

**County of Dinwiddie
P.O. Drawer 70
Dinwiddie VA 23841
(804) 469-4500 ph (804) 469-4503 fax
<http://www.dinwiddieva.us>**

Request for Proposals – RFP-21-021021

ACTUARIAL SERVICES

This procurement is governed by the Virginia Public Procurement Act and the Dinwiddie County Purchasing Policies and Procedures. All terms and conditions of the Act and the Policies and Procedures are hereby adopted and incorporated by references as a part of this notice.

Contact Information:

Questions concerning sealed proposals should be in writing addressed to

Hollie R. Casey
Dinwiddie County

14010 Boydton Plank Road
P O Drawer 70
Dinwiddie VA 23841

(804) 469-4500 ext. 2150 or
E-Mail: hcasey@dinwiddieva.us

TABLE OF CONTENTS

1. PURPOSE.....4

2. BACKGROUND4

3. STATEMENT OF NEEDS.....5

 3.1. Contractor Responsibilities5

 3.2. Representation of the Plan.....5

4. PROPOSAL PREPARATION AND SUBMISSION INSTRUCTIONS.....6

 4.1. General Instructions6

5. ACCEPTANCE OF PROPOSALS / AWARD OF CONTRACT.....9

 5.1. Qualifications of Offerors9

 5.2. Ethics in Public Contracting.....10

 5.3. Tentative Award Schedule10

 5.4. Clarification of Terms10

 5.5. Withdrawal or Modification of Proposals.....10

 5.6. Receipt and Opening of Proposals10

 5.7. Evaluation Criteria11

 5.8. Announcement of Award11

 5.9. Award of Contract.....11

 5.10. Term of Contract12

 5.11. Contract Documents.....12

 5.12. Work Authorization.....12

6. REPORTING AND DELIVERY INSTRUCTIONS.....12

7. GENERAL TERMS AND CONDITIONS13

 7.1. Definitions.....13

 7.2. Laws, Regulations, and Courts.....13

 7.3. Taxes.14

 7.4. Anti-Discrimination Statement by County.....14

 7.5. Anti-Discrimination Statement by Contractor.14

 7.6. Immigration Reform and Control Act of 1986.....14

 7.7. Drug-Free Workplace.....15

7.8.	Authorization to Transact Business in the Commonwealth.	15
7.9.	Indemnification.	15
7.10.	Insurance.	15
7.11.	Debarment Status.	16
7.12.	Payment.....	16
7.13.	Availability of Funds.....	17
7.14.	Assignment of Contract.....	17
7.15.	Default.....	17
7.16.	Changes to the Contract.	17
7.17.	Termination of Contract.	18
7.18.	Contractual Disputes.	20
7.19.	Audit.....	20
7.20.	Patents, Copyright and Trademark.....	20
7.21.	COVID-19.....	20
8.	SPECIAL TERMS AND CONDITIONS.....	21
8.1.	Additional Users/Cooperative Procurement.....	21
8.2.	Contractor Advertising.....	21
8.3.	Proprietary Information.....	22
9.	LIST OF ATTACHMENTS	22
10.	SIGNATURE SHEET	23

1. PURPOSE

Request for Proposals Prepared By:

Hollie R. Casey
Procurement Technician

Release date: February 9, 2021

Deadline: March 2, 2021 @ 2 p.m.

Request for Proposals Number:

RFP-21-021021

PURPOSE

<p>The purpose of this Request for Proposals is to solicit proposals from qualified vendors to provide Professional Actuarial Services to Dinwiddie County and the Dinwiddie County School Board.</p>

If you are an individual with a disability and require a reasonable accommodation, please notify Hollie R. Casey at **(804) 469-4500 ext. 2150**, at least three working days prior to the date due.

Proposals, to include addenda or changes to a response, shall not be accepted via Fax machine or by Internet E-mail, orally, or by telephone.

Nothing herein is intended to exclude any qualified responsible vendor, his/her product or service, or in any way restrain, or restrict competition. On the contrary, all responsible qualified vendors are encouraged to submit proposals.

2. BACKGROUND

The Governmental Accounting Standards Board (GASB) Statement Number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requires actuarial valuations for each plan for active employees and retirees in accordance with certain parameters. The County is required to report in its Comprehensive Annual Financial Report certain additional data.

Dinwiddie County (“County”) and the Dinwiddie County School Board (“Schools”) participate in the Virginia Retirement System for the provision of retirement benefits to current and former employees. This pension plan is currently reported in accordance with Generally Accepted Accounting Principles and is not included in the scope of work of this Request for Proposals.

The County and Schools allow eligible retirees to continue health and dental insurance coverage within the entities’ group plan at the same premiums of active employees, thereby creating an implicit rate subsidy for retired employees. Retirees are responsible for the entire premium; neither the County nor the Schools make contributions toward retiree health care premiums (unless required by contractual obligation). The County and Schools have not established a trust fund nor set aside funds to pre-fund the resulting OPEB liabilities.

Retirement from the County and Schools (and eligibility for continued participation in the County and Schools health insurance pool) is defined by the eligibility requirements for retirement under the

Virginia Retirement System. The County does participate in VRS's optional LEOS/FIRE program, therefore eligible public safety personnel are eligible for group health insurance participation in accordance with the provisions of that program (currently at age 50 with at least 25 years of creditable service or age 60 with at least five years of creditable service).

3. STATEMENT OF NEEDS

Dinwiddie County and Dinwiddie County School Board are in need of Professional Actuarial Services in the areas of Other Post-Employment Benefits (OPEB) and other actuarial services related to preparation of required reporting consistent with the GASB pronouncement 75, as well as other projects needing actuarial services.

3.1. Contractor Responsibilities

The selected vendor will provide, but is not limited to, the following services and advice to the County and Schools:

- A. Provide actuarial services to determine the County's other post-employment benefits (OPEB) liability as well as to provide a calculation of the contribution for future years to the OPEB plan for budgeting purposes.
- B. Provide actuarial services to determine the School's other post-employment benefits (OPEB) liability as well as to provide a calculation of the contribution for future years to the OPEB plan for budgeting purposes.
- C. Provide information using industry best practices ensuring up to date measures are implemented.
- D. Prepare separate reports for the County and Schools.
- E. Provide analysis reports of the results in electronic format, Word or PDF, no later the August 31. No hard copies are needed. In addition, the vendor may be asked to make an oral presentation of the results to the County Board of Supervisors, the Dinwiddie County School Board and/or any other appropriate employees. The reports and presentations, if requested, shall be completed within thirty (30) days from completion of the studies.
- F. Provide reports every other year. Subsequent years shall be based on the same month and day as previous reports.
- G. Provide separate invoicing for County and Schools.

3.2. Representation of the Plan

The last actuarial reports provided by Findley are included as Attachment A. The FY2020 CAFR can be found at <https://www.dinwiddieva.us/269/Financial-Reporting-Audit>.

- A. County
 - i. The County health benefits include medical, dental and vision through The Local Choice Anthem Key Advantage 1000 PPO and HDHP PPO.
 - ii. The County provides retiree participation in the group insurance coverage, in accordance with the County's Personnel Policy, to all full-time and salaried permanent employees.
 - iii. The County allows retirees and their family members (if already enrolled at time of retirement) to remain on their health insurance plan that retire with at least 15 years of service with the County. The retiree is responsible for 100% of the premium and is paid directly to the County. Benefits end at age 65.

iv. As of January 1, 2021, 3 County retirees participate on the County group health insurance plan.

B. Schools

- i. The Schools health benefits include medical, dental and vision through The Local Choice Anthem Key Advantage 500 PPO and HDHP PPO.
- ii. The School provides retiree participation in the group insurance coverage, in accordance with the School's Personnel Policy, to all full-time employees.
- iii. The School retirees must have been employed by the School Board for five consecutive years immediately preceding their retirement in addition to meeting one of the following requirements to be eligible for health benefits. The retiree is responsible for 100% of the premium and is paid directly to the School Board. Benefits end at age 65. Retirees over the age of 65 are only eligible to choose Anthem BCBS medicare supplement.
 - Attained the age of 65 with at least 5 years of service for unreduced pension benefits
 - Attained the age of 50 with at least 30 years of service for unreduced pension benefits
 - Attained the age of 55 with at least 5 years of service for reduced pension benefits
 - Attained the age of 50 with at least 10 years of service for reduced pension benefits.
- iv. As of January 1, 2021, 62 School Board retirees participate on the School Board's group health insurance plan.

4. PROPOSAL PREPARATION AND SUBMISSION INSTRUCTIONS

4.1. General Instructions

A. In order to be considered for selection, offerors must submit a complete response to this RFP in ONE of the following ways:

i. Hard Copy Submission:

Submit one (1) hardcopy proposal and one electronic copy via CD-ROM or USB Drive. Please include a redacted copy of the proposal in electronic form if applicable. The proposal shall be bound or contained in a single volume where practical. No 3-ring binders please.

