



INVITATION FOR SEALED REQUEST FOR PROPOSAL

RFP 01-712

Description: ACTUARIAL & CONSULTING SERVICES

Department: HUMAN RESOURCES

NIGP Commodity Code(s): 918-00-00-000-0

Total pages including this page is 19

Note: FAXING OF BID WILL NOT BE ACCEPTED

Important Instruction – Read Carefully:

If you have obtained these bid specifications from either of:
City of Tulsa's Fax-on-Demand (918-596-1171) or
City of Tulsa's Website : www.cityoftulsapurchasing.org

you must notify the buyer **Patricia Cummings** of your intent to bid by e-mail at pcummings@ci.tulsa.ok.us in order to receive addenda. The buyer will always acknowledge your e-mail for your records. All addenda will be posted on fax-on-demand and the website.

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Pay special attention to those pages with a reference to the following notes:

Note #1: Signature of authorized agent required

Note #2: Signature of an authorized agent and notarized required

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Your bid response should follow the same format listed above plus any additional format requested in the body of the bid invitation.

**INVITATION FOR SEALED BIDS
TO
City of Tulsa**

200 CIVIC CENTER, ROOM 109, TULSA, OKLAHOMA 74103

Bid number and date of bid opening must appear on the lower
left outside corner of bid envelopes and all related containers.

DATE OF OPENING: November 1, 2001

BID NUMBER: **BID 01-712**

BID MUST BE IN THE CITY CLERK'S OFFICE AT THE ABOVE ADDRESS BY 5:00 P.M. THE DAY PRECEDING THE "DATE OF OPENING" SHOWN ABOVE.

BIDS WILL BE OPENED AT 8:30 A.M. IN THE CITY COUNCIL ROOM ON THE DAY SPECIFIED UNDER "DATE OF OPENING."

PUBLISHED IN THE TULSA DAILY COMMERCE AND LEGAL NEWS: September 17, 18, 19, 20, 21, 2001

Bid must be accompanied by bidder's bond, cashier's check or certified check in the amount of: None

PLEASE READ TERMS AND CONDITIONS ON THE NEXT PAGE BEFORE COMPLETING BID DOCUMENTS

***** **THE FOLLOWING SECTION MUST BE COMPLETED BY BIDDER** *****

Delivery will be made in not more than _____ days after receipt of order.

Payment terms _____% _____ days.

City of Tulsa may increase quantity of order at the unit price bid for _____ days. (Bidder to Specify Days)
I have examined the terms and specifications and the instructions to bidders herein and agree, provided I am awarded a contract, to provide the above described items for the sum shown in accordance with the terms and specifications stated herein. All deviations are in writing and attached hereto.

Enclosed is a [] BID BOND ; [] CASHIER'S CHECK; [] Certified Check in the amount of \$ None, which I agree the City of Tulsa may retain as liquidated damages in the event of my failure to comply with the terms of this bid.

MUST BE SIGNED BY AUTHORIZED AGENT TO BE VALID

FIRM NAME _____ by _____
SIGNATURE OF AUTHORIZED AGENT

STREET _____ TITLE _____

CITY STATE _____ ZIP CODE _____ PHONE NUMBER _____ DATE _____

GENERAL TERMS AND CONDITIONS OF SEALED BIDS

THESE ITEMS APPLY TO AND BECOME A PART OF THE BID.

NO EXCEPTIONS TO THESE TERMS & CONDITIONS WILL BE CONSIDERED.

