

REQUEST FOR PROPOSALS
TO PROVIDE
ACTUARIAL CONSULTING SERVICES

Issued by

Board of Trustees
Firefighters' Retirement Plan
City of St. Louis

Date of Issue
July 8, 2013

Date of Closing
4:00 P.M., CDT
July 29, 2013

OBJECTIVE

The objective of this Request for Proposal is to identify the firm that can provide the highest quality actuarial consulting services to the Board of Trustees, Firefighters' Retirement Plan of the City of St. Louis, as outlined herein.

INSTRUCTIONS:

1. SEALED PROPOSALS:

Responses to this proposal shall be submitted in a sealed envelope clearly identified as "PROPOSAL FOR ACTUARIAL CONSULTING SERVICES" and mailed or delivered to:

Mr. Richard R. Frank, Secretary
Firefighters' Retirement Plan
of the City of St. Louis
1114 Market Street, Room 900
St. Louis, MO 63101

All who respond must submit ten (10) copies of their proposal. Respondents are also requested to submit copies electronically.

2. RESPONSES:

The Board of Trustees, Firefighters' Retirement Plan of the City of St. Louis, is soliciting proposals for Actuarial Consulting Services. Proposals will be accepted until **4:00 P.M., CDT, July 29, 2013**, at which time all proposals properly received will be opened.

All previously received proposals for this service should be considered to have been rejected by the Board of Trustees, and anyone interested in providing these services must resubmit any prior proposal furnished to the Firefighters' Retirement Plan of the City of St. Louis.

In the event the Board receives more than one proposal

from any company, the Board shall request the company to review such proposals and advise the Board as to the one proposal it wishes the Board to consider. Should the company not advise the Board, all proposals received from the company shall be rejected.

Following the submission due date, a selection committee will review the proposals. The selection committee is composed of representatives of the Firefighters' Retirement Plan, the Mayor's Office, the Comptroller's Office, and the Aldermanic President's Office. The guidelines for the selection process are in accordance with Ordinance No. 64102 and the Rules and Procedures established by the Board of Public Service. A tentative award will be made to the highest ranked respondent, subject to successful negotiation of a contract for the services. The Firefighters' Retirement Plan reserves the right to negotiate any aspect of any proposal whatsoever.

3. QUESTIONS:

Any questions regarding this Request for Proposals shall be submitted in writing to Mr. Richard R. Frank, Secretary Firefighters' Retirement Plan of the City of St. Louis at the following email address: firefightersretirementplan@stlouis-mo.gov. All questions received shall be answered, summarized and forwarded to the designated email address of each entity requesting a copy of this Request for Proposals. The Firefighters' Retirement Plan will maintain a list of all entities requesting copies of the Request for Proposals and shall ensure that copies of all questions and responses thereto shall be made available to each entity on such list. Questions must be submitted no later than July 19, 2013 by 4:00 p.m. Contact with selection committee members, other than the aforementioned designated contact person, is strictly prohibited.

INSTRUCTIONS (continued):

Your proposal must be signed by an officer of your company and indicate that such officer is authorized to commit on behalf of your firm.

NOTE: At the time of contract award, the firm selected must provide proof that it is current with respect to all-applicable taxes and licenses.

The following **tentative** schedule has been established for the selection process:

| | |
|--------------------------------------|-----------------|
| Date of issue of RFP | July 8, 2013 |
| Date of closing for proposals | July 29, 2013 |
| Finalists scheduled for presentation | August 2013 |
| Approval of Contract | September 2013 |
| Effective Date of Contract | October 1, 2013 |

SELECTION CRITERIA:

The following criteria will be used to evaluate responses and to select the finalists:

- A. Complete responses to all items, including the attached questionnaire;
- B. Ability to meet service requirements within specified time limitations;
- C. Experience in providing similar services to other public pension clients;
- D. Specialized experience, qualifications and technical competence of the firm, its principals, and those individuals to be assigned to this engagement;
- E. Quality of written proposals;
- F. Quality of oral presentation, if any;
- G. Service cost for a five-year term.

- H. Least restrictive limitations on potential liabilities;
- I. Ability of the firm to provide innovative solutions;
- J. Approach to the project and any unusual problems anticipated;
- K. Proximity of the firm to the City of St. Louis;
- L. Fees or fee structure as may be appropriated for the designated services;
- M. Availability of financial resources as required to complete the work;
- N. M/WBE and/or DBE participation;
- O. Ability of the firm to meet statutory or ordinance requirements;
- P. Other items that arise as the result of the proposal or interview.

Following review of the proposals received, the Board may schedule a conference with the firms judged to meet the criteria most closely.

TERMS AND CONDITIONS:

- A. The Board reserves the right to reject any and all proposals and has the right to waive any irregularities or information at any time during the process until agreement has been executed by the parties.
- B. The award, if any, will be to the proposal which, in the Board's opinion, is in the best interest of the Firefighters' Retirement Plan, taking into consideration all aspects of the response, including but not limited to the total net cost to the Plan.
- C. The Board will not be responsible for any expenses incurred in the presentation of any proposal or presentation.