Envelopes shall be marked with the following information:

- Name and Address of Offeror
- Due Date – March 2, 2021 at 2 p.m.
- RFP Number – RFP-21-021021
- RFP Title – Actuarial Services

The envelope should be addressed to:

Attn: Hollie Casey
County of Dinwiddie
14010 Boydton Plank Road
P.O. Drawer 70
Dinwiddie, Virginia 23841

If the proposal is not marked with the above information, the offeror takes the risk that the envelope may be inadvertently opened and the information compromised which may cause the proposal to be disqualified.

ii. Electronic Submission:

Electronic proposal submissions are now accepted through Vendor Registry. Go to www.dinwiddieva.us/purchasing, click Current Solicitations, click the solicitation and click Submit Bid. You will be asked to login or register with Dinwiddie County in order to submit a proposal. If applicable, please include a redacted copy of the proposal as a separate file.

- No other distribution of the proposal shall be made by the offer. Electronic copies of the proposal shall be provided in a single file in PDF format, unless otherwise stated.
- B. All information requested should be submitted. Failure to submit all information requested may result in the County requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the County.
- C. Proposals shall be signed by an authorized representative of the offeror. Proposals must give the full business address of the Offeror and be signed by him/her with his/her usual signature. Proposals by partnerships must furnish the full name of all partners and must be signed in the partnership name by one of the members of the partnership or any authorized representative, followed by the designation of the person signing. Proposals by corporations must be signed with the legal name of the corporation followed by the name of the State in which it is incorporated and by the signature and designation of the president, vice president, secretary, or other person authorized to bind it in the matter. The name of each person signing shall also be typed or printed below the signature. A proposal by a person who affixes to the signature the word "President", "Vice President", "Secretary", "Agent" or other designation without disclosing the principal, may be held to be the proposal of the individual signing. When requested by the County, satisfactory evidence of the authority of the officer signing on behalf of the corporation shall be furnished.
- D. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- E. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number should be repeated at the top of the next page. The proposal should contain a table of contents, which cross-references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not

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- organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- F. As used in this RFP, the terms "must", "shall", "should" and "may" identify the criticality of requirements. "Must" and "shall" identify requirements whose absence will have a major negative impact on the suitability of the proposed solution. Items labeled as "should" or "may" are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary. Depending on the overall response to the RFP, some individual "must" and "shall" items may not be fully satisfied, but it is the intent to satisfy most, if not all, "must" and "shall" requirements. The inability of an Offeror to satisfy a "must" or "shall" requirement does not automatically remove that Offeror from consideration; however, it may seriously affect the overall rating of the Offerors' proposal.
- G. Ownership of all data, materials, and documentation originated and prepared for the County pursuant to the RFP shall belong exclusively to the County and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of § 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in rejection of the proposal.
- H. All proposals must be received at the proper location listed in this RFP and by the deadline time (Local Time Prevailing). Any proposals received after the announced time and date for submittal, whether by mail or otherwise, will be rejected. The time of receipt shall be determined solely by the County of Dinwiddie.
- The County is not responsible for any delay in delivery by USPS, UPS, FedEx or other delivery services. It is the responsibility of the offeror to see that proposals are received on time and in the proper location.
- I. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the County. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The County will schedule the time and location of these presentations. Oral presentations are an option of the County and may or may not be conducted. *Note: Due to the pandemic, all presentations will be held via teleconference or video conference.*
- J. The Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. It is the responsibility of the offeror to ensure that their proposals reach the appropriate office prior to the closing time on the proposal.
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4.2. Specific Proposal Instructions

Proposals should be as thorough and detailed as possible so that the County may properly evaluate your capabilities to provide the required goods/services. Offerors are required to submit the following items as a complete proposal. Failure by Offeror to provide the information shall render the proposal non-responsive.

- A. Return Section 10 of the RFP and all addenda acknowledgments, if any, signed and filled out as required.
- B. A written narrative statement to include:
 - i. Name of the company, principal name(s), names and contact information of other key personnel, years in business, organizational structure, and experience providing goods/services as described in this RFP.
 - ii. Letter of transmittal (limit to three pages) including a statement by the prospective actuary of his understanding of the work to be done with descriptions of the valuations approach and illustrations of the procedures to be employed.
 - iii. Statement as to probability of delivery of the valuation report by August 31 each year.
 - iv. Brief resumes of the individual staff to be assigned to the project, their tenure with the firm, their respect roles, and their current GASB 75 engagements.
 - v. References from a minimum of three organizations, preferably local governments of similar size and complexity as Dinwiddie County. This list should include a name and contact information for personnel from the organization who are/were associated with each project and who may be contacted as a reference. Emphasis should be placed on engagements for Virginia localities pertaining to GASB 75.
- C. DO NOT SUBMIT – Non-Binding Cost Estimate (NBCE)
As this is a professional services solicitations, the County is NOT requesting a NBCE at this time. The County will request NBCE under separate cover from one or more of the highest ranked and fully qualified Offerors at a later date.

5. ACCEPTANCE OF PROPOSALS / AWARD OF CONTRACT

5.1. Qualifications of Offerors

The Offeror shall have the following qualifications in order to be considered:

- Be a Licensed Actuary
- Have an active membership with the American Academy of Actuaries.
- Have satisfactory work experience of similar size and complexity or larger in the past two years in performing valuations for Other Post-Employment Benefits.

During the evaluation process, the County may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offerer(s) to perform the services/furnish the goods and the Offerer(s) shall furnish to the County all such information and data for this purpose as may be requested. The County reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The County further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the County that such Offeror is properly qualified to carry out the

obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

5.2. Ethics in Public Contracting

By submitting their proposal, Offerors certify that their proposal is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offerors, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

The Offeror shall identify any actual or potential conflicts of interest that exist, or which may arise if the Offeror is recommended for award, and propose how such conflicts might be resolved.

By his/her signature on the proposal documents submitted, each Offeror attests that his/her agents and/or employees, to the best of his/her knowledge and belief, have not in any way colluded with anyone for and on behalf of the Offeror, or themselves, to obtain information that would give the Offeror an unfair advantage over others, nor has he/she colluded with anyone for and on behalf of the Offeror, or itself, to gain any favoritism in the award of this solicitation.

5.3. Tentative Award Schedule

Proposals Due	March 2, 2021
Shortlist Interviews/Presentations	March 15-19, 2021
Intent to Award Contract	March 31, 2021
County Board for Supervisors Meeting	April 20, 2021
Notice of Award	April 21, 2021

5.4. Clarification of Terms

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the procurement agent whose name appears on the face of the solicitation **by e-mail no later than five working days before the due date**. Any revisions to the solicitation will be made only by written addendum issued which shall be posted on the County's website at <http://www.dinwiddieva.us>, on the Purchasing page.

5.5. Withdrawal or Modification of Proposals

Proposals may be withdrawn or modified by written notice received from Offerors prior to the deadline fixed for proposal receipt. The withdrawal or modification may be made by the person signing the proposal or by an individual(s) who is authorized by him/her on the face of the proposal. Written modifications may be made on a separate document. Written modifications must be signed by the person making the modification or withdrawal.

5.6. Receipt and Opening of Proposals

A. It is the responsibility of the Offeror to assure that his/her proposal is delivered to the place designated for receipt of proposals and prior to the time set for receipt of proposals. Proposals received after the time designated for receipt of proposals will not be considered or opened.

- B. The provisions of § 2.2-4342 of the Code of Virginia, as amended, shall be applicable to the inspection of proposals received.
- C. In the event that the County of Dinwiddie offices are closed due to inclement weather and/or emergency situations prior to or at the time set aside for the receipt of proposals, the receipt of proposals date will default to the next open business day at the same time.

5.7. Evaluation Criteria

Proposals will be evaluated by the County using the following criteria. These criteria are to be utilized in the evaluation of qualifications for development of the shortlist of those offerors to be considered for interviews and/or negotiations.

	<u>Point Value</u>
1. Experience, qualifications and stability of company and personnel assigned to perform services	30
2. Prior experience and reputation in performing studies and services for retirement plans, especially public funds and previous GASB 75 engagements	35
3. Agreement to provide a written report by the date specified	20
4. Responsiveness and completeness of the proposal.	<u>15</u>
Total	100

The County reserves the right to cancel or reject any or all proposals, to waive any informalities in any proposal received and to negotiate and award a contract deemed to be in the County's best interest. It is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (Code of Virginia, §2.2-4359D).

5.8. Announcement of Award

Following the award of a contract(s) or decision to award a contract(s), the County will announce such award of a contract or decision to award a contract on the County's website at <http://www.dinwiddieva.us>, Purchasing page. Subject to the provisions of *Code of Virginia Section 2.2-4360*, any offeror who desires to protest the award of a contract(s) or decision to award a contract(s) shall submit such protest in writing to the attention of Hollie R. Casey, 14010 Boydton Plank Rd, P O Drawer 70, Dinwiddie VA 23841 (hcasey@dinwiddieva.us) no later than ten (10) days after the announcement of the award of a contract(s) or the decision to award a contract(s), whichever occurs first. Such protest shall be clearly identified as a protest and shall include the basis for the protest and the relief sought.