1. **BIDS MUST BE SUBMITTED ON THIS FORM ONLY INCLUDING A SIGNATURE OF AN AUTHORIZED AGENT.** Each bid shall be placed in a separate envelope. Be sure envelope is completely and properly identified and sealed, showing the bid number and date in the lower left hand corner. Bids must be time stamped in the office of the City Clerk by 5:00 P.M. on the day before date of opening.
2. No bidder may withdraw his proposal for a period of thirty (30) days after the date and hour set for the opening of bids.
3. All prices shall be quoted F.O.B. Tulsa, Oklahoma, and delivery to City of Tulsa location shall be without additional charge.
4. The bidder shall attach the manufacturer's name of the equipment or material to be furnished, type, model numbers, manufacturer's descriptive bulletins and specifications. All guarantees and warranties should be clearly stated. This data shall be in sufficient detail to describe accurately the equipment or material to be furnished. Manufacturer's specifications, in respect to the successful bidder, shall be considered as part of his contract with the City of Tulsa.
5. The bidder shall show in the proposal both the unit prices and total amount, where required, of each item listed. In the event of error or discrepancy in the mathematics, the unit prices shall prevail.
6. Any exceptions or deviations from written specifications shall be shown in writing and attached to the bid form.
7. Each bidder agrees to comply with the terms of Title 5, Chapter 1, of Tulsa, Oklahoma Charter and revised ordinances relating to equal employment opportunity.
8. **THE ENCLOSED FORMS REGARDING NON-COLLUSION AND FINANCIAL INTEREST MUST BE SIGNED, NOTARIZED, AND RETURNED WITH THE BID.**
9. The City of Tulsa reserves the right to reject any and all bids, to waive any technicalities in the bidding, and to award each item to different bidders or all items to a single bidder.
10. All bids must be accompanied by bidders bond, cash, certified or cashier's check in the amount shown on the face of the bid form. This amount shall be retained by the City of Tulsa as liquidated damages in the event the successful bidder (or bidders) fails to execute a contract, if required. The bidder agrees that said amount is presumed to be the damages sustained by the City due to the impracticability and extreme difficulty in fixing the actual damages. The office of the City Clerk will return the bid deposits to the unsuccessful bidders, after a contract has been awarded or all bids have been rejected.
11. In the event cash discounts are offered by the bidder, the discount date shall begin with the date of invoice, the date of receipt of all material covered by the purchase order, or the date of receipt by the City of Tulsa of the original copy of the purchase order with properly executed Affidavit of Claimant, whichever is the later date.
12. Direct purchase of certain items of equipment or material by the City of Tulsa are exempt from Federal Excise Tax and Oklahoma Sales Tax. In such cases the bidder shall quote prices which do not include Federal Excise Tax and Oklahoma Sales Tax. The City of Tulsa will furnish executed exemption certificates upon presentation by the bidder at the time of purchase.
13. Bid must show number of days required for delivery under normal conditions. Failure to state delivery time obligates bidder to complete delivery in fourteen (14) calendar days. Unrealistically short or long delivery promises may cause bid to be disregarded. Contractor must keep Purchasing Department advised at all times of status of order. Default in promised delivery or failure to meet specifications authorizes the Purchasing Agent to purchase supplies elsewhere and charge full increase of cost and handling to defaulting contractor. Consistent failure to meet delivery promises without valid reason may cause removal from bid list.
14. Bidder agrees to defend and save City of Tulsa from and against all demands, claims, suits, costs, expenses, damages and judgments based upon infringement of any patent relating to goods specified in this order or the ordinary use or operation of such goods by City or use or operation of such goods in accordance with bidders direction.
15. If the bid requires a written contract, the successful bidder shall execute a written contract with the City of Tulsa and return the required bonds and insurance certificates within ten (10) days after submission of contracts to said bidder by the City.

BIDDER AFFIDAVIT - TITLE 74 O.S. (1974 SUPP.) 85.22-85.25

STATE OF _____ COUNTY OF _____

_____, of lawful age, being first duly sworn on oath says
Authorized Agent

1. (s)he is the duly authorized agent of _____, the bidder submitting the competitive bid which is attached to this statement, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and municipal officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the bid to which this statement is attached.
2. (s)he is fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and has been personally and directly involved in the proceedings leading to the submission of such bid; and
3. neither the bidder nor anyone subject to the bidder's direction or control has been a party;
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any municipal official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any municipal official concerning exchange of money or other thing of value for special consideration in the letting of a contract.

