



**TOWN OF OLD SAYBROOK, CONNECTICUT  
EMPLOYEE BENEFIT AND PENSION BOARD  
REQUEST FOR PROPOSAL: CONSULTING ACTUARIAL SERVICES**

**PENSION AND OPEB PLAN CONSULTING ACTUARIAL SERVICES**

For the period July 1, 2018 – June 30, 2021 with possible renewals for an additional three (3) years.

The Town of Old Saybrook (“Town”) invites proposals for consulting actuarial services. Nine (9) copies of each proposal shall be placed in a sealed envelope and identified as “Proposal for Consulting Actuarial Services”:

Proposals shall be addressed to:

Town of Old Saybrook, Connecticut  
Ms. Lee Ann Palladino, Finance Director  
302 Main Street  
Old Saybrook, CT 06475

**The deadline for submission of proposals is June 1, 2018 at 12:00 p.m. Proposals received after the specified time and date shall not be considered.**

Questions about this RFP may be directed to Lee Ann Palladino, Finance Director, by email [leeann.palladino@oldsaybrookct.gov](mailto:leeann.palladino@oldsaybrookct.gov) no later than 14 days prior to the date proposals are due. All information given by the Town except by written addenda shall be informal and shall not be binding upon the Town nor shall it furnish a basis for legal action against the Town.

Answers to these questions will be addressed in an addendum which will be issued on the Town of Old Saybrook website. **It shall be the responsibility of the bidder to download this information. The response shall be posted no less than 7 days prior the RFP proposal due date of June 1, 2018.**

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**I. PURPOSE**

The purpose of this request is to solicit proposals from firms interested in serving as Consulting Actuary to the Town of Old Saybrook Employee Benefit and Pension Board ("Pension Board"). The Pension Board of the Town of Old Saybrook is seeking professional actuary services to perform the annual Town pension plan valuation and bi-annual Fire Department Pension Plan and Other Post Employment Benefit ("OPEB") valuations and other related services as required by current or future GASB pronouncements. A complete description of required services is included in Section VI, Scope of Services.

**II. GENERAL INFORMATION**

The Pension Board manages and administers the defined benefit and defined contribution plans for Town and Police employees and volunteer Fire Department members. The Pension Board consists of six members appointed by the First Selectman. The First Selectman also serves as a full voting member on the Pension Board. The Pension Board has full responsibility and authority for Plan investments and valuation.

**III. OVERVIEW OF EXISTING PLANS**

- A. The Town of Old Saybrook Pension Plan ("Town pension plan") is a defined benefit, contributory pension plan covering employees of the Town, Police Department and certain Board of Education employees that work over 1,200 hours per year. The Town has a second pension plan for the Fire Department ("Fire pension plan") which covers volunteer firefighters. The assets of the Town's two pension plans are managed with an outside investment advisor and by adherence with an investment policy that is approved by the pension board with a broad asset allocation of 60% public equities and 40% fixed income. Town participants totaled 172 (both active and retired) and firefighter participants are approximately 200 active and 24 retired as of the same date.
- B. The Defined Contribution Plan became effective July 1, 2017 and is managed by an outside provider. All unions, with the exception of the Police union, and all non-union employees hired after July 1, 2017 will become members of the Defined Contribution plan.
- C. The Town contributes to retiree health care for various employees hired before 2006 and offers retiree health care at full cost for all other employees, including the Board of Education, that wish to purchase health benefits from the Town or Board of Education. The Town also provides life insurance benefits to retirees. At present there are approximately 25 participants that receive health care benefits from the Town.

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**IV. LENGTH OF CONTRACT**

The contract for consulting actuarial services will cover a period of three (3) fiscal years. The Pension Board will have the option to extend the contract for an additional three-year period under the same terms and conditions. The contract will provide for early termination by either party upon sixty (60) days written notification of the intention to do so.

**V. SELECTION OF CONSULTING ACTUARY**

**A. Timetable**

The following is a timetable for selection of the Consulting Actuary.

1. April 15, 2018 – Request for proposals available.
2. June 1, 2018 and 12:00 p.m. submission deadline.
3. Award anticipated no later than August 30, 2018.
4. Initial contractual award period begins September 1, 2018.

