In addition, the RFP briefly explains the selection process.

### **A-2.2.2 Term of Contract**

The contract for consulting actuarial services is intended to be for a three (3) year period with BERS having the option to extend the contract for an additional three-one year periods (TBD) under the same terms and conditions.



## A-2.3 PROJECT SCHEDULE AND MILESTONES

The dates provided in Table 2 on the next page are approximate and are for the period up to the project start date following contract award.

BERS reserves the right to change the calendar of events or issue amendments to the RFP at any time. BERS also reserves the right to cancel or reissue the RFP. Offerors should check the BERS Website from time to time as any amendments or other RFP related materials will be posted there.

**Table 2. Project Schedule**

Date	Activity
June 9, 2017	RFP issued
June 15, 2017 @ 3:00 p.m.	Bidders RFP RSVP
June 19, 2017	Receive offerors' questions
June 27, 2017	BERS supplies answers to offerors' questions
July 12 2017 @ 3:00 p.m.	Deadline for receipt of proposals
July 24, 2017	BERS generated questions
July 31, 2017	Offerors' responses to questions
August 14-16, 2017	Hold presentations for short listed vendors
September 1, 2017	BERS evaluation complete
September 18, 2017	BERS selection approved*
September 19, 2017	Contract negotiations begin

\*Final approval is based on review and approval of BERS, Board of Finance and City Councils approval.

## PART B SCOPE OF SERVICES

### B-1 Scope of Actuarial Services

The Consulting Actuary shall perform the listed tasks, which include, but shall not be limited to, the following:

1. An annual formal valuation of the assets and liabilities of the Pension Plan with a valuation report to BERS. Valuations shall be prepared in accordance with Actuarial Standards of Practice and will determine funding status, funding requirements and recommend employer contribution rates and information to comply with the Governmental Accounting Standards Board (GASB) Statement No.67 and 68.
2. Prepare responses to questions and data request from BERS' independent auditors regarding GASB 67 and 68 Valuation reports and the assumptions, methods and data used.
3. BERS expects the actuary to attend 2 meetings per contract year: one meeting with the Board of Finance (in person or by teleconference) and one meeting (in person) with the City Council, to review the annual actuarial valuation, review the actuarial assumptions used in the valuation for



appropriateness, and provide recommendations to the Board regarding the actuarial assumptions to be used going forward in connection with the valuation and administration of the Plan.

**DELIVERABLES:**

- Draft Funding Valuation for the year end June 30, 2017, and annually thereafter
- Final Funding Valuation for the year end June 30, 2017, and annually thereafter
- Provide Annual Actuarial Certification Letters of Funding Requirements
- Draft Experience Study
- Final Experience Study
- Draft GASB 67/68 Valuation Reports (Measurement Date of June 30, 2017 for our June 30, 2018 Comprehensive Annual Financial Report
- Final GASB 67/68 Valuation Reports (Measurement Date of June 30, 2017 for our June 30, 2018 Comprehensive Annual Financial Report.

## **B-2 Scope of OPEB Services**

Effective June 30, 2017 the Burlington School Department and the City of Burlington will issue financial reports consistent with GASB 45 and, effective June 30, 2018, they will report consistent with GASB 75. The Governmental Accounting Standards Board (GASB) has issued statement No. 45, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans (OPEB) which established standards for the measurement, recognition and reporting of OPEB expenses and related liabilities in the comprehensive annual financial report (CAFR). The actuary will provide BERS with an actuarial determined valuation of their OPEB for compliance with the GASB Statements.

The goals of the OPEB services are to:

- Recognize the cost of OPEB benefits in the period when services are received.
- Provide information about the actuarial liabilities for the promised benefits.
- Provide information useful in assessing potential demands on future cash flows.

At a minimum, this valuation should:

1. Determine cost of benefits
2. Project future benefits payments
3. Determine the present value of projected benefit payments
4. Provide the accrued liability of OPEB associated with the past service costs
5. Use an acceptable actuarial cost allocation method to assign costs to specific accounting periods
6. Provide information useful in accessing potential demands on the BERS's cash flows

**DELIVERABLES:**

- Draft Funding Valuation prepared in accordance with GASB 45 for the fiscal year ended June 30, 2017.
- Final Funding Valuation prepared in accordance with GASB 45 for the fiscal year ended June 30, 2017.



- Draft Funding Valuation prepared in accordance with GASB 75 for the fiscal year ended June 30, 2018 and each year thereafter.
- Final Funding Valuation prepared in accordance with GASB 75 for the fiscal year ended June 30, 2018 and each year thereafter .

