

**PURCHASING DEPARTMENT  
101 EAST 11<sup>TH</sup> STREET  
SUITE G13  
CHATTANOOGA, TENNESSEE  
37402**

**Request for Qualifications (RFQ) for the City of Chattanooga**

*Statements of Qualifications (SOQs) will be received at 101 East 11<sup>th</sup> Street, Suite G13,  
Chattanooga, TN 37402 until 4:00 P.M., on August 25, 2017*

**Requisition No.: 157814**

**User Dept.: Human Resources**

**Buyer & e-mail: Geoffrey Hipp ghipp@chattanooga.gov**

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**Project: Request for Qualifications for Actuarial Services  
for the City of Chattanooga, Tennessee**

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**\*\*\*SOQs MUST BE RECEIVED BY\*\*\***

**4:00 P.M., Eastern on August 25, 2017**

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**The City of Chattanooga reserves the right to reject any and/or all submittals,  
waive any informalities in the submittals received, and to accept any  
submittal which in its opinion may be for the best interest of the City.**

**The City of Chattanooga will be non-discriminatory in the purchase of all goods  
and services on the basis of race, color or national origin.**

**The City's Standard Terms and Conditions may be found on website:  
([www.chattanooga.gov/purchasing/standard-terms-and-conditions](http://www.chattanooga.gov/purchasing/standard-terms-and-conditions))**

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**Note: ALL SUBMITTALS MUST BE SIGNED**

All submittals received are subject to the terms and conditions contained herein. The undersigned Offeror acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated.

\*\*\*\*\*

**PLEASE PROVIDE THE FOLLOWING INFORMATION:**

**Company Name:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**City & Zip Code:** \_\_\_\_\_

**Phone/Toll Free No.:** \_\_\_\_\_

**Fax No.:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Company Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

# **Request for Qualifications**

## **Actuarial Services**



**City of Chattanooga, Tennessee**

**July 2017**

## Table of Contents

1	Introduction.....	3
1.1	Purpose.....	3
1.2	Background.....	3
2	RFQ Instructions .....	3
2.1	Instructions.....	3
2.2	Key Dates.....	4
3	RFQ Overview .....	4
3.1	Scope of Services .....	4
3.2	Compensation.....	5
3.3	Required Responses to this RFQ.....	5
3.3.1	Table of Contents .....	6
3.3.2	Executive Summary .....	6
3.3.3	Firm Qualifications and Experience.....	6
3.3.4	References .....	7
3.3.5	Conflict of Interest.....	7
3.3.6	Bankruptcy Filings.....	7
3.3.7	Litigation .....	7
3.3.8	Acquisitions or Mergers.....	8
4	Review and Evaluation .....	8
4.1	General Information .....	8
4.2	Evaluation Criteria .....	8
4.3	Interview.....	9
4.4	Contract Term.....	9
5	General Terms and Conditions .....	9

# **1 Introduction**

## **1.1 Purpose**

The purpose of this Request for Qualifications (RFQ) by the City of Chattanooga, Tennessee (City) is to solicit sealed Statements of Qualifications (SOQ) from qualified firms to negotiate a contract for Actuarial Services. The selected firm will serve as the retained actuary to perform annual valuations and consulting services for the City's General Pension Plan, a defined benefit pension plan, and the Other Post-Employment Benefits (OPEB) Trust.

## **1.2 Background**

Demographically, the General Pension Plan has 1,377 current active participants and 1,130 current retirees and has assets of \$278 million in trust.

The OPEB trust has 2,360 current benefit eligible employees and 3,162 dependents in its employee health insurance plans, 740 retirees and 646 dependents in post-employment medical PPO plans, and 844 retirees and dependents in Medicare Advantage plans. There are an additional 50 retirees and 11 dependents in a legacy PPO plan. Assets in trust are \$51 million.

