



City of Bismarck

North Dakota

221 N 5th Street

Bismarck, ND 58506-5503

www.bismarcknd.gov

Request for Proposals (RFP)

Professional Actuarial Services

Submission Deadline:

5:00 PM CST December 1st, 2023

RFP Contact:

Dmitriy Chernyak, Finance Director

dchernyak@bismarcknd.gov

701-355-1601 (direct)

**CITY OF BISMARCK
REQUEST FOR PROPOSALS**

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CITY OF BISMARCK REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Bismarck (City) is requesting proposals from qualified vendors for pension actuarial services for the City's pension plans for the fiscal years ending December 31, 2023, and 2024, with three one-year renewal options upon mutual agreement. The vendor will need to provide all information necessary for the City to maintain compliance with Government Accounting Standard (GASB) No. 68 and complete an experience study every five years.

There is no expressed or implied obligation for the City to reimburse responding vendors for any expenses incurred in preparing proposals in response to this request. The City of Bismarck shall not be liable for any expenses incurred by the applicant including but not limited to expenses associated with the preparation of the proposal, attendance at the interviews, preparation of a compensation (fees) schedule, or final contract negotiations.

To be considered, an emailed proposal must be delivered to the contact listed below and received prior to the deadline.

City of Bismarck
Attn: Dmitriy Chernyak, Finance Director
221 N 5th Street
Bismarck, ND 58506-5503
701-355-1601 (direct)
dchernyak@bismarcknd.gov

The proposal must be received no later than 5:00 PM on Friday, December 1st.

The City reserves the right without prejudice to reject any or all proposals submitted. Proposals submitted will be evaluated by a Selection Committee consisting of:

- Finance Director
- Fiscal Services personnel
- HR personnel

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Vendors may be requested to make oral presentations to the Selection Committee as part of the final evaluation process.

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

It is anticipated the selection of a vendor will be completed by December 8, 2023. Following the notification of the selected vendor, it is expected a contract will be executed between both parties following the meeting of the City Commission.

B. Term of Engagement

A two-year contract is proposed with three one-year renewal options upon mutual agreement. This contract is subject to an annual review by the City. It is anticipated that the City will request proposals every five years. In the event of unsatisfactory performance, or when in the best interest of the City, proposals may be solicited before the end of the five-year period.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The City has two pension plans – City Employees’ Pension Plan and Police Employees’ Pension Plan. The Governmental Accounting Standards Board requires a valuation be performed at least every two years for financial reporting. Annual disclosure reports are needed to reflect the discount rate, contributions, payroll, and funding levels as of the measurement period. These annual disclosure reports will be needed to comply with the requirements, under GASB 68, for fiscal year-end reporting in the City’s notes to financial statements. Further, an experience study is required every five years to analyze the demographic and economic experience of the pension plans. The scope of services shall include but are not limited to:

- Annual GASB 68 pension reporting and disclosures for years ended December 31st
- Annual funding report for pension plans
- Participant Listings
- Engagement with auditor and completing auditor requests for both the plan and financial statements
- Attendance at one client meeting to present valuation results, analysis, and updates on pension legislation, trends, and current industry developments
- Benefit calculations upon request
- Experience study completed every five years (first one performed in year one of contract)

The City currently does not have any OPEB obligations or any other obligations requiring disclosure. A copy of the City’s 2022 Annual Comprehensive Financial Report and the 2022 auditor’s reports are available on the City’s website at www.bismarcknd.gov/1873/financial-reports.

B. Standards to be Followed

To meet the requirements of this request for proposals, the actuarial services shall be performed in accordance with generally accepted industry standards and with the care, skill, prudence, and diligence that a prudent benefits consultant or actuary acting in a like capacity and familiar with such matters would use.