## **B-3 Scope of Consulting Services**

BERS may, from time to time, request in writing special analyses based on actuarial results, economic events, policy discussions, changes in accounting requirements, calculation certifications or other similar events. The actuarial firm selected should have sufficient resources to respond to these authorized, written requests in a timely manner. Such consultation and advice will be facilitated through periodic meetings, routine telephone consultations, and correspondence as required by BERS. Additionally, the actuarial firm will also be required to complete Benefit Calculation Certifications. This task involves the ability and timeline to certify all the retirement calculation (service, disability, death) for all options (single-life annuity, joint and survivor, etc); ensuring to show average wage and intermediary calculation results and a formal printed output of the results.

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## **PART C PROPOSAL FORMAT AND EVALUATION**

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### **C-1 Format of Offeror Proposals**

This section sets forth the format that must be followed by offerors in developing their proposals in response to this RFP. Proposals that vary from this prescribed format are subject to being judged non-compliant and withdrawn from consideration.

The offeror must understand that BERS will view the degree of compliance with this section as an indication of the degree of cooperation to be expected from the contractor in working with BERS after contract award. BERS' request in this vein is not arbitrary; rather it is designed to enable the evaluation team to compare, in as straightforward a manner as possible, the contents of all proposals. Thus, it is in the offeror's best interest to organize its proposal as described below.

Offerors are to submit separately bound and separately packaged Service and Cost Proposals. No cost information is to be included in the Service Proposal – with the single exception of Section 1.5, Exceptions, in which it is permissible for offerors to include relative or differential cost information (i.e., percentages are acceptable; hard dollar amounts are not). Please refer to the discussion under 1.5 Exceptions, below.

The proposals are to be prepared on standard 8½" x 11" white paper. All proposals are to be in single-column format and page-numbered from first page to last, with the permitted exception of attachments to the proposal. A Table of Contents must be included. Foldouts containing charts, spreadsheets, and other necessary supporting documentation are permissible, but must be held to a minimum. The pages must be placed in a binder with tabs separating the major sections outlined below. Figures and tables must be numbered and referenced in the text by that number.



The following information must appear on the title page of each copy of both the Service and Cost Proposal:

<p><b>Burlington Employees Retirement System (BERS)</b></p> <p>Service or Cost Proposal for [Pension and OPEB Actuarial Services]</p> <p>Federal Tax ID Number: _____</p> <p>Closing date and time for submission of proposals: _____</p> <p>[Name, title, address, telephone numbers of organization submitting proposal]</p> <p>Signature _____</p>
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An individual authorized to bind the respondents to its provisions must sign proposals. The proposal must remain valid for at least one hundred eighty (180) days from the proposal receipt deadline.

Offerors must provide the following number and type of submissions when submitting their proposals:

- Three (3) originals (marked as original) of the Service Proposal.
- Three (3) originals (marked as original) of the Cost Proposal.
- One (1) Jump Drive of the Proposal; in Microsoft Word and/or Excel format – one folder containing proposal as submitted and another folder containing proposal with confidential information redacted or removed and in PDF format (refer to Section D-7 for provisions relating to confidential proposal material).

All printed copies of proposals and the electronic version provided on Jump Drives must be clearly labeled to be easily identifiable with the offeror’s submission. The Word and Excel files must be provided in an “unlocked” form that will allow BERS to edit, insert comments, “cut-and-paste” and annotate the documents and spreadsheets with comments and revisions during its evaluation. Finally, we point out that BERS’ internal review of the electronic version of the response is greatly facilitated if the proposal is a single MS Word document.

Specific contents to be included in each section of the offeror’s proposal are discussed in detail below.

Table of Contents

Each page of the proposal must be numbered (with the possible exception of pre-printed material included in attachments), and each section heading must appear in the proposal Table of Contents.

Proposal Letter

The Proposal Letter must be included and must be signed by a person authorized to legally bind the company. It should clearly indicate the name of the responding organization, including the Respondent’s e-mail address and web site address as well as the name, address, telephone number and e-mail address of the organization’s primary contact for this proposal.



**Failure to include this signed proposal letter may result in needless delays.**

**PART A Offeror Information**

**A-1 General Information**

**A-1.1 Offeror Certifications and Affirmations**

In this section, the offeror must include the following statements of affirmation:

- A statement regarding the offeror's legal structure (e.g., a LLC, a corporation), Federal tax identification number, principal place of business, and status of registration to do business in the state of Vermont with the Vermont Secretary of State
- A list of the people who prepared the offeror's proposal, including their titles
- The name, phone number, and email address of a contact person who has authority to answer questions regarding the offeror's proposal
- Identification of any contact that the offeror or any other third party which has been retained by the offeror in any manner has had with BERS staff, BERS Board members, or legislative or gubernatorial staff related to the procurement. In addition, describe the nature of the contact, the dates, and the substance thereof. Failure to do so accurately may be grounds for rejection of your proposal and/or cancellation of any subsequent contract.