5.9. Award of Contract

The County shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage the public body may discuss non-binding estimates of total project costs, including, but not limited to, life-cycle costing, and, where appropriate, non-binding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed

in the selection process to this point, the County shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the County can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. The County reserves the right to make multiple awards as a result of this solicitation. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

5.10. Term of Contract

Contract will be awarded to the successful Offeror for an initial period of twenty-four (24) months, with the option for renewals under the terms and conditions of the original contract for up to four (4) additional twenty-four (24) month periods, unless either party gives written notification to the other party sixty (60) days prior to expiration of the then-current term that they do not wish to renew. The contract(s) and any renewals of the contract(s) are subject to the availability of funds and annual appropriations by the Board of Supervisors. Price increases, if any, shall be in accordance with initial contract or negotiated at time of renewal.

5.11. Contract Documents

The contract entered into by the parties shall consist of the Request for Proposals, the proposal submitted by the Contractor; General Terms and Conditions, the Special Terms and Conditions; the specifications; the scope of services; and all modifications and addenda to the foregoing documents, all of which shall be referred to collectively as the Contract Documents.

All time limits stated in the Contract Documents, including but not limited to the time for completion of the work, are of the essence of the contract.

5.12. Work Authorization

No work shall be performed under this contract until the Contractor has been contacted by the Project Managers or such person or persons as authorized by the County. A list of authorized personnel will be provided to the successful Contractor. Any and all work performed without such approval shall be considered to be unauthorized work, will not be compensated for, and may be considered grounds for cancellation of contract.

6. REPORTING AND DELIVERY INSTRUCTIONS

Once a contract has been awarded, all communication, documentation, and drawings for the project shall be directly to the Project Managers:

- County: Anne Howerton, Deputy County Administrator, Dinwiddie County, 14010 Boydton Plank Road, Dinwiddie, VA 23841, (804) 469-4500 Ext 2106, ahowerton@dinwiddieva.us.
- School: Christie Fleming, Director of Finance, Dinwiddie County Public Schools, 14016 Boydton Plank Road, Dinwiddie, VA 23841, (804) 469-4190 Ext 3234, cfleming@dcpsnet.org.

7. GENERAL TERMS AND CONDITIONS

7.1. Definitions

Whenever used in this solicitation or in the Contract Documents, the following terms have the meanings indicated, which are applicable to both the singular and plural and the male and female gender thereof:

- A. **Offeror:** One who submits a response to this solicitation
- B. **County:** The term “County” shall mean the County which is the County of Dinwiddie, Virginia through the governing body, the Board, or other agent with authority to execute the contract for the County. The County’s agent is the official with the authority to sign the contract on behalf of the County.
- C. **Contractor:** The person, firm or corporation with whom the County has entered into a contractual agreement and includes the plural number and the feminine gender when such are named in the contract as the Contractor.
- D. **Defective:** An adjective which refers to work that is unsatisfactory, faulty, or deficient, or does not conform to the Contract Documents, or does not meet the requirements of any inspections, standard, test, or approval referred to in the Contract Documents, or has been damaged prior to final payment.
- E. **Notice:** All written notices, demands, instructions, claims, approvals, and disapprovals required to obtain compliance with the contract requirements. Any written notice by either party to the contract shall be sufficiently given if delivered to or at the last known business address of the person, firm or corporation constituting the party to the contract, or to his, their or its authorized agent, representative or officer, or when enclosed in a postage prepaid envelope addressed to such last known business address and deposited in a United States mailbox.
- F. **Provide:** Shall mean furnish and install ready for its intended use.
- G. **Subcontractor:** An individual, partnership or corporation having a direct contract with the Contractor or with any other subcontractor for the performance of the work. It includes one who provides on-site labor but does not include one who only furnishes or supplies materials for the project.

7.2. Laws, Regulations, and Courts

- A. This procurement is governed by the Virginia Public Procurement Act and the Dinwiddie County Purchasing Policies and Procedures.
- B. The Contractor shall comply with all federal, state and local laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the work and shall give all notices required thereby.
- C. All solicitations or contracts issued by Dinwiddie County shall be governed by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or

involving this agreement shall lie in the Circuit Court of the County of Dinwiddie, Virginia, and such litigation shall be brought only in such courts. The County and the Contractor are encouraged to resolve any issues in controversy arising from contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366).

7.3. Taxes.

Pursuant to Virginia Code Section 58.1-609.1(4), the county is exempt from the payment of Virginia state sales and use taxes. Vendors should not include such taxes in invoices presented to the County for payment. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request.

7.4. Anti-Discrimination Statement by County.

The County certifies that it shall not discriminate against any bidder, offeror or contractor because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service disabled veteran, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the County has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If Contractor is a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E).

7.5. Anti-Discrimination Statement by Contractor.

- A. During the performance of the contract, the Contractor agrees to the following provisions.
- i. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - ii. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 - iii. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- B. The Contractor also agrees to include the provisions in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or Contractor.

7.6. Immigration Reform and Control Act of 1986.

Contractor certifies that it does not and will not during the performance of the contract knowingly employ unauthorized alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.

7.7. Drug-Free Workplace.

During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or Contractor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

7.8. Authorization to Transact Business in the Commonwealth.

In order to contract with Dinwiddie County, contractors organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Code of Virginia, Title 13.1 or Title 50 or as otherwise required by law. Pursuant to competitive negotiation, an offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 shall include in its proposal the identification number issued to it by the State Corporation Commission. Any offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its proposal a statement describing why the offeror is not required to be so authorized. Any offeror that fails to provide the required information shall not be awarded a contract unless a waiver of this requirement is granted by the County Administrator. Any business entity as described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth to be revoked or cancelled at anytime during the contract. Dinwiddie County may void any contract with a business entity if that entity fails to remain in compliance with the provisions of this section.

7.9. Indemnification.

Contractor agrees to indemnify, defend and hold harmless the County of Dinwiddie, Virginia and their officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor or any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the County or to failure of the County to use the materials, goods, infrastructure or equipment in the manner already and permanently described by the Contractor on the materials, goods, infrastructure or equipment delivered.

7.10. Insurance.

Contractor certifies that it will have the following insurance coverage at the time the contract is awarded. If any subcontractors are involved, the subcontractor will have workers' compensation

insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. Contractor further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. Subcontractors, if any, will maintain similar insurance coverage during the entire term of the contract.

Minimum Insurance Coverage and Limits Required:

- a. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the County of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
- b. Employer's Liability - \$100,000.
- c. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The "County of Dinwiddie, Virginia, its Officers, agents, and employees" shall be added as additional insured on a primary basis and so endorsed on the policy. Such additional insured status shall be primary without participation by County's insurers.
- d. Automobile Liability - \$1,000,000 combined single limit.
- e. Professional Liability - \$1,000,000 per occurrence.

7.11. Debarment Status.

The Contractor certifies that it is not currently debarred from submitting proposals or bids on contracts by any department, agency or political subdivision of (i) the Commonwealth of Virginia, (ii) any other state, or (iii) the federal government, nor is it an agent of any person or entity that is currently debarred from submitting bids or proposals on contracts by the same.

7.12. Payment.

- A. Contractor shall provide the county with a complete and accurate irs form w-9.
- B. Invoices for products/services ordered, delivered, and accepted shall be submitted by the contractor to dinwiddie county accounts payable via email to accounting@dinwiddieva.us or via postal mail to p.o. Drawer 70, dinwiddie, va 23841.
- C. Unless otherwise specified, any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after correct invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- D. The preferred method of payment for invoices under \$5,000 is with a visa credit card. If the vendor accepts visa payments, they must do so without any fees.
- E. Unless otherwise provided under the terms of the contract, interest shall accrue at the rate of one percent (1%) per month.
- F. Date of payment is deemed to be (1) the date of postmark in all cases where payment is made by mail, or (2) the date of offset when offset proceedings have been instituted as authorized under the virginia debt collection act.
- G. Unreasonable charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear

-
- to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the county shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve the county of its prompt payment obligations with respect to those charges which are not in dispute (code of virginia, § 2.2-4363).
- H. The contractor is obligated to: (1) pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the county for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or (2) notify the county and the subcontractor(s) within seven days, in writing of the contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
 - I. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent (1%) per month on all amounts owed by the contractor that remain unpaid after seven days following receipt by the contractor of payments from the county, except for amounts withheld as states in section g above.
 - J. These provisions apply to each sub-tier contractor performing under the primary contractor. A contractor's obligation to pay an interest charge to a subcontractor shall not be construed to be an obligation of the county. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

7.13. Availability of Funds.

It is understood and agreed between the parties that the County shall be bound hereunder only to the extent of the funds available, or which may hereafter become available. The contract will be contingent upon annual appropriations by the Board of Supervisors of Dinwiddie County. Failure of the Board of Supervisors to appropriate adequate funds for the terms of the contract shall result in the immediate cancellation of the contract. There shall be no penalty should the Board fail to make annual appropriations for the contract.

7.14. Assignment of Contract.

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the County.

7.15. Default.

It shall be the Contractor's responsibility to make sure that all work is adequately completed as required. In case of failure to deliver goods or services in accordance with the contract terms and conditions, the County, after five (5) days have passed from the date of delivery of written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the County may have.

7.16. Changes to the Contract.

All contract modifications must be approved by the Dinwiddie County Administrator or his designee. The County will not assume responsibility for the cost of any changes made without proper consent. No fixed-price contract may be increased by more than twenty-five percent (25%) or \$50,000, whichever is greater, without advance approval of the Dinwiddie County Board of Supervisors.