SIGNATURE OF AUTHORIZED AGENT

Subscribed and sworn to before me this _____ day of _____, 20_____.

Signature of Notary Public

MY COMMISSION EXPIRES

The Bidder Affidavit must be completed, signed by an authorized agent, and notarized.

CONTRACTOR/BIDDER INFORMATION SHEET

**To be completed by all Bidders
For Contracts with the City of Tulsa
(Please print or type)**

Project No. or Description _____

Full Name of Bidder _____

Legal Identity
(Corporation, Partnership,
Individual, etc.) _____

Address _____

Telephone No. _____

FAX No. _____

Taxpayer Identification Number _____

Contact Person _____

Phone No. _____

Fax No. _____

E-mail address _____

Webpage Address _____

PRICE SHEET SUMMARY

Date: _____, 2001.

Vendor Name: _____

Signature: _____

RFP 01-712

Annual Fee Schedule for:

- A. 2002** _____
- B. 2003 _____
- C. 2004 _____

Hourly fee for additional services: \$ _____

REQUEST FOR PROPOSAL (RFP)
MUNICIPAL EMPLOYEES' RETIREMENT PLAN ("MERP")
ACTUARIAL AND CONSULTING SERVICES

The Municipal Employees' Retirement Plan (herein called "MERP") Board of Trustees (herein called "the Board") is soliciting proposals from qualified firms for providing Actuarial and consulting services to the Board.

1. The firm and its personnel who will be servicing the account must have a minimum of five (5) years practical experience in actuarial valuations and consulting services.
2. The firm must also have five (5) years practical experience in Experience Analysis services.

You are invited to submit a proposal to the City of Tulsa, Municipal Employees' Retirement Plan Board, Oklahoma, in accordance with the terms, conditions, and instructions as set forth in this Request for Proposal. The Board in the selection or employment of a consultant will pay no commissions or other fees.

Your response must include:

- a copy of your standard contract,
- the latest Financial Report of Your Firm
- the completed Interest Affidavit,
- the completed Bidder Affidavit,
- the completed "MERP" Response Requirements (E)
- the completed Pricing Page, Attachment #1

If these items are not included with the returned response, your proposal will not be accepted for review.

Please submit questions to:

Trish Cummings

City of Tulsa, Finance Department
200 Civic Center, RM 802
Tulsa, Oklahoma 74103
(918) 596-7561
Fax (918) 596-7560

OR

Tina Fazendine

City of Tulsa, Human Resources Department
707 South Houston, Suite 407
Tulsa, Oklahoma 74127
(918) 596-7429
Fax (918) 596-1814

Answers to written questions concerning this RFP which are received by **October 22, 2001** will be answered in writing to all who have received a copy of this RFP. Questions received later than October 22, 2001 will not be answered.

A. SUBMISSION OF PROPOSALS

Each proposal package must be sealed and include fifteen (15) copies of the completed proposal. All proposals must be received by **4:00 p.m.** on **October 31, 2001**, and should be addressed as follows:

**Deputy City Clerk
Attn: Ms. Dana Towers
City Hall, Room 109
200 Civic Center
Tulsa, Oklahoma 74103**

Late proposals will be returned unopened.

IMPORTANT

The final approval of the selected provider will be subject to the final determination of the Board and will be contingent on the successful completion of a contract between the Board and the successful bidder.

B. AWARD OF CONTRACT

1. Authority of the Board. The Board shall have the authority to award contracts within the purview of this chapter.
2. Lowest Secure Bidder. Contracts shall be awarded to the lowest secure bidder meeting specifications. In determining "lowest secure bidder", in addition to price, the following factors shall be considered.
 - a. the ability, capacity, and skill of the bidder to perform the contract or provide the service required;
 - b. whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference;
 - c. the character, integrity, reputation, judgement, experience, and efficiency of the bidder;
 - d. the quality of performance of previous contracts or services;
 - e. the previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
 - f. the sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
 - g. the quality, availability and adaptability of the supplies or contractual services to the particular use required;
 - h. the ability of the bidder to provide future maintenance and service for the use of the subject of the contract; and,
 - i. the number and scope of conditions attached to the proposal.
3. The Board reserves the right to refuse any and all proposals.