The offeror must also include the following seven certifications:

1. Certification as to whether the offeror has ever had a contract terminated for default or cause. If so, the offeror must submit full details, including the other party's name, address, and telephone number.
2. Certification as to whether the offeror has ever been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
3. Certification as to whether a client has ever demanded payment of a performance bond or a bid bond of the offeror. If so, provide the name of the client, client contact information and an explanation of the circumstances.
4. Certification as to whether the offeror has ever been, or is currently, the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
5. Certification as to whether trading in the stock of the offering company has ever been suspended. If so, provide the date(s) and explanation(s).
6. Certification as to whether the offeror, any officer of the offeror, or any owner of a twenty percent (20%) interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
7. Certification as to whether the offeror, any officer of the offeror, any director of the offeror, or any owner with a twenty percent (20%) interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.



If the answer to any of the seven (7) certification items above is affirmative, the offeror must provide complete details about the matter. An affirmative answer to any of these items will not automatically disqualify an offeror from consideration. The committee will make its decision based on its determination of the seriousness of the matter, the matter's possible impact on the offeror's performance on this project, and the best interests of BERS.

#### A-1.2 Statement of Understanding

In this section, the offeror must summarize its understanding of the requirements set forth in the RFP.

#### A-1.3 Deliverables

In this section, the offeror must identify and briefly describe the service deliverables it will provide to BERS. The offeror is encouraged to identify and cost additional services, as it deems appropriate.

#### A-1.4 Assumptions

In this section, the offeror must identify and discuss all assumptions it has made in preparing its proposal. Further, the offeror must state that there are no further assumptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal.

Please include any assumptions you have made with regard to facilities to be provided by BERS for office space and meeting / training rooms.

Any assumptions mentioned elsewhere in the offeror's proposal will not be valid unless they are also listed in this section.

In setting forth their assumptions, offerors should note the difference between "assumptions" and "exceptions" and take care that no **exceptions** to the RFP's requirements are included. Valid "assumptions" are suppositions made by the offeror about issues on which the RFP is silent. "Exceptions" are suppositions made by the offeror that contradict, or fail to conform with, one or more of the requirements stated in the RFP. Any items that are actually exceptions to the RFP's requirements, but misrepresented by the offeror as assumptions in Section A-1.4 of the proposal, will be treated as exceptions by BERS – and will, due to the misrepresentation, have a greater negative effect on the offeror's technical score than would be the case had the item been correctly classified by the offeror as an exception. (See A-1.5 Exceptions below for a discussion of how to set forth exceptions.)

#### A-1.5 Exceptions

In this section of the proposal, the offeror must affirm that it has read and understands the RFP, any RFP amendments issued, and the questions and answers provided during and after the bidders conference. The offeror must state in this section of the proposal any and all exceptions it takes with the technical / functional requirements and deliverables set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only those exceptions identified in this single section of the proposal will be considered by BERS; any others "distributed" across the proposal will be superseded by the provisions of this RFP and will not be considered or honored by BERS.

For each exception listed in Section A-1.5 of the proposal, the offeror is required to propose at least one alternative that would still be acceptable to the offeror, as a potential vendor, and that the offeror reasonably believes will be acceptable to BERS. In other words, the offeror is required to be creative in addressing all exceptions by setting forth two alternative versions of each one (alternative A and B) in the hope that the offeror and BERS will more quickly arrive at a mutually acceptable compromise. The alternative versions of each offeror exception may take various forms – again, the offeror is being encouraged to apply creativity in order to accommodate legitimate offeror reservations in a fashion that will not lead BERS to reject the bid due to onerous exceptions.



### A-2.0 Offeror's Qualifications

This section shall include details on the experience of the offeror and offeror's recent clients having requirements similar to those of BERS.

#### A-2.1 Offeror Background

This is an introduction to the offeror's company: its history, scope of operations, organization, size, and any other relevant information about the company that the offeror desires to include.

In this section, the offeror must provide basic information about its organization, including the following:

- The name of the offeror and the location of its principal place of business and all other offices, including the location of the office which will perform work on behalf of BERS
- Any change in the ownership status of the company in the past three years (or any forthcoming change)
- The average number of employees over the past five years, the average number of full time employees, the average number of contract employees, and the average number of total employees (state explicitly the number of professional employees)
- Number of years in business
- Brief history of company, products, and services
- Company and product visions; must demonstrate commitment to product life and enhancement for at least eight years
- Industry innovations or best practices
- Number, nature and name of subsidiaries and operating divisions
- Where incorporated or otherwise legally established
- Representative client list
- Include a copy of any applicable certifications.