Changes can be made to the contract in any of the following ways:

- A. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

- B. The County may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt, unless the Contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the Contractor shall, in writing, promptly notify the County of the adjustment to be sought, and before proceeding to comply with the notice, shall await the County's written decision affirming, modifying, or revoking the prior written notice. If the County decides to issue a notice that requires an adjustment to compensation, the Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the County a credit for any savings. Said compensation shall be determined by one of the following methods:
 - i. By mutual agreement between the parties in writing; or
 - ii. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the County's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - iii. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the County with all vouchers and records of expenses incurred and savings realized. The County shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the County within thirty (30) days from the date of receipt of the written order from the County. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the County or with the performance of the contract generally.

7.17. Termination of Contract.

A. Termination for Cause.

- i. If the Contractor should be adjudged as bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, the County may terminate the contract. If Contractor violates any provision of the Virginia Governmental Fraud Act, the County may terminate the contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to supply enough properly skilled

workmen or proper materials, or if he should fail to make prompt payment to subcontractors or suppliers of material or labor, or persistently disregards laws, ordinances, or the written instructions of the County, or otherwise be guilty of a substantial violation of any provision of the contract, then the County may terminate the contract. The County retains the sole discretion to determine any violation of this section.

- ii. Prior to termination of the contract, the County shall give the Contractor and his surety ten (10) calendar days written notice, during which the Contractor and/or his surety may rectify the cause of the termination. If rectified to the satisfaction of the County within said ten (10) days, the County may rescind its notice of termination. If it does not, the termination for cause shall become effective at the end of the ten-day (10) notice period. In the alternative, the County may postpone the effective date of the termination notice, at its sole discretion, if it should receive reassurances from the Contractor and/or its surety that the causes of termination will be remedied in a time and manner which the County finds acceptable. If at any time more than ten (10) days after the notice of termination, the County determines that Contractor and/or its surety has not or is not likely to rectify the causes of termination in an acceptable manner or within the time allowed, then the County may immediately terminate the contract for cause by giving written notice to the Contractor and its surety. This decision shall be final and not subject to an appeal to any court of law or equity. In no event shall termination for cause terminate the obligations of the Contractor's surety on its payment and performance bonds.
 - iii. Notice of terminations, whether initial or given after a period of postponement, may be served upon the Contractor and the surety by mail or any other means at their last known places of business in Virginia or elsewhere, by delivery to any officer or management/supervisory employee of either wherever they may be found, or, if no such officer, employee or place of business is known or can be found by reasonable inquiry within three (3) days, by posting the notice at the job site. Failure to accept or pick up registered or certified mail addressed to the last known address shall be deemed to be delivery.
 - iv. Upon termination of the contract, the County shall take possession of its property and of all materials, tools, and appliances thereon and finish the work by whatever method the County may deem expedient. In such case, the Contractor shall not be entitled to receive any further payment. If the expense of finishing the work, including compensation for additional managerial and administrative services shall exceed the unpaid balance of the contract price, the Contractor shall pay the difference to the County, together with any other expenses of terminating the contract and having it completed by others.
 - v. Termination of the contract under this section is without prejudice to any other right or remedy of the County.
- B. Termination for Convenience
- i. County may terminate this contract at any time without cause, in whole or in part, upon giving the Contractor notice of such termination. Upon such termination, the Contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as County elects not to purchase or to assume in the manner

hereinafter provided. Upon such termination, the Contractor shall take such steps as County may require to assign to the County the Contractor's interest in all subcontracts and purchase orders designated by County. After all such steps have been taken to County's satisfaction, the Contractor shall receive as full compensation for termination and assignment the following:

- All amounts then otherwise due under the terms of this contract as of the latest request for payment,
 - Amounts due for work performed subsequent to the latest request for payment through the date of termination, and
 - Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, County shall have no further obligations to the Contractor of any nature.
- ii. In no event shall termination for the convenience of the County terminate the obligations of the Contractor's surety on its payment and performance bonds.

7.18. Contractual Disputes.

Disputes and claims arising under this agreement shall be processed pursuant to the Code of Virginia Section 2.2-4363.

7.19. Audit.

The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment from the County, or until audited by the County, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

7.20. Patents, Copyright and Trademark.

The Contractor shall obtain all licenses necessary to use any invention, article, appliance, process, or technique of whatever kind and shall pay all royalties and license fees. The Contractor shall indemnify, defend, hold and save harmless the County, its officers, agents, and employees, from any loss or liability for or on account of such infringement.

7.21. COVID-19.

The Contractor is required to adhere in all respects to all federal, state, and local COVID-19 regulations, including, but not limited to, Executive Orders issued by the Governor of Virginia, the rules promulgated by the Virginia Department of Labor and Industry ("DOLI Rules"), and the Dinwiddie County Infectious Disease (COVID-19) Preparedness and Response Plan (the "Required Local Plan"). The Contractor acknowledges it will comply with the documents set forth on Dinwiddie County's Purchasing Page, which can be found at www.dinwiddieva.us/Purchasing including any changes that may be made to such documents in the future. In the event of conflict between COVID-19 provisions, the strictest provision shall govern. Without limiting the foregoing, the Contractor shall abide by the following:

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- A. Sick and Exposed Persons to Stay at Home. Pursuant to the DOLI Rules and the Required Local Plan, employees or other persons associated with the Contractor who are known or suspected to be infected with the SARS-CoV-2 virus or who live with or have had close contact with individuals who have had COVID-19 symptoms or signs in the last 14 days shall be sent home, stay home, and stay away from the work site until they are cleared to return to work as set forth in the DOLI Rules or, in the case of exposed persons, the rules for return to work shall be the same as those for County employees in the Required Local Plan. Symptoms and signs of COVID-19 include the following: unexplained cough, fever (100 degrees Fahrenheit or higher) or chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, persistent pain or pressure in the chest, new confusion, inability to wake or stay awake, bluish lips or face, unexplained nausea, vomiting, or diarrhea. Other unexplained symptoms could also be an indication of COVID-19.
- B. Notice to County Required of Positive COVID-19 Tests at County Government Sites. Pursuant to the DOLI Rules and the Required Local Plan, the Contractor is required by law to advise the County within 24 hours in the event that an employee of the Contractor or someone associated with the Contractor who was present at a place of employment owned or operated by the Dinwiddie County Government tests positive for COVID-19. All such reports of positive COVID-19 tests shall be made to Crystal Spain, Director of Human Resources at (804) 469-4500, extension 2161.
- C. Subcontractors. The Contractor is responsible for ensuring that its subcontractors comply with all the foregoing requirements.

8. SPECIAL TERMS AND CONDITIONS

8.1. Additional Users/Cooperative Procurement

This procurement is being conducted under the provisions of Section 2.2-4304 of the Virginia Public Procurement Act (VPPA), "Cooperative Procurement". As stated, a public body may purchase from another public body's contract even if it did not participate in the Request For Proposals (RFP) if the RFP specified that the procurement was being conducted on behalf of other public bodies.

If authorized by the Offeror, the resultant contract may be extended to any jurisdiction/public body within the Commonwealth of Virginia to purchase at contract prices in accordance with contract terms. It is the Offeror's responsibility to notify the jurisdiction/public bodies of the availability of contract(s). Offerors desiring to offer to other jurisdictions/public bodies under this clause shall so indicate in their response.

8.2. Contractor Advertising

In the event a contract is awarded for supplies, equipment, or services resulting from this Request for Proposals, no indication of such sales or services to the County will be used in product literature or advertising. The Contractor shall not state in any of its advertising or product literature that the County of Dinwiddie or any agency or institution of the County has purchased or uses its products or services, without written consent of the County.

8.3. Proprietary Information

Section 2.2-4342-F of the Code of Virginia states: Trade secrets or proprietary information submitted by a Offeror in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of 2.2-4317 shall not be subject to the Virginia Freedom of Information Act (FOIA) (2.2-3700 et seq.); however, the Offeror shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary. Failure to comply with these steps shall result in loss of the Offeror's FOIA exemption.

9. LIST OF ATTACHMENTS

Attachment A – Dinwiddie County Actuarial Report 2019 and 2020

Attachment B – Dinwiddie County School Board Actuarial Report 2019 and 2020

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10. SIGNATURE SHEET

**RFP 21-021021
Actuarial Services**

By signature, I certify that the proposal as submitted complies with all Terms and Conditions as set forth in RFP. If there are any parts of the terms and conditions that the company cannot meet, I have indicated which ones on an attached page.

By signature, I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same material, equipment or services, and is in all respects fair and without collusion or fraud. I understand collusive procurement is a violation of Virginia Governmental Fraud Act and Federal Law and can result in fines, prison sentences and civil damages awards. I agree to abide by all conditions of this proposal and certify that I am authorized to sign this proposal for the Offeror.