# **2 RFQ Instructions**

## **2.1 Instructions**

Five (5) bound copies and one (1) unbound original copy of the SOQ shall be submitted. All SOQs shall be submitted in a sealed envelope or box marked "REQUEST FOR QUALIFICATIONS FOR ACTUARIAL SERVICES FOR THE CITY OF CHATTANOOGA, TENNESSEE". Additionally the Firm shall submit an electronic version containing a full copy of the SOQ in standard formats such as Adobe PDF, Microsoft Word, or Microsoft Excel. The original and copies of the SOQ shall be submitted by the deadline shown below to the attention of:

City of Chattanooga Purchasing  
Geoffrey Hipp, Buyer  
101 East 11<sup>th</sup> St., Suite G13  
Chattanooga, TN 37402  
e-mail: [ghipp@chattanooga.gov](mailto:ghipp@chattanooga.gov)

The RFQ is intended to be self-explanatory and should not require any requests for additional information. However, any questions should be submitted in writing to the above contact by the cutoff date shown below. Written response by the City will be provided by the date shown below.

No pre-RFQ conference or site visit is planned.

## 2.2 Key Dates

It is anticipated that a contract will be negotiated with the firm selected via the RFQ based on the following schedule. Please note, the City of Chattanooga reserves the right to change any of the dates stated in this RFQ.

Date	Event
July 25, 2017	Issuance of Request for Qualifications
August 4, 2017	Questions Cutoff Date
August 11, 2017	Response to Questions Due
August 25, 2017	SOQ Submission Deadline
September 15, 2017	Target Evaluation and Selection Complete

## 3 RFQ Overview

### 3.1 Scope of Services

The Firm, at a minimum, must achieve and maintain the performance outcomes listed below consistent with performance standards agreed to by the City through a contract resulting from this RFQ.

The Firm must perform the following valuation and reporting activities:

1. An annual valuation of the General Pension Plan
  - a. Annual pension valuations will be completed on or before March 1st of each year beginning in 2018.
  - b. The actuarial valuation shall be based on census information provided to the actuary by the City.
  - c. The actuarial valuation shall be based on actuarial assumptions that the City and the actuary agree are reasonable and appropriate and in compliance with applicable state and/or federal law.
  - d. The report shall include benefit information on all members in the plan and plan funding information. The report should include a review of all assumptions and the plan's overall condition.
  - e. Attend the Board of Trustees meeting following completion of the valuation to review the results in a nontechnical level and discuss any recommendations made.
  - f. Attend additional Board of Trustees meetings as needed.
2. General Pension Plan annual financial statements pursuant to Governmental Accounting Standards Board (GASB). Please note a pension trust fund is included in the City's financial statements so liabilities must be rolled forward to the reporting date of June 30.
3. An experience analysis on the actual participation and retirement patterns of the General Pension Plan

4. A biennial valuation of the OPEB trust
  - a. Actuarial valuations of the medical and any other post-employment benefits under the City's jurisdiction pursuant to GASB.
  - b. The actuarial valuation shall be based on census information provided to the actuary by the City.
  - c. The actuarial valuation shall be based on actuarial assumptions that the City and the actuary agree are reasonable and appropriate and in compliance with applicable state and/or federal law.
  - d. The report shall include benefit information on all members in the plan and plan funding information. The report should include a review of all assumptions and the plan's overall condition.
  - e. Attend the Board of Trustees meeting following completion of the valuation to review the results in a nontechnical level and discuss any recommendation made.
  - f. Attend additional Board of Trustees meetings as needed.
5. OPEB annual financial reporting pursuant to GASB. Please note an OPEB trust fund is included in the City's financial statements so liabilities must be rolled forward to the reporting date of June 30.
6. Valuations of proposed plan amendments, as directed by an administrator of the City or the Board of Trustees;
7. Assist the Board of Trustees, City administrators or City Council as requested;
8. Perform such other general actuarial services as may be needed from time to time.

### **3.2 Compensation**

The City and any firm selected for these services will enter into a professional services agreement which will address compensation and will be negotiated after selection is made.