#### A-2.2 Relevant Project Experience

The details of offeror's experience relevant to the project shall include a summary of the offeror's experience over the past three (3) years in offering actuarial services for multi-employer, defined benefit, public employee retirement systems. To meet BERS' minimum qualifications, the offeror must be able to cite five or more such previous public sector projects. This section shall also include a discussion by the offeror regarding similarities between BERS and the client implementations cited.

Offerors should submit a list of at least five current and former (within the past five years) clients and describe the work performed for each, together with an analysis of the degree of similarity in the scope of the services BERS desires to that of the referenced client. Indicate whether the client is a current client (i.e., one with whom a project is currently underway) or a former client (i.e., one for whom no work is being performed). For all references, include the site name, the name / title / phone / address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance, start and end dates of the contract, and the initial and final project cost, including all change orders. Provide a brief summary of the project including but not limited to business problem, scope, approach, and resources applied. In addition, provide for each reference a list of the major



subcontractors that supported the project and a list of all offeror staff members proposed to BERS who also participated in the referenced client project.

All references may be contacted by BERS to verify the offeror’s claims. Offerors are advised to ensure that the contact person’s telephone number is current and that each reference contact is willing to discuss the offeror's performance with the evaluation committee. Offers are welcomed to include more than five references if they wish.

Reference information should be provided by using the form on the following page. Replicate the form as necessary to provide profiles of all client references.

**Form 1. Offeror Client Reference Form**

Burlington Employees Retirement System Pension and OPEB Actuarial Services – Offeror Client Reference		
<b>Reference #:</b>	<b>Offeror Name:</b>	<b>Project Name:</b>
<b>Client:</b>	<b>Client Address:</b>	
<b>Type of Organization:</b>		
<b>Client Phone:</b>		
<b>Contact Name:</b>	<b>Contact Address:</b>	
<b>Contact Title:</b>		
<b>Contact Phone:</b>	<b>Contact Email Address:</b>	
<b>Service Start Date:</b>	<b>Service End Date:</b>	
<b>Project Summary, scope, approach, deliverables provided, resources applied):</b>		
<b>Similarity to BERS Project:</b>		
<b>List all offeror staff members proposed to BERS who also supported the referenced client:</b>		
<b>Staff Member Name:</b>	<b>Proposed Role for BERS:</b>	<b>Role on Referenced Client:</b>



### A-2.2.2 Presentations

In this section, affirm the offeror's commitment to provide oral presentations (led by the offeror-proposed Project Manager) at BERS' offices, if so requested by BERS, in response to Section A-1.5 of the RFP.

### A-2.3 Financial Information

This section of the proposal must contain offeror's current and two previous years' audited financial statements, including consolidated balance sheets and income statements (statement of profit and loss). Failure to provide this information may be grounds for rejecting offeror's proposal. (The offeror's annual report to shareholders should be included as an attachment – see below.) The offeror must describe the trends of the last five years in revenues, employees, and profitability. If the offeror is a subsidiary of a larger corporation, financial information specific to the offeror is required. An overall corporate information package may also be submitted.

Identify any legal actions, lawsuits, arbitration or formal protests related to public employee retirement systems projects in which the offeror is currently involved as a defendant at the time the proposal is submitted. Additionally, identify any other such actions in which the offeror has been involved during the past five (5) years.

The offeror must inform BERS if any entity used as a reference has a financial relationship with the offeror whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or credits based on references leading to sales of offeror's software, hardware, other products, or services.

The same financial information described above must be provided for any subcontractors and/or third parties proposed to participate in the project.

The offeror must summarize the percentage of its organization's current revenue that is derived from actuarial service engagements and actuarial consulting. Similar information must be provided for each of the previous two (2) years.

### A-2.4 Offeror Staffing

In this section, the offeror must provide detailed descriptions of how the offeror's team experience will meet the relationship requirements. Include team members' resumes (as discussed below), tailored to highlight experience and skills specifically relevant to their role on this effort.

The offeror must identify all the key personnel. Offerors are encouraged to specifically identify additional project staff members, if necessary. Each staff member proposed shall be identified by title, as well as by responsibilities and job functions and current client / home office location. The number of other personnel to be assigned shall be identified by job function and by firm.

BERS understands that the offeror may have one or more other proposals open and under consideration by other prospective clients and that offeror staff included in the BERS proposal may have been included in these other proposals. For any offeror resource so allocated, the offeror shall indicate in its proposal the role for which each such resource was assigned for each open proposal and the capacity (e.g., hours, % FTE) for which they have been proposed. In addition, the offeror will indicate what method it will use to resolve any conflict arising from the award of contracts competing for these resources.



