

**INVITATION TO BID**

The City of Rochester, New Hampshire is accepting sealed bids for Actuarial Services – GASB 45 to Value the below listed City's/Town's/School's Retiree Medical Insurance Obligation. Bids must be submitted in a sealed envelope plainly marked:

*“Sealed Bid, Actuarial Services - GASB 45”*

**Bid # 09-38**

City of Rochester  
Town of Durham  
Town of Londonderry  
Londonderry School District  
31 Wakefield Street  
Rochester, NH 03867  
Attn: Purchasing Agent

All bids must be received no later than May 28 at 2:45 p.m. No late bids, faxed, e-mailed or telephone bids will be accepted. Bid proposals and specifications may be obtained by visiting [www.rochesternh.net](http://www.rochesternh.net), or emailing [purchasing@rochesternh.net](mailto:purchasing@rochesternh.net), or by contacting the Purchasing Agent at City Hall, 31 Wakefield Street, Rochester, NH 03867, (603) 335-7602. All bid questions must be submitted in writing (email preferred) to the Purchasing Agent. All bid proposals must be made on the bid proposal forms supplied, and the bid proposal forms must be fully completed when submitted.

## BID SPECIFICATIONS

The City of Rochester, the Towns of Londonderry and Durham and the Londonderry School District are seeking to obtain proposals for Actuary Services for GASB 45 compliance to prepare a valuation of the City's/Town's retiree health insurance obligation.

Background:

- ***City of Rochester, NH***  
**Contact Person – Brian LeBrun 603.335.7609 or [brian.lebrun@rochesternh.net](mailto:brian.lebrun@rochesternh.net)**

The City of Rochester provides the ability for retired employees to subscribe to the City sponsored health insurance program through Harvard Pilgrim or the Rochester School Department Health insurance program through the Local Government Center's Health Trust program based on eligibility and employment at School or City at the time of retirement.

- ***Town of Londonderry, NH***  
**Contact Person – Susan Hickey 603.432.1100 or [shickey@londonderrynh.org](mailto:shickey@londonderrynh.org)**

The Town of Londonderry provides the ability for retired employees to subscribe to the Town's health insurance program [LGC] based on eligibility and employment status at the time of retirement.

- ***Londonderry NH, School District***  
**Contact Person – Peter Curro 603.432.6920 or [pcurro@londonderry.org](mailto:pcurro@londonderry.org)**

The Londonderry School District provides the ability for retired employees to subscribe to the District's two health insurance programs [School Care or LGC] at the time of retirement.

- ***Town of Durham, NH***  
**Contact person – Gail Jablonski, 603.868.8043 or [gjablonski@ci.durham.nh.us](mailto:gjablonski@ci.durham.nh.us)**

The Town of Durham provides the ability for retired employees to subscribe to the Town sponsored health insurance program through the Local Government Center's Health Trust program based on eligibility and employment at the time of retirement.

Request for Proposal (RFP) response - Consultants are requested to submit seven (7) copies of the Sealed Proposal marked "Bid # 09-38 **Actuarial Services GASB 45**" to Purchasing Agent, City of Rochester, NH, 31 Wakefield St, Rochester, NH 03867 no later than **May 28, 2009 at 2:45 PM.** A sample agreement form for the professional services to be rendered should accompany the Proposal submission.

General Provisions – Bidders shall not, either directly or indirectly, enter into any agreement, participate in any collusion or otherwise take any action in restraint of free competitive bidding in connection with the Request for Proposal.

The successful bidder shall not assign, transfer, convey, sublet or otherwise dispose of its contract, or its right, title or interest therein, or its power to execute such contract, to any other person, firm or corporation, without the previous written consent of each community covered by this RFP, but in no case shall such consent relieve the respondent from its obligations, or change the terms of the contract.

All materials submitted in response to this request will become the property of the communities covered by this RFP and may be returned at the option of same. All materials developed in accordance with the final agreement will become the property of the communities covered by this RFP. By responding to this RFP it is agreed that all data, information and material prepared by the respondent as required by this request, shall be delivered to and remain the property of each community covered by this RFP. The data, information and material shall be put to any use that each community sees fit without any compensation to the respondent other than the fees to be paid under the terms of the contract.