C. Reports to be Issued

The vendor shall prepare the following reports:

- Annual actuarial valuations of the retirement plans – City pension plan and Police pension plan
- Disclosure Report for the City of Bismarck
- Disclosure Report for the Bismarck Parks and Recreation District
- Experience study performed every five years

III. DESCRIPTION OF THE CITY OF BISMARCK PENSION PLANS

The City is a majority member of the City of Bismarck Employees’ Pension Plan. The City Employees’ Pension Plan is a multiple employer cost-sharing defined benefit pension plan that provides benefits to employees of the City of Bismarck and the Bismarck Parks and Recreation District. The City is required to report a proportionate share of the net pension liability (asset), deferred outflows and inflows of resources, and pension expense using the economic resources measurement focus and accrual basis of accounting. The City also maintains and participates in the Bismarck Police Employees’ Pension Plan (Police Employees’ Pension Plan), a single employer defined benefit pension plan. The City is required to report related net pension liability (asset), deferred outflows and inflows of resources, and pension expense for the Police Employees’ Pension Plan using the economic resources measurement focus and accrual basis of accounting.

More detailed information can be found on the 2022 Comprehensive Annual Financial Report on the City’s website at www.bismarcknd.gov/25/finance.

The City of Bismarck will use its best efforts to make prior actuarial reports and supporting documentation available to proposers to aid their response to this request for proposal. If desired, please request this information via email as part of the question period.

IV. TIME REQUIREMENTS

A. Anticipated Proposal Calendar

The following is a list of anticipated dates regarding the selection process:

Description	Date
RFP available for distribution	November 13, 2023
Deadline for receipt of questions	November 20, 2023
Deadline for submittal of proposal	December 1, 2023
Conduct interviews (if necessary)	Week of December 4, 2023
Complete evaluation and preliminary selection	December 8, 2023
City Commission contract consideration	December 12, 2023

B. Notification

It is anticipated that the staff recommended vendor will be notified prior to December 12, 2023.

C. Schedule for Completion

Preparation & Deliverable Due Dates –

- December 15th - The City provides participant data each year to the actuary. The vendor shall provide the City with a list of participant data needed and any additional schedules to be prepared by the City.
- March 31st - GASB 68 valuation and funding reports complete for both pension plans
- May/June - Presentation to the Bismarck Pension and Retirement Board of Trustees
- As needed – Assistance with audit requests
- Experience Study - Every five years – This will be completed in year 1 of the contract and every five years thereafter. The experience study will be completed by March 31st, 2023, or shortly thereafter.
- A written report to be presented during the May/June presentation to the Bismarck Pension and Retirement Board of Trustees

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be addressed in writing to:

Dmitriy Chernyak
Finance Director - City of Bismarck
dchernyak@bismarcknd.gov
221 N 5th Street
Bismarck, ND 58501

All responses, questions, and correspondence should be directed to Dmitriy Chernyak. In the interest of fairness to all respondents, do not contact other staff or elected or appointed officials.

Written questions on the RFP will be accepted until Monday, November 20, 2023, at 5:00 PM to allow time for staff to respond in writing to all holders of this RFP. Written questions submitted after Monday, November 20, 2023, at 5:00 PM may go unanswered.

2. Submission of Proposals

The following materials are required to be received by Friday, December 1st, 2023, at 5:00PM for a proposing vendor to be considered:

i. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be completed, the commitment to perform the work within the time period stated, a statement why the vendor believes itself to be the best qualified to perform the engagement, and a statement that the proposal is a firm and irrevocable offer for the five-year period.

ii. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI.B. of this request for proposals and should include an executed copy of the Proposer Guarantees and Warranties attached to this request for proposal (Appendix A).

B. Actuary Proposal

1. General Requirements

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the vendors seeking to undertake actuarial services for the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the vendor and of the staff to be assigned to the engagement. It should also specify an actuarial approach that will meet the request for proposals requirement.

The proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, items 2 through 7, must be included. They represent the criteria upon which the proposal will be evaluated.

2. Vendor Qualifications and Experience

The proposal should state the size of the vendor, the size of the vendor's staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and on a part-time basis.

3. Description of Personnel

Please list the personnel who would be assigned to the City of Bismarck pension plans by name and provide their contact information, professional biography, role, title, and years of experience. Describe your backup procedure should any key personnel leave the firm.