Offerors shall also include the resumes of all key employees, and any other proposed staff members who are identified by name in the proposal. Those resumes must describe in detail the employee’s experience in similar efforts as well as past education and training and certifications. Each resume shall include as its first page a Resume Summary prepared by the offeror using the form provided on the following page. Each Resume Summary **must** include three (3) professional personal references for the particular staff member. These professional references must be provided by offeror client staff members, from three different clients. Professional references from within the offeror organization are **not** acceptable.

Offerors must also confirm in this section of the proposal their understanding that:

- Personnel whose names and resumes are submitted in the proposal shall not be removed from this relationship without prior approval of BERS. Substitute or additional personnel shall not be used for this project until a resume is received and approved by BERS.
- The replacement for any staff member who is removed from or leaves the relationship for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements are subject to BERS approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement begins work.

**Form 2. Offeror Staff Resume Summary Form**

Burlington Employees Retirement System Pension and OPEB Actuarial Services – Resume Summary	
Staff Member Name:	
Proposed Role on BERS Project:	
Number of years of professional experience – Total: <span style="float: right;">In role proposed for BERS:</span>	
Education and Certifications (indicate institutions attended and degrees obtained):	
<b>Professional Reference #1</b>	
Client Name and Address:	Title:
	Staff Member’s Role:
Contact Name:	Description of Services and Deliverables Provided:
Contact Title:	
Contact Phone:	
Contact E-mail:	
Start Date:	
<b>Professional Reference #2</b>	
Client Name and Address:	Title:
	Staff Member’s Role:



<b>Contact Name:</b>		<b>Description of Services and Deliverables Provided:</b>
<b>Contact Title:</b>		
<b>Contact Phone:</b> <b>Contact E-mail:</b>		
<b>Start Date:</b>	<b>End Date:</b>	
<b>Professional Reference #3</b>		
<b>Client Name and Address:</b>		<b>Title:</b>
		<b>Staff Member's Role:</b>
<b>Contact Name:</b>		<b>Description of Services and Deliverables Provided:</b>
<b>Contact Title:</b>		
<b>Contact Phone:</b> <b>Contact E-mail:</b>		
<b>Start Date:</b>	<b>End Date:</b>	

**PART B Offeror Response to Project Scope**

This section will contain the offeror's response to the project scope and their approach to delivering the required services. Also, in this section describe your approach to the transition from our current actuary.

**PART C Cost Information**

The costs for the services and deliverables identified in Part B above should be presented in the following format:

- Annual Fixed Fee – Offeror should present an annual fixed fee proposal for each of the first three years of the initial term of the contract related to the plan actuary services (Section B.1) and OPEB services (Section B.2). Identify the fixed fee for each deliverable.
- Hourly Rates – Provide a schedule of hourly rates for each staffing level which may be utilized to perform the Consulting Services identified in Section B.3. Also, provide the estimated annual level of effort for these services.
- Other Charges – Please identify any other charges which BERS could expect to incur during the term of the initial contract

**ATTACHMENTS:**

Attachment 1 Offeror's Annual Financial Report to Stockholders and Audited Financial Statements

Attachment 2 Samples of Documents Delivered

Attach samples of documents provided to other clients on an adhoc, periodic (define period)



## C-2 Proposal Evaluation

The evaluation and offeror selection process will be based on “best value”. This procurement method will be used so as to result in the “best buy” for BERS in terms of the functions to be performed.

The evaluation committee may request written clarifications of any offer received. However, BERS in its sole discretion may refuse to accept in full or in part the response to a clarification request given by any offeror.

Offerors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable possible terms. BERS may elect to conduct negotiations with one or more offerors and make requests of offerors as may be necessary or proper for best and final offers (BAFOs).

The best and final offers must be received at the address identified in Section A-1.2 at a time and date to be specified by BERS. If a best and final offer is not submitted, the previous submittal will be construed as the best and final offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1). Final ranking of responses and award of the contract will be made after BERS reviews all bids and completes its evaluation, including the evaluation of best and final offers, if they are requested. An award will be made to the offeror with the most advantageous offer.

### C-2.1 EVALUATION CRITERIA

For this procurement, proposals will be evaluated based on the following criteria (in decreasing order of importance):

**Table 3. Proposal Evaluation Criteria**

Criteria
Offerors Services and Deliverables
Offeror Qualifications (including experience, methodology, demonstration and references)
Cost
Proposed Service Methodology

### C-2.2 EVALUATION METHODOLOGY SUMMARY

Presented herein is an overview of the evaluation methodology being used for this procurement.