Costs incurred for the preparation of a proposal in response to this RFP shall be the sole responsibility of the firm submitting the proposal. There will be no reimbursement to any candidate firm if the selection process is terminated.

Fees and Expenses – Vendors will be required to submit a maximum professional fee for the completion of all work, for two separate but related analyses for FY09 and FY11 (FY12 for the Town of Durham), and for mandatory items 1 thru 7 under the Scope of Services. An additional, separate fee is to be included for items 8 thru 13 under the Scope of Services. If the Scope of Services change, then the maximum professional fee may be adjusted by mutual agreement between the vendor and each community's negotiating agent.

### SCOPE OF SERVICES

The contract will be for two separate but related analyses. The proposing consultant may suggest alternative arrangements in both their and the City's/Town's interest.

- City of Rochester, Town of Londonderry and Londonderry School District - Fiscal Year 2009 and Fiscal Year 2011.
- Town of Durham – Calendar Year 2009 and 2012.

The Consulting Actuary will:

1. Meet either in person or via telephone as necessary to plan the project and make necessary decisions and report progress with regard to conduct of the analysis.
2. Analyze the data to assess any inconsistencies and make recommendations for enhancing data quality.
3. Prepare an actuarial valuation following GASB 45 standards.
4. Include all applicable city/town/school employees and retirees on said analysis. The City/Town/School will determine the amount of costs and liabilities to allocate to the enterprise funds and the governmental activities.
  - 4.1. The actuarial present value of total projected benefits.
  - 4.2. Actuarial accrued liability.
  - 4.3. Actuarial value of assets (probably zero).
  - 4.4. The unfunded actuarial accrued liability.
  - 4.5. Normal cost.
  - 4.6. Annual required contribution of the employer(s) as a level dollar amount and as a level percentage of covered payrolls.
  - 4.7. Net OPEB obligation (for employer disclosure under GASB statement 45 if necessary). Annual required contribution "pay-as-you-go-cost" on a cash flow basis for 2009 – 2013.
5. Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
6. Prepare the necessary material for the Comprehensive Annual Financial Report to comply with GASB OPEB reporting and disclosure requirements, for the Town of Londonderry.
7. Prepare a final report to the City/Town/School.
8. Prepare the annual gain/loss analysis to determine reasons for changes in the unfunded actuarial accrued liability, whenever a prior actuarial valuation is available to support this. (*Optional cost to be provided separately.*)
9. Prepare an analysis to determine how establishing a trust or equivalent arrangement would affect the interest rate assumption. Timing considerations of establishing the trust should also be considered. (*Optional cost to be provided separately.*)
10. As appropriate, provide recommendations on managing the OPEB liability. This may include changes in plan design. (*Optional cost to be provided separately.*)
11. As appropriate, review and update plan documents and design. Make recommendations as to formalizing informal plans. (*Optional cost to be provided separately.*)

12. List and describe any other non-routine or recommended services. (*Optional cost to be provided separately.*)
13. Meet with City/Town/School staff or elected officials as requested to discuss findings and recommendations. (*Optional cost to be provided separately.*)

In addition to the above the Consultant will perform the following services:

- A. Data Manipulation and Review – Prepare census data for use by your valuation system. Analyze data and ask questions on missing or irregular items.
- B. Planning with community – Review each community’s plan provisions, discuss and select actuarial assumptions and agree upon delivery date.
- C. Draft Report – Submit draft report for review and approval prior to submission of final report.
- D. Final Report – Shall include:
  - a. Summary of current plan provisions.
  - b. Summary of all assumptions and methods applied in developing plan expense liabilities.
  - c. Liabilities and expense by employee group based on covered medical benefits.
  - d. Liabilities by active, deferred vested, retiree and beneficiary status as applicable.
  - e. Projection of trends and cash flows to provide a forward looking estimate of financial impact to each community.
- E. Due date of final report –
  - a. Town of Londonderry – June 30, 2009
  - b. Londonderry School District – June 30, 2009
  - c. Town of Durham – December 31, 2009
  - d. City of Rochester – August 31, 2009
- F. Presentation of results – Respondents must submit a separate cost proposal to make an on-site, evening presentation of the final report to each community’s City/Town Council or School Board, if necessary.