C. EFFECT OF PERIOD OF PROPOSALS

All terms and conditions within the proposal must remain in effect until at least January 1, 2002 to allow sufficient review, negotiation and approval time by the Board.

D. MERP BACKGROUND INFORMATION

The Board is charged with the investment of approximately \$280 million in the retirement fund. The fund services approximately 2,700 active and 900 retired participants. The fund's authorization is Exhibit "A" TRUST AGREEMENT FOR THE MUNICIPAL EMPLOYEES' RETIREMENT PLAN of Title 28 of the Ordinances of the City of Tulsa.

The Board is made up of seven (7) members appointed by the Mayor and meets monthly. The Fund has three (3) staff members which is supervised by the Manager of Employee Benefits.

E. RESPONSE REQUIREMENTS

The Request for Proposals response package, as a minimum, must include the following:

- 1. The firm's name, home office address, address of the office providing the services under the contract and telephone number. From which office would this plan be serviced?**
- 2. Provide a general description of the firm, including size, number of employees, primary business (consulting, pension planning, insurance, etc.), other business or services, type of organization (franchise, corporation, partnership, etc.) and other descriptive material.**
- 3. Identify two supervising actuaries available for assignment on the engagement. Each person must meet or exceed the "Standards for Supervising Actuary" as provided elsewhere in these specifications. Two actuaries are desired so that at least one is available for immediate response to our needs.**
- 4. Identify other personnel who shall be performing work under the contract.**
- 5. Has the firm, officer, principal or any individual of your organization been involved in litigation within the last ten (10) years relating to actuarial consulting activities? If so, provide a brief explanation and indicate the current status of the proceedings.**

- 6. Provide summary information regarding the professional and experience qualifications of supervising and support actuaries who shall perform work under the contract.**
- 7. Statement of the availability and location of staff (including actuaries) and other required resources for performing all services and providing deliverables within indicated time frames. Statement as to whether or not the services outlined in these specifications can be performed using only your present staff.**
- 8. Statement of the firm's ability to perform pricing analysis of proposed plan changes, complete with actuarial certificate showing assumptions, pricing base, actuarial implications on total program, cost and alternative funding techniques. The MERP will provide three weeks notice for these services (but may on special occasions require the information with less than 24 hours notice).**
- 9. Explain any potential for conflict your firm would have in servicing the MERP.**
- 10. List of public employee retirement systems for which the firm currently provides actuarial consulting services, including system name, approximate number of participants and number of years the firm has been retained. For three major public employee retirement systems included on the list (each involving 1,000 or more participants) provide the address, telephone number, name and title of person(s) responsible for the administration of the system.**
- 11. A description of the responder's understanding of the work to be performed. Sample reports will be welcome in response to this item.**
- 12. Describe the services of your organization that distinguishes your firm from other actuarial consulting services.**

13. Describe the flexibility available to customize reports.

14. Briefly describe how a client would transition to your services.

F. STANDARDS FOR SUPERVISING ACTUARIES

1. Fellow or Associate of the Society of Actuaries and/or Fellow of the Conference of Actuaries in Public Practice and/or Member of the American Academy of Actuaries and/or meet standards of a qualified actuary under the provisions of the Employee Retirement Income Security Act of 1974.
2. Experiences as supervising actuary including consulting services, experience analysis and valuation assignments for major retirement systems, with specific reference to involvement with public retirement systems.
3. Experience in testifying before legislative and administrative bodies in support of actuarial positions and/or the principles used in valuing the system or pricing legislation.
4. Ability to discuss in laymen's terms: actuarial theory; basis for assumptions; and other actuarial matters.