Signature: _____ Date: _____

Name (type or print): _____

Official Title: _____

Company Name: _____

FIN or SSN: _____

State of Incorporation: _____

Address: _____

Telephone: _____

E-Mail: _____

State Corporation Commission Registration

Virginia State Corporation Commission (SCC) registration information. The Offeror:

is a corporation or other business entity with the following SCC identification number: _____ **OR-**

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location) **-OR-**

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

****NOTE**** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver):



David L. Shaub, FSA
Direct Line: (615) 665-5309
Fax: (615) 665-1650
Email: David.Shaub@findley.com

September 16, 2019

Ms. Anne Howerton
Deputy County Administrator
Dinwiddie County
P.O. Drawer 70
14016 Boydton Plank Rd
Dinwiddie, VA 23841

Dear Anne:

The attached report summarizes the results of an actuarial valuation as of July 1, 2019 for the Dinwiddie County Public Schools Post-Retirement Benefits Plan. We trust this report will be helpful in the formulation of policy with respect to the operation and financing of the plan.

The opportunity to serve Dinwiddie County Public Schools is appreciated, and we will be pleased to supplement this report in any way, as you request.

The actuarial valuation summarized in this report has been performed utilizing generally accepted actuarial principles and is based on actuarial assumptions, each of which is considered to be reasonable taking into account the experience of the plan and which, in combination, represent a best estimate of the anticipated experience of the plan.

Sincerely,

David L. Shaub, FSA
Managing Consultant

Justin Kendle, ASA
Consulting Actuary

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Dinwiddie County Public Schools Post-Retirement Benefits Plan

GASB Statement No.75

Actuarial Report

June 30, 2019 and June 30, 2020

Contents

Certification	1
Basis of Valuation	4
Summary of provisions of the plan	4
Summary of actuarial assumptions	5
Summary of Participant Data	8
Actuarially Determined Contribution	8
GASB Disclosure	9
GASB statement No. 75	9
Sensitivity of OPEB liability to changes in the medical trend rate	12
Sensitivity of OPEB liability to changes in the discount rate	12
OPEB expense & deferred outflows/inflows of resources	13
Schedule of changes in the NOL and related ratios	15
Schedule of contributions	16

Certification

Legislative background

The Governmental Accounting Standards Board amended Statement No. 45 with Statement No. 75; the effective date for Statement No. 75 is for the fiscal year beginning after June 15, 2017. Statement No. 75 of the Governmental Accounting Standards Board requires the determination of the OPEB expense for the fiscal year beginning July 1, 2017. Statement No. 75 provides a new approach in calculating the pension expense which differs significantly from Statement No. 45 methodology. The purpose of this report is to provide pertinent GASB Statement No. 75 information relating to the Dinwiddie County Public Schools Post-Retirement Benefits Plan for the fiscal year ending June 30, 2019 and June 30, 2020 financial statements.

Purpose and use

This report has been prepared exclusively for the Dinwiddie County Public Schools. Actuarial computations under Statement No. 75 are for purposes of fulfilling employer and other post-employment benefit plan governmental accounting requirements, and may not be appropriate for other purposes. The calculations reported herein have been made on a basis consistent with our understanding of the statements. Findley is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as funding, bond ratings, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions selected by Dinwiddie County Public Schools which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. All of these factors can result in the risk of volatility in the Net OPEB Liability over time.

Data

The calculations shown in this report have been prepared using employee data and plan documentation furnished by Dinwiddie County Public Schools as of July 1, 2019. While we have not audited the data, we have reviewed it for reasonableness and internal consistency, and to the best of our knowledge, there are no material limitations to the data provided. Summaries of the census data and plan provisions can be found in the Basis for Valuation section of this report.

Subsequent events

We are unaware of any subsequent event after July 1, 2019 which would have a material effect on the results presented in this report.

Assumptions, methods, and procedures

The results presented in this report comply with the assumptions, methods, and procedures under the Statement No. 75. The results are based on the July 1, 2019 actuarial valuation with measurement and reporting dates of June 30, 2019 and June 30, 2020. All actuarial assumptions are set by the plan sponsor. Statement No. 75 mandates the use of the Entry Age Normal actuarial funding method for the purposes of those statements. For a description of the June 30, 2018 assumptions, methods, and procedures, please refer to the June 30, 2017 report.

Changes in plan provisions, actuarial assumptions, and actuarial methods

The following changes were made to the actuarial assumptions and methods effective July 1, 2019.

1. The discount rate is 2.79% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019, compared to the prior Statement No. 75 discount rate of 3.13%.
2. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
3. The assumed trend rate for the medical claims was changed from 8.00% grading uniformly to an ultimate rate of 5.00% over 6 years to 7.0% grading uniformly to 5.5% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.
4. The following assumptions were updated to remain consistent with the 2018 VRS OPEB Plans Actuarial Valuation:
 - a. Mortality Rates – Updated from the 2016 VRS Mortality Rates to the 2018 VRS Mortality Rates
 - b. Disability Rates – Updated from the 2016 VRS Disability Rates to the 2018 VRS Disability Rates
 - c. Withdrawal Rates – Updated from the 2016 VRS Withdrawal Rates to the 2018 VRS Withdrawal Rates
 - d. Retirement Rates – Updated from the 2016 VRS Retirement Rates to the 2018 VRS Retirement Rates

Summaries of the plan provisions, actuarial assumptions and methods can be found in the basis for valuation section of this report.

Professional qualifications

This report has been prepared under the supervision of David L. Shaub, FSA, a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with Findley who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of our knowledge this report has been prepared in accordance with generally accepted actuarial standards and our understanding of Government Accounting Standards Board Statement No. 75, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. We are not aware of any direct or material indirect financial interest or relationship that could create, or appear to create, a conflict of interest that would impair the objectivity of our work. The undersigned is available to provide supplemental information or explanation.



David L. Shaub, FSA
Managing Consultant

September 16, 2019

Date

Basis of Valuation

Summary of provisions of the plan

Covered employees

A Dinwiddie County Public Schools retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the Schools, and is eligible to receive an early or regular retirement benefit from the Schools. In addition, retirees must meet the minimum Virginia Retirement System (VRS) requirements.

Plan 1 - Member before July 1, 2010

Employees with membership prior to July 1, 2010 in the VRS must attain at least the age of 50 with 30 years of service, or attain age 65 with 5 years of service for unreduced pension benefits.

For reduced pension benefits, members must attain age 50 with at least 10 years of service or age 55 with 5 years of service.

Plan 2 - Member after July 1, 2010 and before January 1, 2014

Employees with membership after July 1, 2010 and before January 1, 2014 in the VRS must have age plus service equal to 90 (Rule of 90), or attain Social Security Normal Retirement age with at least 5 years of service for unreduced pension benefits.

For reduced pension benefits, members must attain age 60 with at least 5 years of service.

Plan 3 - Hybrid Plan

Employees with membership after January 1, 2014 in the VRS have the same eligibility requirements as those in Plan 2 (above).

Benefits provided

For pre-Medicare coverage, retirees pay the full active premium rates. Currently the plans offered to retirees through Anthem are the Healthkeepers High Deductible Health Plan HMO, Keycare HDHP PPO, and a traditional HMO 25. Retirees and spouses that become Medicare Eligible are able to pay for the Medicare Supplement Plan for which there is no implicit subsidy.

If an employee dies while employed and was eligible for retirement, the surviving spouse (or eligible family member) will be eligible to continue medical coverage, if they were covered before the employee's death.

Summary of actuarial assumptions

Mortality rates*

Pre-Retirement

Professionals: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020.

Non-Professionals: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females setback 1 year.

Post-Retirement

Professionals: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years, 1.5% increase compounded from ages 65 to 70, and 2.0% increase compounded from ages 75 to 90.

Non-Professionals: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year, 1.5% increase compounded from ages 70 to 85; females setback 1 year.

Disability

Professionals: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 115% of rates.

Non-Professionals: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

*All mortality tables are the same as those assumed in the 2018 VRS OPEB Plans Actuarial Valuation.

Disability rates

Professionals: The VRS Teachers Disability Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Non-Professionals: The VRS State Employee Disability Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Withdrawal rates

Professionals: The VRS Teachers Termination Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Non-Professionals: The VRS State Employee Termination Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Retirement rates

Professionals: The VRS Teachers Retirement Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Non-Professionals: The VRS State Employee Retirement Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Discount rate

2.79% per annum, based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2019

Salary increases

None

Expected long-term rate of return on plan assets

Not applicable

Plan participation

We assume that 30% of employees will elect coverage at retirement. We assume that 30% of retirees who elect coverage at retirement will also cover their spouse in retirement.

Marital status

100% of active members are assumed to be married, with husbands 3 years older than wives.

Medical claims cost

\$ 12,708

These claims costs have been calculated for a male at attained age 65 and decrease according to the Dale Yamamoto aging table. Administration expenses have been included in the claims cost assumptions. Retirees do not receive benefits upon attaining Medicare eligibility.

Healthcare cost trend rate

Medical: 7.0% graded uniformly to 5.5% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075

Retiree contributions

Pre-Medicare employees who participate in the retiree medical plan pay the full active premium amount. Retirees can choose from two different medical plans both with either comprehensive dental coverage or preventative dental coverage. The following are the 2019-2020 monthly medical rates for retirees.