**B. General Selection Criteria**

The following criteria will be used to evaluate proposal responses and select a short list of responders that may be requested to make oral presentations:

1. Quality of written proposal and completeness of response to all questionnaire items.
2. Ability to meet service requirements.
3. Experience in providing similar services to other public funds.
4. Commitment by the firm and individual consultants to be assigned to this account.
5. Qualifications and experience of individuals assigned to this account.
6. Aggregate service cost.

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C. Terms and Conditions

1. The Town reserves the right to reject any and all proposals and has the right to waive any irregularities and informalities in a proposal at anytime during the proposal process until a contract has been executed.
2. The award of the contract will be to the firm whose proposal, in the opinion of the Pension Board, is the best proposal taking into consideration all aspects of the proposer's response, as well as the total net cost to the Retirement Funds.
3. The Town will not be responsible for any expenses incurred in the preparation of proposals or presentation or costs incurred during contract negotiations.
4. The Town will consider proposals from parties who are able to provide full consulting services on a timely basis, and are free from any obligation and interests which might conflict with the interests of the Town of Old Saybrook and/or the Pension Board.
5. All proposers, in order for their proposal to be considered, must not be delinquent on any property tax issued by the Town. Proposers shall certify that neither they nor any business or corporation fully or partially owned by the proposer is not delinquent on Town property taxes.

**VI. SCOPE OF SERVICES REQUESTED**

A. Basic Requested Services

1. In-person attendance at one regular meeting annually (regular meetings occur on the fourth Thursday evening of the month at 6:30 p.m.) to prepare and present the following:
  - o Annual review and presentation of actuarial assumption scenarios and their impact on the valuations. Pension board will approve final assumptions for annual valuation.
  - o Attendance at up to three additional meetings may be requested. Please provide a per meeting cost
2. As of June 30 of each year, an annual formal valuation of the assets and liabilities of the Pension Plans (Town and Fire plans) with a valuation report presentation to the Pension Board which includes actuarial determined contribution for the first and subsequent year. This report shall be received within 90 days after the Town has submitted all required census data.
3. As of June 30 of every other year, provide a formal valuation of the assets and liabilities of the OPEB plan. This report shall be received within 90 days after the Town has submitted all required census data.
4. As requested, assist in the analysis of financial input and preparation of proposed plan changes including the modeling of collective bargaining proposals.

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5. Assist in the implementation of recommendations made by the independent auditors concerning the Pension Plan.
6. Provide determination of benefits for individual employees upon request.
7. Submit annually, in accordance with a schedule established by the Town, information regarding Plan assets and liabilities required for annual financial statements preparation.
8. If requested, prepare or update summary plan documents to be distributed to participants of the pension plan describing the plan and the benefits. This involves drafting only, the Town will provide the printing.
9. Analysis of the impact of proposed and enacted federal and state laws and other regulatory pronouncements.
10. Assist the plan administrator in preparation of various pension reports and documents.
11. Prepare annually a report to the Pension Board which identifies issues which could impact the Pension Plan in the upcoming calendar year.
12. Preparation and production of annual employee benefit statements which include:
  - a. Employee census data
  - b. Normal retirement date and entitlement
  - c. Employee contributions with interest
  - d. Other demographic data as requested
13. Counsel the Town and/or the Pension Board, upon request, on issues other than items above which may impact the Pension Plan or the financial position of the Town. Prior to rendering any service, a cost estimate will be presented for approval of the pension board and will include an estimate of time and type of written report that will be received

**VII. FORMAT OF PROPOSAL**

In order to facilitate the review process, it is required that proposals be organized in the following manner:

- A. Table of Contents
- B. Letter of Transmittal indicating interest and providing other information which would assist the Town in the selection process. This letter must be signed by a person legally authorized to bind the firm to a contract.
- C. A statement demonstrating understanding and capability of providing the services described in the Scope of Services.
- D. Responses to Questionnaire (Exhibit A) in same order as listed in Exhibit A. The responder must note questions that they are unable or unwilling to provide.

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**VIII. CONTRACT REQUIREMENTS**

A. Any prospective firm must make an affirmative statement to the effect that its retention, if selected, shall not result in a conflict of interests or create an appearance of impropriety with any person or organization which may be affected under this program. Should any potential or existing conflict be known by a prospective firm, said prospective firm must specify the person or organization with which the conflict exists or might arise, the nature of the conflict and whether the prospective firm would or would not step aside or resign from that conflicting engagement or representation if selected by the town of Old Saybrook.