### **3.3 Required Responses to this RFQ**

Below is a listing of the technical information to be provided in response to this RFQ. Firms are requested to keep the submission to a maximum of 25 pages and should be organized to match the specific information requested below:

- A. Table of Contents
- B. Executive Summary
- C. Firm Qualifications and Experience
- D. References
- E. Conflict of Interest
- F. Bankruptcy Filings
- G. Litigation
- H. Acquisitions or Mergers

The purpose of these responses is to provide firms with an opportunity to demonstrate their qualifications, competence, and capacity to undertake the engagement described herein, in a manner which complies with applicable laws and regulations, and the requirements of the RFQ. The responses should specifically detail the firm's experience and qualifications in providing the services sought by the City. There should be no dollar or unit costs included in this document.

### **3.3.1 Table of Contents**

A Table of Contents should clearly identify the location of all material within the response by section and page number.

### **3.3.2 Executive Summary**

An Executive Summary on company letterhead signed by a person with the corporate authority to enter into any contract which may result from the RFQ must be included. The Executive Summary should highlight significant aspects of the firm's response and indicate the underlying philosophy of the Firm in providing the service.

### **3.3.3 Firm Qualifications and Experience**

In this section, firms should demonstrate relevant experience by providing the following:

- A. Experience with public sector pension and retiree health care benefit plans; include the number of active or current clients and the number that are public sector clients.
- B. Experience with plans of similar size and scope to the General Pension Plan and OPEB Trust
- C. Experience of the accredited actuaries assigned to provide services; including description of the proposed team and the role to be played by each member of the team. Include resumes of all members of the Firm's team that are assigned to provide service to this account.
- D. Demonstration of an understanding of the City's needs
- E. Client references
- F. Geographic location
- G. Demonstrated ability to provide high quality service in a timely manner including a detailed plan of approach. Include timelines for receipt of data from the City, method of data transmission to the Firm and a completion timeline for preparing the valuation reports. Identify quality controls within the processes and the format of the report of actuarial valuation by including examples.

### **3.3.4 References**

The SOQ must include the name, address and telephone number of three to five clients for whom services similar to those described in this Request for Qualifications have been performed in the past three years for work of similar size and scope. Names, titles, addresses and telephone numbers of organizations and individuals who may be contacted for reference must be included. Include a description of services provided and time period of project or contract. Include at least one reference for each of pension and OPEB services.

Provide a listing of any contracts the Firm had with any government entity within the last five years in which the contract was terminated or not renewed. Include: the government entity client's name and address, description of services provided, date contracted ended, name of contact reference and current telephone number. If there are no terminations to report, declare that no such terminations have occurred during the time period.

- A. The City may seek information from references regarding subjects that include, but are not limited to, the quality of services provided and the responsiveness of the firm to the client during the engagement.
- B. Information provided by references may be used by the City for response evaluation purposes. The City is not responsible for the lack of responsiveness of the references listed nor is the City required to alert firm of a reference's unresponsiveness during the evaluation period. Inability to contact a reference will not be looked upon favorably.
- C. The City reserves the right to deploy, at its sole discretion, a variety of methods and communication approaches to contact references, depending on what the City deems to be the most effective and efficient manner.

### **3.3.5 Conflict of Interest**

The Firm must disclose any professional or personal financial interest which could be a possible conflict of interest in representing the City. The firm shall further disclose arrangements to derive additional compensation from various investment and reinvestment products, including financial contracts.

### **3.3.6 Bankruptcy Filings**

The Firm must provide a list of bankruptcy filings, if any, in the past seven years. Include all pertinent information including date of filing, company name when filed, tax identification number, type of bankruptcy filing, and type of document filed.

### **3.3.7 Litigation**

The Firm must provide a listing of all defaults, disputes, and litigations in which the Firm is/was engaged during the last five years. Give specific information concerning each action such as: opposing company's name and address, company contact reference name and current telephone number, specific nature of each contractual issue and the final decision, status of each issue.



### **3.3.8 Acquisitions or Mergers**

The Firm shall state and provide specific details if it is negotiating plans to sale or merge this Firm prior to awarding a contract during the contract term.

## **4 Review and Evaluation**

### **4.1 General Information**

All responses will be reviewed and screened by an Evaluation Committee. The Evaluation Committee, at its sole discretion, will determine which SOQ best satisfies the requirements of this RFQ. All responses deemed to be responsive to the requirements of this RFQ will be evaluated and scored. Responses failing to meet the requirements of this document may be eliminated from consideration.