Information provided by each Community – Each community will provide interested vendors with **confidential** census data for current and retired employees effective January 1, 2009 which shall include the following information:

- A. Date of birth
- B. Date of hire
- C. Years of service
- D. Eligibility date for retiree health insurance benefit
- E. Gender
- F. Current health coverage, i.e. employee or dependent coverage
- G. Employee group – both current and retired
- H. Amount of allowance for current retirees and spouses
- I. Spouse date of birth
- J. Number of Dependents
- K. Current medical and dental insurance premium rates
- L. Current plan designs

Modifications and Cancellation – The terms of this Bid may only be modified by the written consent of both parties. Either party may terminate the agreement at any time. In the event of any termination of the agreement, the respective City/Town/School will pay the consultant any fees earned and expenses incurred by the consultant through the cancellation date.

**INSTRUCTIONS TO BIDDERS****I. Preparation of Bid Proposal**

- A. The Bidder shall submit her/his proposal upon the forms furnished by the City (attached). The Bidder shall specify the unit price or lump sum bid, both in words and figures as listed. All words and figures shall be in ink or typed.
- B. If an amount entered by the bidder on the proposal form is to be altered it should be crossed out with ink, the new unit price or lump sum bid entered above or below it, and initialed by the bidder, also with ink. In a case of discrepancy between the prices written in words and those written in figures, the prices written in words shall govern.
- C. The Bidder's proposal must be signed with ink by the individual, by one or more members of the partnership, by one or more members or officers of each firm representing a joint venture, by one or more officers of a corporation, or by an agent of the contractor legally qualified and acceptable to the owner. If the proposal is made by an individual, his name and post office address must be shown; as a joint venture, the name and post office address of each must be shown; by a corporation, the name of the corporation and its business address must be shown, together with the name of the state in which it is incorporated, and the names, titles, and business address of the President, Secretary, Treasurer.
- D. All questions shall be submitted in writing to and received by the Purchasing Agent at the above address, a minimum of seven (7) days prior to the scheduled bid opening. The purchasing Agent will then forward both the question and the City/Town/School response to the question to all prospective bidders.

**II. Irregular Proposals**

Bid proposals will be considered irregular and may be rejected for any of the following reasons:

- A. If the proposal is on a form other than furnished by the Owner, or if the form is altered or any part thereof is detached.
- B. If there are unauthorized additions, conditional or alternated bids, or irregularities of any kind which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- C. If the bidder adds any provisions reserving the right to accept or reject an award, or to enter into a contract pursuant to an award.
- D. If the proposal does not contain a unit price for each pay item listed, except in the case of authorized alter pay items.

**III. Interpretations**

No oral interpretations will be made to any vendor as to the meaning of the specifications or terms and conditions of this sealed proposal invitation.

IV. Withdrawal of Bid Proposals

A bidder will be permitted to withdraw his proposal unopened after it has been deposited if such request is received in writing prior to the time specified for opening the proposals.

No bid may be withdrawn, for a period of (60) sixty days subsequent to the opening of bids, without express written consent of the City of Rochester, NH.

V. Public Opening of Proposals

Proposals will be opened and read publicly at the time and place indicated in the invitation for bids. Bidders, their authorized agents, and other interested parties are invited to be present.

VI. Disqualification of Bidders

Either of the following reasons may be considered as being sufficient for the disqualification of a bidder and the rejection of his proposal or proposals:

- A. Evidence of collusion among bidders.
- B. Failure to supply complete information as requested by bid specifications.

**AWARD AND EXECUTION OF CONTRACT****I. Consideration of Proposals**

- A. Bids will be made public at the time of opening and may be reviewed only after they have been properly recorded. In case of discrepancy between the prices written in words and those written figures, the written in words shall govern. In case of discrepancy between the total shown in the proposal and that obtained by adding the products of the quantities of items and bid prices, the latter shall govern.
- B. The right is reserved to reject any or all proposals, to waive technicalities or to advertise for new proposals, if in the judgment of the City/Town/School, the best interest of the City/Town/School will be promoted thereby.