NOTE:

The relative size and complexity of prior major assignments and other evaluations of the various materials presented to satisfy the experience requirements above will be a major factor in the Board's selection of an actuarial firm. The MERP has not established fixed standards to use as a benchmark for experience.

G. GENERAL RESPONSIBILITIES OF CONTRACTOR

1. The MERP will furnish the Contractor with such data or statistical information as may be determined to be necessary for the performance of the work described herein and which is available in the records and files of the Plan. The bulk of the data will be provided electronically.
2. The Contractor will be expected to treat all information as confidential and non-transferable.
3. The Contractor shall provide a means by which any change in its staff may be effected with a minimum of disruption to the services provided to the MERP.

4. The Contractor shall channel all requests, reports, and all other communication in connection with this contract through the office of the Insurance and Retirement Services Manager or Employee Benefits Manager.
5. The professional actuarial services for the MERP shall be performed under the direct supervision of a member of the Contractor's firm who meets or exceeds the standards for supervising actuary. The Board reserves the right to reject the Contractor's choice of supervising actuary and may terminate the contract if a supervising actuary, acceptable to the Board, cannot be made available by the Contractor.
6. The Contractor shall document ideas and issues raised in discussions and meetings. All actuarial certificates on pricing, final reports, presentations of assumptions and similar technical documentation from the Contractor must be approved and signed by the supervising actuary.

H. CONSULTING SERVICES

1. Provide actuarial consultation and advisory services on any technical, policy, legal or administrative problems arising during the course of operation—by meetings, routine telephone calls and written correspondence.
2. Make recommendations to the MERP from time to time relative to possible improvements in the financing and benefit structure of the Plan and to give effect to new developments in the retirement industry. Keep the Board apprised of current trends and progress within the actuarial profession.
3. Give consultation on and perform certain work in pricing proposed legislation (up to four special cost studies in proposal valuations per year to be included in base fee).
4. Assist in the preparation of proposed changes to the governing Retirement Laws.
5. Give consultation and advisory services in the policy and administrative problems of implementing new legislation.
6. Develop and provide various tables and factors needed by the Plan. These include, but are not limited to, mortality tables, present value factors and survivor benefit factors.
7. Appear at selected meetings and hearings for discussion of actuarial standards and/or the principles used in the determination of the funding requirement and in the pricing of legislation.

8. Assist in establishing specifications for System data files. Periodically review the form and content of data files maintained by the System and make recommendations for modification, additions or deletions that will insure the maintenance of the full range of data needed for legislative pricing, actuarial studies, experience analysis and valuations.
9. Keep the System advised on developments in federal legislation and/or regulations regarding financing, benefits, vesting, fiduciary responsibility, disclosure, etc.
10. The supervising and/or support actuary shall be readily accessible to the Insurance and Retirement Services Manager or a designee by telephone within one working day, and will be available for meetings within ten working days of request.
11. The supervising and/or support actuary shall be available for periodic educational discussions with the Board and/or staff members.
12. The above consulting services typically require two to three visits to Tulsa, Oklahoma per year, including one meeting each to review the annual actuarial valuation and the annual gain/loss experience analysis. The Proposal should include travel and related expenses.

I. EXPERIENCE ANALYSIS SERVICES:

1. Actuarial gain/loss Experience Analyses shall be performed each year as of December 31.
 - a. Reports for these analyses shall be delivered to the MERP, by the Contractor, no later than twelve (12) weeks after the MERP has delivered complete data for the analyses to the Contractor.
 - b. The analysis shall describe the reasons for changes in the contribution rates from year to year, based on a comparison of actual changes in liabilities with expected changes according to each of these actuarial assumptions.
2. The Contractor's study of non-economic assumptions in the Experience Analysis shall include but not be limited to rates of terminations, service retirement rates, pay increase assumptions, mortality before and after retirement, disability, termination from disability.