4. Similar Engagements with Other Government Entities

Give a brief history of your firm's involvement in actuarial consulting business including the number of years in business, how many years your firm has provided actuarial consulting services for public sector pension plans, and number of public sector clients with a similar size and scope of the City of Bismarck.

5. Specific Approach

The proposal should set forth a work plan. Vendors should provide the following information on their actuarial approach:

- a. Proposed timing and segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Describe your internal quality control process for actuarial consultant reports and recommendations
- d. Describe the training and education your firm would provide to City of Bismarck staff and the Board of Trustees

6. Identification of Anticipated Potential Problems

The proposal should identify and describe any anticipated potential problems, the vendor's approach to resolving these problems, and any special assistance that will be requested from the City.

7. Timeline

The proposal should include acknowledgement of the required timeline for completion and a statement as to the vendor's ability to meet that timeline.

C. Dollar Cost Proposal

1. Price and Cost

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The dollar cost proposal should specify all pricing information relative to performing the engagement as described in this request for proposal. The price is to include all direct and indirect costs, including all out-of-pocket expenses for each of the year of the engagement.

2. Rates for Additional Professional Services

If it should become necessary for the City to request the actuary to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the vendor.

3. Manner of Payment

Compensation for actuarial consulting services listed in the proposal shall be paid on a fixed schedule not to exceed cost after the services have been completed. Compensation for any other services performed for the City will be paid within 30 days of receipt of an invoice.

VI. EVALUATION PROCEDURES

A. Selection Committee

Proposals submitted will be evaluated by a five-member Selection Committee.

B. Evaluation Criteria

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

1. Mandatory Elements
 - a. The vendor has no conflict of interest with regard to any other work performed by the vendor for the City.
 - b. The vendor adheres to the instructions in this request for proposal on preparing and submitting the proposal.

2. Technical Qualifications
 - a. Expertise and Experience
 - i. The vendor exhibits expertise based on past experience and performance on comparable government engagements.
 - ii. The quality of the vendor's professional personnel to be assigned to the engagement and the quality of the vendor's management support personnel to be available for technical consultation.
 - iii. The availability/responsiveness of staff, as derived from the written proposal.

- b. Specific Approach
 - i. Adequacy of proposed staffing plan for various segments of the engagement
 - ii. Adequacy of internal quality control to ensure accuracy of reports
 - iii. Ability to meet desired timing of engagement and scheduled deadlines
3. Price Consideration
- a. The cost of the actuarial services for the years 2023-2027 must be provided. Cost will not be the only factor the review committee will use to evaluate proposing vendors. The below table can be used as an example.

Contract Year	Annual fee for all services (excluding Experience Study)
2023	\$
2024	\$
2025	\$
2026	\$
2027	\$

- b. List the fee for the Experience Study separately (completed once every five years).
- c. List any other anticipated costs that will be associated with this service.
- d. List the hourly rates for other services may fall outside the scope of the proposal.

C. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request any vendors to make oral presentations. Such presentations will provide vendors with an opportunity to answer any questions the Selection Committee may have on a vendor's proposal. Not all vendors may be asked to make such oral presentations.

D. Final Selection

The City intends to select a vendor based upon the recommendation of the Selection Committee. It is anticipated that the Commission will approve the recommended vendor on December 12, 2023.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the vendor of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the vendor selected. The City reserves the right, without prejudice, to reject any or all proposals.

APPENDIX A

**PROPOSER GUARANTEES AND
WARRANTIES**

1. The proposer certifies it can and will provide, as a minimum, all services set forth in the proposal.
2. Proposer warrants that it does not have any conflicts of interest with the City of Bismarck, its management staff, or its elected officials.
3. Proposer warrants that it will perform within accordance with generally accepted industry standards.
4. Proposer warrants that it carries adequate liability, worker's compensation, and other necessary insurance and shall maintain such insurance during the term of the agreement.
5. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.
6. Proposer warrants that adequate information technology practices exist to protect sensitive financial information. This includes secure data transmission protocols when handling, transmitting, and storing the City of Bismarck's data.

Signature of Official: _____

Name (typed): _____

Title: _____

Vendor: _____

Date: _____