### **C-2.2.1 Evaluation Committee**

An Evaluation Committee will be established consisting of members of BERS's management team. When the committee has completed the evaluation process, the committee chair will make a recommendation to the BERS Board.

### **C-2.2.2 Initial Activities**

When the proposals are submitted, they will be evaluated and responses scored. The highest-rated offerors from this assessment will be further evaluated. Review of customer references may be conducted by BERS staff.

### **C-2.2.3 Presentations**

BERS reserves the right to conduct or not to conduct offeror presentations. Should the presentations be held, BERS requires that they be led by the proposed Service Manager. Offerors will be offered alternative dates from which to select to provide the demonstrations.

### **C-2.2.4 Best and Final Offers**

At BERS's discretion, best and final offers (BAFOs) may be solicited.

After best and final offers are received, final evaluations and negotiations will be conducted for an award.

### **C-2.2.5 Negotiations**

Negotiation is the last step in selecting the apparent winner. BERS will initiate negotiations with the top-rated offerors. If negotiations with the highest ranked offeror cannot be concluded to BERS's satisfaction within two weeks, BERS reserves the right to initiate negotiations with the next lower ranked offeror. Similarly, if negotiations with the next lower ranked offeror cannot be concluded to BERS's satisfaction within two weeks, BERS reserves the right to initiate negotiations with the next lower ranked offeror. This process will continue until negotiations are successfully concluded to BERS's satisfaction.

Upon the successful conclusion of negotiations, the winning offeror will be announced.

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## **PART D TERMS AND CONDITIONS**

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### **D-1 RFP Amendments**

BERS reserve the right to amend the RFP prior to the date of proposal submission. Amendments will be posted to the BERS Web site at the following address: <https://www.burlingtonvt.gov/RFP>.

### **D-2 Proposal Modification or Withdrawal**

Offerors who submit proposals in advance of the deadline may withdraw, modify, and resubmit proposals at any time prior to the deadline for submitting proposals. Offerors must notify the BERS Point of Contact, as identified in Section A-1.2, in writing if they wish to withdraw their proposals. If an offeror notifies BERS of its intent to withdraw its bid prior to the bid closing deadline, the bid will be returned to



the offeror unopened. Notifications of intent to withdraw proposals may be delivered electronically via email, but responsibility for confirmation of the delivery and receipt by BERS rests solely with the offeror.

### **D-3 Cost for Preparing Proposals**

The costs for preparation and delivery of the proposal, as well as any other costs incurred in the pursuit of contract award (e.g., travel to bidders conference, preparation and presentation of product demonstrations), are the sole responsibility of the offeror. BERS will not provide reimbursement for such costs assumes no responsibility and liability for costs incurred by parties responding to this RFP or responding to any further requests for interviews, additional data, etc.

### **D-4 Contract**

The contract that BERS expects to award as a result of this Request for Proposal will be based upon the bid proposal submitted by the successful offeror and this RFP. The contract between BERS and the successful offeror shall be a combination of the specifications, terms and conditions of the Request for Proposal, including the terms contained in this Part D of the RFP, the offeror's cost proposals, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by BERS.

Prior to award, the apparent winning offeror will be required to enter into discussions with BERS to resolve any contractual differences before an award is made. These discussions are to be finalized and all exceptions resolved within two (2) week of notification; if not, the offeror's proposal may be rejected and discussions may be initiated with other offerors.

When submitting a proposal, each offeror is requested to submit a standard contract.

### **D-5 Order of Precedence**

The executed contract between BERS and the selected offeror shall have precedence over all other documents relating to the project. In the event that there is a conflict or ambiguity within the text of the contract and any other incorporated documents, the order of precedence shall be:

- The executed contract and any other incorporated documents
- Amendment to this RFP (if any)
- This RFP
- Vendor Evaluation Questions and Answers (issued subsequent to the Bidder's Conference)
- Additional responses from selected offeror
- Offeror response to this RFP.

### **D-6 Conflict of Interest**

If an offeror has any existing client relationship(s) that involve the city of Burlington, its government, or BERS that would compromise its objectivity, the offeror must disclose such relationship(s).



## **D-7 Confidentiality Requirements**

The staff members that are assigned by the successful offeror to this relationship – may be required to sign a non-disclosure statement.