J. VALUATION SERVICES:

1. Actuarial valuations shall be performed each year as of December 31.
 - a. Reports for these valuations shall be delivered to the MERP, by the Contractor no later than eight (8) weeks after the MERP has either delivered complete data for the valuation to the Contractor or eight (8) weeks after the Board has adopted the assumptions for the valuation. When the Experience Analysis is performed, reports shall be due eight (8) weeks after the Board has received the Experience Analysis report and adopted the assumptions for the valuation.
 - b. When the Experience Analysis is performed, if it results in the adoption of any assumption that differs from those used for the prior valuation, the Contractor shall produce valuation results using both the old and new assumptions.
 - c. If an Experience Analysis is not performed, the Contractor shall use the same actuarial assumptions that were used for the prior valuation. If analysis of the current data during the performance of the valuation indicates any material variations from those assumptions, the Contractor shall be expected to discuss the variations in the valuation report and present an estimate of the effect on the normal cost and/or on the unfunded actuarial accrued liability of the Retirement System.
2. Valuation reports shall include a recommendation as to the “going concern” contribution rates, as well as supplemental calculations computed on a “termination” basis. The supplemental calculations shall include, but not be limited to, calculations in compliance with Governmental Accounting Standards Board Number 25 and 27 (or successor accounting and financial reporting standards). For Statement Number 25, a schedule giving June 30 results will be required to correspond to our fiscal year.
3. Valuation reports shall contain a glossary of terms and sufficient explanatory text to permit a reasonable understanding of the actuarial assumptions, cost methods and conclusions by competent actuaries and by persons knowledgeable in the public pension field. This shall include, but not be limited to, a summary of the Plan, description of actuarial assumptions and cost methods, display of age groups and service matrices for active members and display of retired lives by age groups, and types of benefits.

K. EVALUATION SELECTION

Evaluation of the experience and qualifications of those firms submitting Proposals under this announcement will be made on the basis of the aforementioned requested information, but not limited thereto.

After evaluation of the Proposals submitted under this request and selection of maximum of five (5) finalists are interviewed, negotiation with the selected finalist will be pursued leading to the award of an annual contract (renewable for a period of 3 to 5 years) if suitable proposal(s) are received.

Provide your annual fee schedule for the following years:

- a) 2002
- b) 2003
- c) 2004

Provide your hourly fee for additional special studies.

The Board of Trustees anticipates complying with the following timetable:

October 31, 2001	Deadline for receipt of Proposals.
November 16, 2001	Select finalists for interviews.
December 5, 2001	Complete Interviews
December 31, 2001	Complete contract negotiations with Selected firm.

L. PERIOD OF CONTRACT:

The initial contract shall be for the period January 1, 2002 through December 31, 2002. Thereafter, the contract may be renewed annually upon mutual agreement between the MERP and the consulting firm. The MERP Board of Trustees reserves the right to terminate the contract upon 30 days notice, with or without cause.

M. OTHER:

1. All proposals received from bidders will be reviewed and evaluated by a committee appointed by the Board. The committee will recommend to the Board the proposals that most closely meet the requirements of the RFP and satisfy the requirements of the MERP. The Board will make the final evaluation and selection. The Board reserves the right to reject all proposals, or to negotiate separately with competing bidders. Finalists will be asked to make oral presentations to the Board or the selection committee of the Board.
2. The Board is not liable for any cost incurred by bidders prior to issuance of a contract.
3. All the documents which constitute a part of these negotiations, including but not limited to this request for Proposal, the formal proposal and any amendments and the acceptance thereof, shall be interpreted as Oklahoma documents and shall be governed by and subject to the laws of the State of Oklahoma.
4. The Board of Trustees reserves the sole right to evaluate the Proposals submitted, waive any irregularity therein, select candidates for submittal of proposals or reject any and all firms that submitted Proposals should it be deemed for its best interests. All parties submitting Proposals will be notified by mail of those selected to be invited to submit proposals.