Health Plan Tier	Anthem Healthkeepers HDHP HMO	Anthem Keycare HDHP PPO	Anthem HMO 25 – Traditional	Anthem Dental
Employee	\$501	\$537	\$668	\$31
Employee + Spouse	\$1,115	\$1,160	\$1,441	\$58

Administrative expenses

Not applicable

Valuation date

July 1, 2019

Actuarial valuation method

Entry Age Normal

Asset valuation method

Not applicable

Funding policy

The benefits of the Dinwiddie County Public Schools Post-Retirement Benefits Plan are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for postretirement benefits.

Coordination with Medicare

There are no benefits provided by the Dinwiddie County Public Schools for Medicare eligible individuals.

Amortization period

For Statement 75 contribution calculations: 20 years (closed) beginning July 1, 2017

For Statement No. 75: Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 7 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Legislative changes

Any impact of the Patient Protection and Affordable Care Act (PPACA) has not been considered in this valuation. This assumption is based primarily on the high likelihood that this legislation will be repealed.

Summary of Participant Data

Data as of June 30, 2019	
Number of Participants	
Actives with Medical Coverage	401
Actives with Dental Coverage only	54
Actives without coverage	229
Retirees (covered)	21
Annual Projected Payroll	N/A
Average Projected Earnings	N/A

Actuarially Determined Contribution

	Fiscal year beginning July 1, 2019	Fiscal year beginning July 1, 2020
Total OPEB Liability	1,596,628	1,647,968
Plan Fiduciary Net Position	0	0
Net OPEB Liability	1,596,628	1,647,968
Years of Amortization	18	17
Amortization Payment	110,942	119,720
Normal Cost	86,529	90,855
Interest	2,736	2,917
Actuarially Determined Contribution	200,207	213,492

GASB Disclosure

GASB statement No. 75

This section presents specific information required under Statement No. 75 which is not included in other sections of this report. The information in this section is to satisfy the reporting for the plan sponsor. This section contains the following:

- Schedule of changes in OPEB liability
- OPEB expense
- OPEB Liability healthcare cost trend rate and discount rate sensitivity
- Deferred outflows and inflows of resources
- Schedule of changes in OPEB Liability and reconciliation between years
- Schedule of Contributions

Total OPEB Liability is the plan liability determined using assumptions listed in the Summary of Actuarial Assumptions.

Schedule of changes in net OPEB liability, deferrals, and OPEB Expense

	Increase (Decrease)					
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Balances-at 06/30/2018	\$1,422,258	\$0	\$1,422,258	\$0	\$0	
Changes for the Year:						
Service cost	82,409		82,409			82,409
Interest	48,965		48,965			48,965
Benefit changes	0		0			
Experience losses (gains)	(207,339)		(207,339)		(177,719)	(29,620)
Changes of assumptions	322,542		322,542	276,465		46,077
Contributions--Employer		72,207	(72,207)			
Contributions--members	0	0	0			0
Net investment income	0	0	0			0
Expected return on plan investments						0
Current expense of asset gain/loss						0
Non expensed asset (gain)/loss				0	0	0
Refunds of contributions		0	0			
Benefits paid	(72,207)	(72,207)	0			
Administrative expenses	0	0	0			0
Difference in prior years contribution						
Other changes		0	0			
Amortization of or change in beginning balances				0	0	0
Net Changes	<u>174,370</u>	<u>0</u>	<u>174,370</u>	<u>276,465*</u>	<u>(177,719)</u>	<u>147,831</u>
Balances-at 06/30/2019	<u>\$1,596,628</u>	<u>\$0</u>	<u>\$1,596,628</u>	<u>\$276,465</u>	<u>(\$177,719)</u>	<u>\$147,831</u>

* Changes in Deferred OPEB Outflows include deferred losses of \$276,465 plus the difference in expected contributions of \$0

Dinwiddie County Public Schools Post-Retirement Benefits Plan
July 1, 2019

	Increase (Decrease)					
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Balances-at 06/30/2019	\$1,596,628	\$0	\$1,596,628	\$276,465	(\$177,719)	
Changes for the Year:						
Service cost	86,529		86,529			86,529
Interest	44,730		44,730			44,730
Benefit changes	0		0			
Experience losses (gains)	0		0	0	0	0
Changes of assumptions	0		0		0	0
Contributions--Employer		79,919	(79,919)			
Contributions--members		0	0			0
Net investment income		0	0			0
Expected return on plan investments						
Current expense of asset gain/loss						0
Non expensed asset (gain)/loss				0	0	0
Refunds of contributions		0	0			
Benefits paid	(79,919)	(79,919)	0			
Administrative expenses		0	0			0
Other changes		0	0			
Amortization of or change in beginning balances				(46,077)	29,620	16,457
Net Changes	<u>51,340</u>	<u>0</u>	<u>51,340</u>	<u>(46,077)</u>	<u>29,620</u>	<u>147,716</u>
Balances-at 06/30/2020	<u>\$1,647,968</u>	<u>\$0</u>	<u>\$1,647,968</u>	<u>\$230,388</u>	<u>(\$148,099)</u>	<u>\$147,716</u>

Sensitivity of OPEB liability to changes in the medical trend rate

The following represents the net OPEB liability calculated using the stated salary trend assumption, as well as what the OPEB liability would be if it were calculated using a salary trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

Net OPEB Liability	1% Decrease 6% decreasing to 4.5% over 3 years and following the Getzen model thereafter	Current 7% decreasing to 5.5% over 3 years and following the Getzen model thereafter	1% Increase 8% decreasing to 6.5% over 3 years and following the Getzen model thereafter
June 30, 2019	\$1,414,369	\$1,596,628	\$1,812,708
June 30, 2020	\$1,446,198	\$1,647,968	\$1,888,257

Sensitivity of OPEB liability to changes in the discount rate

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability	1% Decrease 1.79%	Current Rate 2.79%	1% Increase 3.79%
June 30, 2019	\$1,755,475	\$1,596,628	\$1,453,340
June 30, 2020	\$1,811,932	\$1,647,968	\$1,499,863

OPEB expense & deferred outflows/inflows of resources

For the year ended June 30, 2019, the recognized OPEB expense will be \$147,831. At June 30 2019, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	(207,339)	06/30/2019	7.0	(29,620)	0	(177,719)
Change of assumptions	322,542	06/30/2019	7.0	46,077	276,465	0
Total				\$16,457	\$276,465	(\$177,719)

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive (no future service is assumed for inactive for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending September 30:	
2020	16,457
2021	16,457
2022	16,457
2023	16,457
2024	16,457
Thereafter	16,461

Dinwiddie County Public Schools Post-Retirement Benefits Plan
July 1, 2019

For the year ended June 30, 2020, the recognized OPEB expense will be \$147,716. At June 30 2020, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
	(207,339)	06/30/2019	7.0	(\$29,620)	\$0	(\$148,099)
Experience losses (gains)						
Change of assumptions	322,542	06/30/2019	7.0	46,077	230,388	0
Total				\$16,457	\$230,388	(\$148,099)

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactives (no future service is assumed for inactives for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending September 30:	
2021	16,457
2022	16,457
2023	16,457
2024	16,457
2025	16,461
Thereafter	0

Schedule of changes in the NOL and related ratios

	fiscal year ending June 30									
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Total OPEB Liability										
Service cost	\$85,929	\$82,409	\$86,529							
Interest	43,166	\$48,965	44,730							
Changes of benefit terms	0	\$0	0							
Differences between expected and actual experience	0	(\$207,339)	0							
Changes of assumptions	0	\$322,542	0							
Benefit Payments / Refunds	(59,599)	(\$72,207)	(79,919)							
Net Change in Total OPEB Liability	69,496	\$174,370	51,340							
Total OPEB Liability - beginning	1,352,762	\$1,422,258	1,596,628							
Total OPEB Liability - ending (a)	\$1,422,258	\$1,596,628	\$1,647,968							
Plan Fiduciary Net Position										
Contributions - employer	\$59,599	\$72,207	\$79,919							
Contributions - employee	0	0	0							
Net investment income	0	0	0							
Benefit Payments / Refunds	(59,599)	(72,207)	(79,919)							
Administrative expenses	0	0	0							
Other	0	0	0							
Net Change in Plan Fiduciary Net Position	\$0	\$0	\$0							
Plan Fiduciary Net Position - beginning	0	0	0							
Plan Fiduciary Net Position - ending (b)	\$0	\$0	\$0							
Net OPEB Liability - ending (a) - (b)	\$1,422,258	\$1,596,628	\$1,647,968							
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.0%	0.0%	0.0%							
Covered-employee payroll	N/A	N/A	N/A							
Net OPEB Liability as a % of covered-employee payroll	N/A	N/A	N/A							

Dinwiddie County Public Schools Post-Retirement Benefits Plan
July 1, 2019

Schedule of contributions

	fiscal year ending June 30									
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Actuarially determined contribution	\$185,236	\$188,010	\$200,207	\$213,492						
Contributions in relation to the actuarially determined contribution	59,599	72,207	79,919	TBD						
Contribution deficiency (excess)	<u>\$125,637</u>	<u>\$128,000</u>	<u>\$133,573</u>							
Covered-employee payroll	N/A	N/A	N/A	N/A						
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A						



David L. Shaub, FSA
Direct Line: (615) 665-5309
Fax: (615) 665-1650
Email: David.Shaub@findley.com

September 16, 2019

Ms. Anne Howerton
Deputy County Administrator
Dinwiddie County
P.O. Drawer 70
14016 Boydton Plank Rd
Dinwiddie, VA 23841

Dear Anne:

The attached report summarizes the results of an actuarial valuation as of July 1, 2019 for Dinwiddie County Post-Retirement Benefits Plan. We trust this report will be helpful in the formulation of policy with respect to the operation and financing of the plan.