**II. Award of Contract**

A contract is to be awarded to a qualified bidder whose proposal complies with all the requirements prescribed as soon as practical after the bid opening. Each community/school will evaluate all proposals for their organization and may select from any of the qualified vendors or the vendor that is deemed to provide the service that is in the best interest of the community/school. No bid shall be withdrawn for a period of (60) sixty days subsequent to the opening of bids, without the consent of the City of Rochester. The successful bidder will be notified, by the form being mailed to the address on his proposal, that his bid has been accepted and that he has been awarded the contract.

**III. Cancellation of Award**

The City/Town/School reserves the right to cancel the award of any contract at any time before the execution of such contract by all parties without any liability against the City/Town/School.



**BID EVALUATION**

In addition to the bid amount, additional factors will be considered as an integral part of the bid evaluation process including, but not limited to:

- A. The bidder's ability, capacity, and skill to perform within specified time limits.
- B. The bidder's experience, reputation, efficiency, judgment, and integrity.
- C. Professional staff experience.
- D. Company stability.
- E. Each bidder must provide a bio of the personnel who will be managing/supervising this project and a statement supporting their ability to successfully complete this project.
- F. The quality, availability and adaptability of the supplies and materials sold.
- G. Bidder's last performance.
- H. Sufficiency of bidder's financial resources to fulfill the contract.
- I. Bidder's ability to provide future maintenance and/or services.
- J. Other applicable factors as the City/Town/School determines necessary or appropriate (such as compatibility with existing equipment).

**Fee Proposal Sheet**  
**BID #09-38**

THE UNDERSIGNED HEREBY OFFERS TO PROVIDE THE ACTUARIAL SERVICES AS DETAILED BY THE SPECIFICATIONS CONTAINED IN RFP 09-38 FOR THE FOLLOWING PRICES (Please note that the Town of Durham is a <\$10M community and their second evaluation is due for 2012. It is intended that the pricing provided here will provide that valuation.):

**Item and Description (as outlined in the Scope of Services Page 4 and 5)**

	<b>2009</b>	<b>2011</b>	<b>Total 2009/2011</b>
Not to exceed cost for Items One (1) through Seven (7)	\$ _____	\$ _____	\$ _____
Cost for Option 8 (Annual Gain/Loss Analysis)	\$ _____	\$ _____	\$ _____
Cost for Option 9 (Analysis re: interest rate assumption)	\$ _____	\$ _____	\$ _____
Cost for Option 10 (Recommendations on Managing OPEB)	\$ _____	\$ _____	\$ _____
Cost for Option 11 (Review/Update Plan Documents/Design)	\$ _____	\$ _____	\$ _____
Cost for Option 12 (Other Non-routine/Recommended Services)	\$ _____	\$ _____	\$ _____
Cost for Option 13 (Meetings with Officials)	\$ _____	\$ _____	\$ _____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**Total written in words:** \_\_\_\_\_

**Restated with deliverables**

To be paid upon delivery of draft 2009 report	\$ _____
To be paid upon acceptance of Final 2009 report	\$ _____
To be paid upon receipt of Final 2011 Report (2012 for Town of Durham)	\$ _____
<b>Total</b>	<b>\$ _____</b>

**CONTACT INFORMATION (Signature Required):**

<b>Submitted by:</b>		<b>FOB Information:</b>	
<b>Address:</b>			
		<b>Availability:</b>	
Email address:			
<b>Warranty/guarantee:</b>		<b>Price holds for:</b>	
<b>Date:</b>		<b>SSN or EIN:</b>	
<b>Telephone #:</b>		<b>Fax #:</b>	
<b>Signature:</b>		<b>Title:</b>	

**Check here if appropriate:** \_\_\_\_\_ **(X) NO BID**

All Bids are to be submitted on this form and in a sealed envelope, plainly marked on the outside with the Bidder's name and address and the Project name as it appears at the top of the Proposal Form.