The City may request clarification of a response upon review. Firms will be provided a reasonable period of time in which to submit written responses to the Purchasing Department's requests for clarification. Other than to provide clarifying information as may be requested by the City, no firm will be allowed to alter its response or add information.

Finalists may be invited for interviews, after which a selection may be made.

### **4.2 Evaluation Criteria**

The Evaluation Committee will independently score each response based upon the following criteria:

- A. Experience of firm in providing actuarial services for public sector pension and OPEB plans - 25%
- B. References from other public entities for which the firm has provided similar services for plans of similar size and scope – 20%
- C. Professional competence, integrity, and qualifications of personnel – 20%
- D. Clearly demonstrated understanding of the work to be performed along with completeness and reasonableness of the firm's plan for timely accomplishing the scope of services – 20%
- E. Overall quality of responses - 15%

The City reserves the right cancel this RFQ at any time or reject any or all responses received as a result of this RFQ if it is in the best interest of the City. The City reserves the right to negotiate all final terms and conditions of any agreement entered into.

The City and Board of Trustees retain the right to select a different Firm for each component.

### **4.3 Interview**

Finalists will be notified of the date, location, and time of their interview, if such interviews are undertaken. The interview will be designed to allow finalists to demonstrate their ability to provide the required services. The proposed primary contact, as well as other key personnel who would be responsible for providing the required services, should be present and participate in the interview.

The interview should substantiate the written responses to the RFQ. Scores may be revised based on the information gained from interviews; however, the interviews will not be an opportunity to cure material omissions in firms' responses and are not a substitute for a well-written submittal.

The City may choose to forego interviews at its discretion.

### **4.4 Contract Term**

The expected term of the contract will be for three (3) years from the starting January 1, 2018 plus two one year extensions. All terms and conditions shall remain in force for the term of the contract and cost of services shall not be increased during the term of the contract.

## **5 General Terms and Conditions**

The terms and conditions of this RFQ shall be the Standard Terms and Conditions listed on the City website: <http://www.chattanooga.gov/purchasing/standard-terms-and-conditions>

Chapter No. 817 (HB0261/SB0377). "Iran Divestment Act" enacted.

Vendor Disclosure and Acknowledgement

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to § 12-12-106.

(SIGNED) \_\_\_\_\_

(PRINTED NAME) \_\_\_\_\_

(BUSINESS NAME) \_\_\_\_\_

(DATE) \_\_\_\_\_

For further information, please see website:

[https://www.tn.gov/assets/entitles/generalservices/cpo/attachments/List\\_of\\_persons\\_pursuant\\_to\\_Tenn.\\_Code\\_Ann.\\_12-12-106,\\_Iran\\_Divestment\\_Act-July.pdf](https://www.tn.gov/assets/entitles/generalservices/cpo/attachments/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106,_Iran_Divestment_Act-July.pdf)

## **Affirmative Action Plan**

The City of Chattanooga is an equal opportunity employer and during the performance of this Contract, the Contractor agrees to abide by the equal opportunity goals of the City of Chattanooga as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, or handicap.
3. The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. During the term of all construction contracts or subcontracts in excess of \$10,000 to be performed for the City of Chattanooga, the following non-discriminatory hiring practices shall be employed to provide employment opportunities for minorities and women:
  - a. All help wanted ads placed in newspapers or other publications shall contain the phrase "Equal Employment Opportunity Employer".
  - b. Seek and maintain contracts with minority groups and human relations organizations as available.
  - c. Encourage present employees to refer qualified minority group and female applicants for employment opportunities.
  - d. Use only recruitment sources which state in writing that they practice equal opportunity. Advise all recruitment sources that qualified minority group members and women will be sought for consideration for all positions when vacancies occur.

5. Minority statistics are subject to audit by City of Chattanooga staff or other governmental agency.
6. The Contractor agrees to notify the City of Chattanooga of any claim or investigation by State or Federal agencies as to discrimination.

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(Signature of Contractor)

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(Title and Name of Company)

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(Date)