The opportunity to serve Dinwiddie County is appreciated, and we will be pleased to supplement this report in any way, as you request.

The actuarial valuation summarized in this report has been performed utilizing generally accepted actuarial principles and is based on actuarial assumptions, each of which is considered to be reasonable taking into account the experience of the plan and which, in combination, represent a best estimate of the anticipated experience of the plan.

Sincerely,

David L. Shaub, FSA
Managing Consultant

Justin Kendle, ASA
Consulting Actuary

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Dinwiddie County Post-Retirement Benefits Plan

GASB Statement No.75

Actuarial Report

June 30, 2019 and June 30, 2020

Contents

Certification	1
Basis of Valuation	4
Summary of provisions of the plan	4
Summary of actuarial assumptions	5
Summary of Participant Data	8
Actuarially Determined Contribution	8
GASB Disclosure	9
GASB statement No. 75	9
Sensitivity of OPEB liability to changes in the medical trend rate	12
Sensitivity of OPEB liability to changes in the discount rate	12
OPEB expense & deferred outflows/inflows of resources	13
Schedule of changes in the NOL and related ratios	15
Schedule of contributions	16

Certification

Legislative background

The Governmental Accounting Standards Board amended Statement No. 45 with Statement No. 75; the effective date for Statement No. 75 is for the fiscal year beginning after June 15, 2017. Statement No. 75 of the Governmental Accounting Standards Board requires the determination of the OPEB expense for the fiscal year beginning July 1, 2017. Statement No. 75 provides a new approach in calculating the pension expense which differs significantly from Statement No. 45 methodology. The purpose of this report is to provide pertinent GASB Statement No. 75 information relating to the Dinwiddie County Post-Retirement Benefits Plan for the fiscal year ending June 30, 2019 and June 30, 2020 financial statements.

Purpose and use

This report has been prepared exclusively for the Dinwiddie County. Actuarial computations under Statement No. 75 are for purposes of fulfilling employer and other post-employment benefit plan governmental accounting requirements, and may not be appropriate for other purposes. The calculations reported herein have been made on a basis consistent with our understanding of the statements. Findley is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as funding, bond ratings, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions selected by Dinwiddie County which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. All of these factors can result in the risk of volatility in the Net OPEB Liability over time.

Data

The calculations shown in this report have been prepared using employee data and plan documentation furnished by Dinwiddie County as of July 1, 2019. While we have not audited the data, we have reviewed it for reasonableness and internal consistency, and to the best of our knowledge, there are no material limitations to the data provided. Summaries of the census data and plan provisions can be found in the Basis for Valuation section of this report.

Subsequent events

We are unaware of any subsequent event after July 1, 2019 which would have a material effect on the results presented in this report.

Assumptions, methods, and procedures

The results presented in this report comply with the assumptions, methods, and procedures under the Statement No. 75. The results are based on the July 1, 2019 actuarial valuation with measurement and reporting dates of June 30, 2019 and June 30, 2020. All actuarial assumptions are set by the plan sponsor. Statement No. 75 mandates the use of the Entry Age Normal actuarial funding method for the purposes of those statements. For a description of the June 30, 2018 assumptions, methods, and procedures, please refer to the June 30, 2017 report.

Changes in plan provisions, actuarial assumptions, and actuarial methods

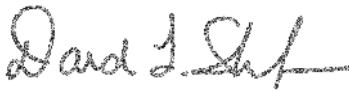
The following changes were made to the actuarial assumptions and methods effective July 1, 2019.

1. The discount rate is 2.79% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019, compared to the prior Statement No. 75 discount rate of 3.13%.
2. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
3. The assumed trend rate for the medical claims was changed from 8.00% grading uniformly to an ultimate rate of 5.00% over 6 years to 7.0% grading uniformly to 5.5% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.
4. The following assumptions were updated to remain consistent with the 2018 VRS OPEB Plans Actuarial Valuation:
 - a. Mortality Rates – Updated from the 2016 VRS Mortality Rates to the 2018 VRS Mortality Rates
 - b. Disability Rates – Updated from the 2016 VRS Disability Rates to the 2018 VRS Disability Rates
 - c. Withdrawal Rates – Updated from the 2016 VRS Withdrawal Rates to the 2018 VRS Withdrawal Rates
 - d. Retirement Rates – Updated from the 2016 VRS Retirement Rates to the 2018 VRS Retirement Rates

Summaries of the plan provisions, actuarial assumptions and methods can be found in the basis for valuation section of this report.

Professional qualifications

This report has been prepared under the supervision of David L. Shaub, FSA, a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with Findley who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of our knowledge this report has been prepared in accordance with generally accepted actuarial standards and our understanding of Government Accounting Standards Board Statement No. 75, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. We are not aware of any direct or material indirect financial interest or relationship that could create, or appear to create, a conflict of interest that would impair the objectivity of our work. The undersigned is available to provide supplemental information or explanation.



David L. Shaub, FSA
Managing Consultant

September 16, 2019
Date

Basis of Valuation

Summary of provisions of the plan

Covered employees

A Dinwiddie County retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the County with at least 15 years of service with the County, and is eligible to receive an early or regular retirement benefit from the County. In addition, retirees must meet the minimum Virginia Retirement System (VRS) requirements.

Plan 1 - Member before July 1, 2010

Employees with membership prior to July 1, 2010 in the VRS must attain at least the age of 50 with 30 years of service, or attain age 65 with 5 years of service for unreduced pension benefits.

For reduced pension benefits, members must attain age 50 with at least 10 years of service or age 55 with 5 years of service.

Plan 2 - Member after July 1, 2010 and before January 1, 2014

Employees with membership after July 1, 2010 and before January 1, 2014 in the VRS must have age plus service equal to 90 (Rule of 90), or attain Social Security Normal Retirement age with at least 5 years of service for unreduced pension benefits.

For reduced pension benefits, members must attain age 60 with at least 5 years of service.

Plan 3 - Hybrid Plan

Employees with membership after January 1, 2014 in the VRS have the same eligibility requirements as those in Plan 2 (above).

LEOS Public Safety

Employees with membership dates before July 1, 2010 in the VRS have the same eligibility requirements as those in Plan 1 (above).

Employees with membership dates on/after July 1, 2010 in the VRS have the same eligibility requirements as those in Plan 2 (above). LEOs are not eligible to participate in the Hybrid plan.

Benefits provided

For pre-Medicare coverage, retirees pay the full active premium rates. Currently the plans offered to retirees through The Local Choice are the High Deductible Health Plan and the Key Advantage 1000 plan. Retirees and spouses that become Medicare Eligible are no longer eligible for the retiree medical plan.

The plan does not include a death benefit for spouses of employees.

Summary of actuarial assumptions

Mortality rates*

Pre-Retirement

County Employees: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females setback 1 year.

LEOS Public Safety: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement

County Employees: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year, 1.5% increase compounded from ages 70 to 85; females setback 1 year.

LEOS Public Safety: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year, 1% increase compounded from ages 70 to 90; females set forward 3 years.

Disability

County Employees: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

LEOS Public Safety: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males set forward 2 years; unisex uses 100% male.

*All mortality tables are the same as those assumed in the 2018 VRS OPEB Plans Actuarial Valuation.

Disability rates

County Employees: The VRS State Employee Disability Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

LEOS Public Safety: The VRS State Police Disability Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Withdrawal rates

County Employees: The VRS State Employee Termination Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

LEOS Public Safety: The VRS State Police Termination Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Retirement rates

County Employees: The VRS State Employee Retirement Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

LEOS Public Safety: The VRS State Police Retirement Rate table as was used in the 2018 VRS OPEB Plans Actuarial Valuation.

Discount rate

2.79% per annum, based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2019

Salary increases

None

Expected long-term rate of return on plan assets

Not applicable

Plan participation

We assume that 30% of employees will elect coverage at retirement. We assume that 30% of retirees who elect coverage at retirement will also cover their spouse in retirement.

Marital status

100% of active members are assumed to be married, with husbands 3 years older than wives.

Medical claims cost

\$ 15,833

These claims costs have been calculated for a male at attained age 65 and decrease according to the Dale Yamamoto aging table. Administration expenses have been included in the claims cost assumptions. Retirees do not receive benefits upon attaining Medicare eligibility.

Healthcare cost trend rate

Medical: 7.0% graded uniformly to 5.5% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075

Retiree contributions

Pre-Medicare employees who participate in the retiree medical plan pay the full active premium amount. Retirees can choose from two different medical plans both with either comprehensive dental coverage or preventative dental coverage. The following are the 2019-2020 monthly medical rates for retirees.