Any and all records submitted in response to this RFP, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act. The determination of how those records must be handled is solely within the purview of BERS. All records considered to be trade secrets, as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act, shall be identified, as shall all other records considered to be exempt under the Act. It is not sufficient to merely state generally that the proposal is proprietary or a trade secret or is otherwise exempt. Particular records, pages or section which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

Consistent with the above paragraph on the Public Records Act, any request for confidential treatment of information must be included in the transmittal letter with the offeror's bid proposal. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the offeror to respond to any inquiries by BERS concerning the confidential status of the materials.

Also, any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal as confidential may be deemed non-responsive and disqualify the offeror.

If the offeror designates any portion of the proposal as confidential, the offeror must submit one copy of the bid proposal from which the confidential information has been excised or redacted. This excised copy is in addition to the number of copies requested in Section C-1 of this RFP. The confidential material must be excised in such a way as to allow BERS and, if applicable, a court of law to determine the general nature of the material removed and to retain as much of the bid proposal as possible.

The offeror's failure to request confidential treatment of material will be deemed by BERS as a waiver of any right to confidentiality which the offeror may have had.

By submitting a bid proposal, the offeror agrees that BERS may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The offeror consents to such copying by submitting a bid proposal and warrants that such copying will not violate its rights or the rights of any third party. BERS shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals. Proposals, plans, specifications, and other documents prepared and submitted under this RFP shall become the property of the City.

## **D-8 Insurance**

The following requirements shall be adhered to by offeror throughout the duration of the Contract, and as may otherwise be specified herein. Contractor shall procure and maintain insurance, which shall protect the Contractor and the BERS from any claims for bodily injury, property damage, and/or personal injury, which may arise out of operations under the Contract. Contractor shall procure the insurance policies at the Contractor's own expense and shall furnish the BERS an insurance certificate of the coverage



required in this Section. Contractor is required to obtain and maintain the following types of insurance coverage for the duration of the Contract:

Insurance / Limits of Liability:

- Worker's Compensation – The contractor shall carry \$500,000 for each accident and \$500,000 for bodily injury by disease and \$500,000 for each employee.
- Unemployment Insurance – Statutory
- **Commercial General Liability Insurance** – The minimum limits of coverage of such insurance will be \$2,000,000 for general aggregate, \$2,000,000 for products – completed/operations aggregate, \$1,000,000 personal and advertising injury, \$1,000,000 per occurrence, and \$250,000 fire damage (any one fire) and \$5,000 medical expense (any one person).
- **Automobile Liability** – The contractor shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the agreement. Each policy shall provide coverage with a limit not less than \$1million –Combined Single Limit for Each Occurrence.
- **Liability, Malpractice, and/or Errors and Omissions Insurance** – The contractor shall maintain malpractice and/or an errors and omissions insurance policy in the amount of at least \$3,000,000 annual aggregate and \$1,000,000 per claim. Additionally, the contractor shall maintain adequate business insurance to include an umbrella liability policy of at least \$3,000,000 total. Coverage under these policies must include protection from the fraudulent conduct and breach of fiduciary responsibility of the contractor.
- **Umbrella Liability** – The contractor shall have an umbrella policy with a limit of \$1 million for each event and \$1 million general aggregate limit.

BERS shall be named as an additional insured on all insurance policies that Contractor is required to procure with the exception of professional liability and workers compensation for the possible liabilities resulting from the Contractor's actions or omissions. The liability insurance furnished must be primary and non-contributory for BERS.

Offeror will indemnify, and save harmless BERS, its directors, officers, employees and agents from and against any and all claims, actions, damages, liabilities, costs, and expenses arising out of offeror's operation and performance under this Contract including all claims for bodily and personal injuries, sickness, death and/or damages to property.

All offerors must submit within ten (10) calendar days after notification of intent to award the original or a certified true copy of insurance certificate(s) confirming coverage as stipulated above. Evidence of continuing coverage must be submitted on an annual basis. If this information is not provided within this time frame, the proposal will be rejected. All insurance coverage costs must be exclusive of any legal costs.

New insurance shall be promptly furnished in the event of insolvency, bankruptcy or failure of any insurance company. The contractor shall notify BERS thirty (30) days in advance of cancellation, termination or alteration of insurance policies as required by this RFP. A renewal policy or certificate shall be delivered to BERS at least thirty (30) days prior to the expiration date of each expiring policy. If at any time, any of the policies shall be or become unsatisfactory to BERS as to form, or substance, or any of the carriers issuing such policies shall be or become unsatisfactory to BERS, the Contractor shall



promptly obtain a new and satisfactory policy in replacement. If determined necessary by BERS' Representative/Contract Administrator, the Contractor shall deliver to BERS' Representative upon demand a certified copy of any policy required herein for review.