B. The firm selected shall provide a certificate of insurance indicating the following minimum coverage:

Workers' Compensation – As required by law (if participants are employees)

Professional Liability – Minimum limits of \$2,000,000 per occurrence. If the policy is on a claim made basis, the policy shall be continually renewed for two years beyond the termination date of this contract and its renewals.

All insurance coverage shall be primary.

C. No assignment of the final contract can be made without the written consent of the Town of Old Saybrook.

D. Please provide a copy of your proposed contract.

**IX. NUMBER OF COPIES REQUIRED**

It is requested that nine (9) copies of the proposal be submitted in one package.

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**X. EVALUATION OF PROPOSALS**

Proposals will be evaluated by the Pension Board or subcommittee to ascertain which proposal best meets the needs of the Town. Evaluation consideration will include, but not be limited to, the following:

- A. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.
- B. Experience and technical ability of the firm and project staff to perform consulting, planning and advisory services.
- C. Reputation and experience of the firm.
- D. The fees and expenses, although a significant factor, may not be the dominant factor. However when all other service provided is equivalent, fees will be the determinant factor.
- E. Semi-finalists will be requested to present their proposal to the Pension board or its subcommittee.

**XI. SELECTION OF PROPOSALS**

The Pension Board reserves the right to reject any or all proposals, waive any informality and to award the contract in the best interest of the Town of Old Saybrook.

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**EXHIBIT A**

**QUESTIONNAIRE FOR ACTUARIAL CONSULTING SERVICES**

**FOR TOWN OF OLD SAYBROOK PENSION BOARD**

**I. IDENTIFYING INFORMATION**

- A. Name of Firm
- B. Address of firm's office which will service this account
- C. Professionals who will service this account (may be attached on separate pages)
  - 1. Name
  - 2. Title
  - 3. Actuarial Credentials
  - 4. Telephone Number
  - 5. Address (if different from IB)
  - 6. Brief summary of experience
- D. For the Project Manager/Leader who will service this account:
  - 1. Years of employment with the firm
  - 2. Brief description of education and professional experience, particularly as it relates to public pension plans
  - 3. Professional designations

**II. FIRM DESCRIPTION**

- A. Describe the resources the firm currently has for effective delivery of these actuarial services.
- B. What quality control and scheduling procedures does the firm employ to assure that the services provided clients are of acceptable quality and timely?

**III. FEES**

The Town will pay for services rendered after itemized invoices are reviewed and approved by the Pension Board.

- A. How does the firm determine the fees to be charged for services rendered?
- B. Are sufficiently itemized invoices provided so the Town can determine that services and costs are being billed? Are travel, lodging and other direct expenses by task or activity identified? Is the billing rate for various levels of staff providing services indicated on invoices?



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- C. What will be the Fee for preparation of the July 1, 2018 Annual valuation of Plan assets and liabilities?
- D. Provide a five-year history of billing rates for representative personnel for an engagement similar to that request by the Pension Board.
- E. Indicate your proposed schedule of billing dates during each year for basic fees.

**IV. BACKGROUND INFORMATION**

Please provide the following information:

- A. Number of retirement plans for which actuarial consulting services are provided:
  - 1. By the firm overall?
  - 2. By the office of the firm that will service this account?
  - 3. By the Project Manager/Leader who will service this account?
  - 4. Located in the State of Connecticut
- B. Number of qualified municipal retirement plans for which actuarial consulting services are provided:
  - 1. By the firm overall?
  - 2. By the office of the firm that will service this account?
  - 3. By the Project Manager/Leader who will service this account?
  - 4. Located in the State of Connecticut
- C. List five (5) clients with plans similar to ours that we may contact for references, preferably in the State of Connecticut. Please provide information in a table as follows:

<u>Plan</u>	<u>#employee</u>	<u># retirees</u>	<u># Vested</u>	<u>Value of</u>	<u>Client Since</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Please provide length of client relationship, and contact person's name and phone number.

- D. Indicate whether your firm has been the subject of any professionals' disciplinary action by federal, state government or by a professional association. If yes, describe that disciplinary action.
- E. Describe the research capacity of your firm and explain how it

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may benefit the Pension Board.

- F. Describe any periodical or occasional publications produced by your firm in the actuarial service area.

V. OTHER OPTIONAL INFORMATION

Please feel free to include any other information in your proposal which will help the Town develop an understanding of the capabilities of your firm.

All proposals submitted and information included herein or attached hereto shall become public records upon their delivery to the Director of Finance.