Health Plan Tier	With Comprehensive Dental		With Preventative Dental	
	Key Advantage 1000 PPO	HDHP PPO	Key Advantage 1000 PPO	HDHP PPO
Employee	\$628	\$532	\$612	\$516
Employee + Dependent	\$1,162	\$984	\$1,132	\$955

Administrative expenses

Not applicable

Valuation date

July 1, 2019

Actuarial valuation method

Entry Age Normal

Asset valuation method

Not applicable

Funding policy

The benefits of the Dinwiddie County Post-Retirement Benefits Plan are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for postretirement benefits.

Coordination with Medicare

There are no benefits provided by the Dinwiddie County for Medicare eligible individuals.

Amortization period

For Statement 75 contribution calculations: 20 years (closed) beginning July 1, 2017

For Statement No. 75: Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 8 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Legislative changes

Any impact of the Patient Protection and Affordable Care Act (PPACA) has not been considered in this valuation. This assumption is based primarily on the high likelihood that this legislation will be repealed.

Summary of Participant Data

Data as of June 30, 2019	
Number of Participants	
Actives (covered)	183
Actives (not covered)	35
Retirees (covered)	2
Annual Projected Payroll	
	N/A
Average Projected Earnings	
	N/A

Actuarially Determined Contribution

	Fiscal year beginning July 1, 2019	Fiscal year beginning July 1, 2020
Total OPEB Liability	1,704,800	1,881,801
Plan Fiduciary Net Position	0	0
Net OPEB Liability	1,704,800	1,881,801
Years of Amortization	18	17
Amortization Payment	118,459	136,708
Normal Cost	153,150	160,808
Interest	3,763	4,122
Actuarially Determined Contribution	275,372	301,638

GASB Disclosure

GASB statement No. 75

This section presents specific information required under Statement No. 75 which is not included in other sections of this report. The information in this section is to satisfy the reporting for the plan sponsor. This section contains the following:

- Schedule of changes in OPEB liability
- OPEB expense
- OPEB Liability healthcare cost trend rate and discount rate sensitivity
- Deferred outflows and inflows of resources
- Schedule of changes in OPEB Liability and reconciliation between years
- Schedule of Contributions

Total OPEB Liability is the plan liability determined using assumptions listed in the Summary of Actuarial Assumptions.

Schedule of changes in net OPEB liability, deferrals, and OPEB Expense

	Increase (Decrease)				Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)				
Balances-at 06/30/2018	\$1,681,501	\$0	\$1,681,501		\$0	\$0	
Changes for the Year:							
Service cost	145,857		145,857				145,857
Interest	59,499		59,499				59,499
Benefit changes	0		0				
Experience losses (gains)	(487,262)		(487,262)			(426,354)	(60,908)
Changes of assumptions	329,804		329,804		288,578		41,226
Contributions--Employer		24,599	(24,599)				
Contributions--members	0	0	0				0
Net investment income		0	0				0
Expected return on plan investments							0
Current expense of asset gain/loss							0
Non expensed asset (gain)/loss					0	0	0
Refunds of contributions		0	0				
Benefits paid	(24,599)	(24,599)	0				
Administrative expenses		0	0				0
Difference in prior years' contribution					0		
Other changes		0	0				
Amortization of or change in beginning balances					0		0
Net Changes	<u>23,299</u>	<u>0</u>	<u>23,299</u>		<u>288,578*</u>	<u>(426,354)</u>	<u>185,674</u>
Balances-at 06/30/2019	<u>\$1,704,800</u>	<u>\$0</u>	<u>\$1,704,800</u>		<u>\$288,578</u>	<u>(\$426,354)</u>	<u>\$185,674</u>

* Changes in Deferred OPEB Outflows include deferred losses of \$288,578 plus the difference in expected contributions of \$0

Dinwiddie County Post-Retirement Benefits Plan
July 1, 2019

	Increase (Decrease)		Net OPEB Liability (a) - (b)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
	Total OPEB Liability (a)	Plan Net Position (b)				
Balances-at 06/30/2019	\$1,704,800	\$0	\$1,704,800	\$288,578	(\$426,354)	
Changes for the Year:						
Service cost	153,150		153,150			153,150
Interest	51,077		51,077			51,077
Benefit changes	0		0			
Experience losses (gains)	0		0	0	0	0
Changes of assumptions	0		0		0	0
Contributions--Employer		27,226	(27,226)			
Contributions--members		0	0			0
Net investment income		0	0			0
Expected return on plan investments						0
Current expense of asset gain/loss						0
Non expensed asset (gain)/loss		0		0	0	0
Refunds of contributions		(27,226)				
Benefits paid	(27,226)					
Administrative expenses		0				0
Other changes		0				0
Amortization of or change in beginning balances				(41,226)	60,908	(19,682)
Net Changes	<u>177,001</u>	<u>0</u>	<u>177,001</u>	<u>(41,226)</u>	<u>60,908</u>	<u>184,545</u>
Balances-at 06/30/2020	<u>\$1,881,801</u>	<u>\$0</u>	<u>\$1,881,801</u>	<u>\$247,352</u>	<u>(\$365,446)</u>	<u>\$184,545</u>

Sensitivity of OPEB liability to changes in the medical trend rate

The following represents the net OPEB liability calculated using the stated salary trend assumption, as well as what the OPEB liability would be if it were calculated using a salary trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

Net OPEB Liability	6% decreasing to 4.5% over 3 years and following the Getzen model thereafter	7% decreasing to 5.5% over 3 years and following the Getzen model thereafter	8% decreasing to 6.5% over 3 years and following the Getzen model thereafter
June 30, 2019	\$1,474,991	\$1,704,800	\$1,981,433
June 30, 2020	\$1,618,184	\$1,881,801	\$2,201,040

Sensitivity of OPEB liability to changes in the discount rate

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability	1% Decrease 1.79%	Current Rate 2.79%	1% Increase 3.79%
June 30, 2019	\$1,907,440	\$1,704,800	\$1,525,477
June 30, 2020	\$2,101,027	\$1,881,801	\$1,687,610

OPEB expense & deferred outflows/inflows of resources

For the year ended June 30, 2019, the recognized OPEB expense will be \$185,674 . At June 30 2019, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	(487,262)	06/30/2019	8.0	(60,908)	0	(426,354)
Change of assumptions	329,804	06/30/2019	8.0	41,226	288,578	0
Total				(\$19,682)	\$288,578	(\$426,354)

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive (no future service is assumed for inactive for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending September 30:	
2020	(19,682)
2021	(19,682)
2022	(19,682)
2023	(19,682)
2024	(19,682)
Thereafter	(39,366)

Dinwiddie County Post-Retirement Benefits Plan
July 1, 2019

For the year ended June 30, 2020, the recognized OPEB expense will be \$184,545. At June 30 2020, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	(487,262)	06/30/2019	8.0	(\$60,908)	\$0	(\$365,446)
Change of assumptions	329,804	06/30/2019	8.0	41,226	247,352	0
Total				<u>(\$19,682)</u>	<u>\$247,352</u>	<u>(\$365,446)</u>

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive (no future service is assumed for inactive for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending September 30:	
2021	(19,682)
2022	(19,682)
2023	(19,682)
2024	(19,682)
2025	(19,682)
Thereafter	(19,684)

Schedule of changes in the NOL and related ratios

	fiscal year ending June 30									
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Total OPEB Liability										
Service cost	\$124,204	\$145,857	\$153,150							
Interest	51,034	\$59,499	51,077							
Changes of benefit terms	0	\$0	0							
Differences between expected and actual experience	0	(\$487,262)	0							
Changes of assumptions	0	\$329,804	0							
Benefit Payments / Refunds	(64,411)	(\$24,599)	(27,226)							
Net Change in Total OPEB Liability	110,827	\$23,299	177,001							
Total OPEB Liability - beginning	1,570,674	\$1,681,501	1,704,800							
Total OPEB Liability - ending (a)	\$1,681,501	\$1,704,800	\$1,881,801							
Plan Fiduciary Net Position										
Contributions - employer	\$64,411	\$24,599	\$27,226							
Contributions - employee	0	0	0							
Net investment income	0	0	0							
Benefit Payments / Refunds	(64,411)	(24,599)	(27,226)							
Administrative expenses	0	0	0							
Other	0	0	0							
Net Change in Plan Fiduciary Net Position	\$0	\$0	\$0							
Plan Fiduciary Net Position - beginning	0	0	0							
Plan Fiduciary Net Position - ending (b)	\$0	\$0	\$0							
Net OPEB Liability - ending (a) - (b)	\$1,681,501	\$1,704,800	\$1,881,801							
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.0%	0.0%	0.0%							
Covered-employee payroll	N/A	N/A	N/A							
Net OPEB Liability as a % of covered-employee payroll	N/A	N/A	N/A							

Schedule of contributions

	fiscal year ending June 30									
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Actuarially determined contribution	\$239,992	\$251,833	\$275,372	\$301,638						
Contributions in relation to the actuarially determined contribution	64,411	24,599	27,226	TBD						
Contribution deficiency (excess)	\$175,581	\$250,773	\$274,412							
Covered-employee payroll	N/A	N/A	N/A	N/A						
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A						