**Insurance certificates must be submitted and accepted by BERS prior to the commencement of work under this RFP and accompanying contract. Failure to obtain insurance satisfactory to BERS will result in the rescission of any Notice of Award to the offeror. Any contract awarded shall be void if this requirement is not met.**

## **D-9 Adherence to BERS Workplace Policies**

It is anticipated that the offeror's staff will be on-site periodically, as the need arises. Regardless of their purpose in being on-site or the frequency with which they are there, all offeror staff must adhere to BERS workplace policies as described below.

**Building Access** – The BERS Project Manager shall be responsible for allocating building access, equipment access, and any other necessary services available from BERS that may be used by the offeror. Any use of BERS facilities, equipment, internet access, and/or services shall only be for project purposes as authorized by the BERS Project Manager.

**Network Connection** – The offeror will be expected to provide its own personal computers which must comply with any applicable BERS security policies before use is allowed at BERS.

**Civil Rights** – The offeror will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status or genetic information.

**Registration** – The offeror shall be registered with the Vermont Secretary of State's office as a business entity doing business in the State of Vermont at all times a contract is effective. This registration must be complete prior to contract execution.

**Livable Wage** – The offeror is advised that certain City contractors are required to comply with the City of Burlington's Livable Wage Ordinance. The Livable Wage Ordinance is applicable to service contracts with the City of Burlington where the amount of the contract or contracts with the same person or entity exceeds \$15,000 for any twelve-month period. As of July 01, 2017, the livable wage for employees who receive health care benefits is \$14.24 per hour. The livable wage for employees who do not receive health care benefits is \$15.83 per hour.

An employee of a covered contractor must be paid the livable wage during the period of time he or she expends on furnishing services funded by the City. Covered employers must agree to the payment of the livable wage as a condition of entering into a covered service contract with the City. A covered employer who violates the livable wage ordinance may be barred from receiving a contract or grant from the City for a period of up to 2 years and may be subject to other civil enforcement remedies. A copy of the livable wage ordinance is available upon request.



## **D-10 Ownership of Work Product and Intellectual Capital**

BERS will have all ownership rights to all work products and deliverables produced under contracts awarded as a result of this bid will be the exclusive property of the BERS. This includes, but is not limited to documentation, and development materials.

## **D-11 Indemnification and Liability Restrictions**

The offeror will indemnify BERS against liability for any suits, actions, or claims arising from or relating to performance of the offeror under this contract.

BERS has no obligation to provide legal counsel or defense to the offeror if a suit, claim, or action is brought against the offeror or its sub-contractors as a result of the offeror's performance of its obligations under the contract. In addition, BERS has no obligation for the payment of any judgments or the settlement of any claims against the offeror as a result of the offeror's performance of its obligations under the contract. The offeror shall immediately notify BERS of any claim made or suit filed against the offeror resulting from the offeror's obligations under the contract. The offeror will cooperate, assist, and consult with BERS in the defense or investigation of any claim made or suit filed against BERS resulting from the offeror's performance under the contract.

BERS will not indemnify the offeror for any reason associated with the offeror's performance under this contract. BERS has not waived any right or entitlement to claim sovereign immunity under this contract.

The offeror agrees to indemnify and hold BERS, its Chief Executive Officer, managers, Board, elected and appointed officials, and employees harmless from any and all liabilities, damages, settlements, judgments, costs and expenses, including reasonable attorney fees of BERS staff or of the State's Attorney General's Office, and the costs and expenses and attorney fees of other counsel BERS may retain, related to or arising from:

- Property damage, personal injury, death, loss costs, expense or other harm arising out of, resulting from, relating to or connected with any act or omission by the offeror, its divisions, subsidiaries, subcontractors, partners, principals, employees, agents, elected or appointed officials, officers and directors in fulfilling this contract; or
- Claims for infringement of patents, trademarks, trade dress, trade secrets, or copyrights arising from this contract; or any breach or any claimed breach of this contract by the offeror or by any of its subcontractors, partners, principals, officers, directors, employees and agents.

## **D-12 Termination**

Offerors are advised that BERS expects to complete the effort with a single offeror. However, the proposals and ensuing contracts shall provide that at the end of any phase, BERS may, at its sole discretion and with no penalty, terminate the effort and not move forward with the offeror to a subsequent phase.

Should BERS elect to terminate the project at the end of any phase, the termination shall be subject to the following terms and conditions:



- Termination shall become effective upon BERS sending written or electronic notice to the offeror. BERS shall only be liable for payment of an amount equal to the costs allocated to the phases that were completed and accepted by BERS; BERS shall not be liable for any other cost, overhead, profits, or damages.
- Termination shall not be considered for cause or for default, and notice of termination shall not constitute an admission or accusation of any wrongdoing on the offeror's part in connection with the termination.