- D. The Board reserves the right to cancel this Request For Proposals at any time; to void this Request For Proposals and the review process and/or terminate negotiations at any time; to revise any conditions and stipulations contained herein, as convenient or necessary; to further negotiate financial and other arrangements; to establish further criteria for selection; to ask respondent to submit additional information with respect to any aspect of respondent's submission whatsoever; and to negotiate with respondent as to any aspect of respondent's proposal whatsoever.
- E. By accepting this Request For Proposals and/or submitting a proposal in response thereto, respondent agrees for itself, its successors and assigns, to release, indemnify, and hold the Board and the City of St. Louis along with all of their various agents, commissioners, directors, consultants, attorneys, officers and employees harmless from and against any and all claims and demands of whatever nature or type, which any such respondent, its representatives, agents, contractors, successors or assigns may have against any of them as a result of issuing this Request For Proposals, revising this Request For Proposals, conducting the selection process and subsequent negotiations, making a final recommendation, selecting a contractor and/or negotiating or executing an agreement incorporating the commitments of the selected contractor.
- F. Respondent shall carefully examine this Request For Proposals and shall make all necessary investigations to fully inform themselves as to the local conditions and requirements under which work is to be performed. Respondent shall familiarize themselves with all applicable federal, state, and local statutes, regulations, ordinances relating to the conduct of work pursuant to this Request for Proposals, and shall comply with all applicable federal, state, and local laws, ordinances, and rules and regulations. No pleas of ignorance of conditions, statutes or ordinances will be accepted as an excuse for any failure or omission on the part of the respondent to fulfill every requirement of the Request for Proposals and to perform as described in such respondent's proposal.

- G. No proposal received after the specified date and time will be considered, unless the specified date and time included in this document is extended or all proposals are rejected and a subsequent Request for Proposals is issued.
- H. All permits or licenses required by all applicable federal, state, local governments for conduct of work and provision of products pursuant to this Request For Proposals shall be obtained and paid for by the respondent.
- I. By submitting a response to this Request for Proposals, respondent acknowledges having read this Request For Proposals in its entirety and agrees to all terms and conditions set out in this Request For Proposals.
- J. By submitting a response to this Request For Proposals, respondent acknowledges and agrees that the Board has the right to make any additional inquiry or investigation they deem appropriate to substantiate or supplement information contained in respondent's proposal, and authorizes the release to the Board and/or Board personnel and/or consultants of any and all information sought in such inquiry or investigation.
- K. Any misrepresentations or false statements contained in a response to this Request for Proposals, whether intentional or unintentional, shall be sufficient grounds for the Board to remove respondents from competition for selection at any time.
- L. By submitting a response to this Request for Proposals, respondent commits that, if selected, respondent is willing and able to carry out the work proposed in accordance with the schedule proposed and as described in respondent's proposal.
- M. By submitting a response to this Request for Proposals, respondent acknowledges that:
 - a. This Request For Proposals is not a contract or a commitment of any kind by the Board and does not oblige the Board to award a contract or to pay any cost

incurred in the submission of a response. The Board reserves the right to accept or reject in whole or in part, submittals received in response to this request, to negotiate with any qualified source, to request and receive additional information with respect to the respondent and/or respondent's proposal, or to cancel in whole or in part this Request For Proposals. Failure to provide any of the requested data within the specified submission period may cause the Board to reject the submittal or require the data to be submitted forthwith.

b. All submitted materials will become the property of the Board, may become public documents at any time during the selection process, and will become public documents at the conclusion of the selection process. Any and all documents submitted by the respondent may become public if and when they are submitted to any advisory or legislative public body, or pursuant to the Missouri Sunshine Law.

c. The qualifications of each corporate and individual member of the respondent team are important criteria in the selection process. The selected respondent will not be allowed to substitute any member of the respondent team without prior approval by the Board. The Board, in its sole discretion, reserves the right to accept or reject proposed changes to the respondent team and/or to negotiate the composition of respondent teams. The Board is not requiring respondent team members to form exclusive relationships with any one respondent for purposes of responding to this Request for Proposals. Team members may participate in multiple team submittals.

d. By submitting a response to the Request for Proposals, respondent expressly waives any and all rights that it may have to object to, protest or judicially challenge the following:

i. Any part of this solicitation and Request for Proposals process, including but not limited to the selection procedure sections of the Request for Proposals; and

ii. The invitation, evaluation and award process, including but not limited to the review and analysis of qualifications of the respondents, evaluation of proposals, tentative or final selection of successful respondents, evaluation of proposals, or other aspects of the respondent selection and award.

- N. A respondent may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The City will not merge, collate or assemble proposal materials.
- O. Respondents will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The respondent must submit a written withdrawal request signed by the respondent's duly authorized representative(s) addressed to the City.
- P. In the event that it becomes necessary to clarify or revise this Request for Proposals, such clarification or revision will be by addendum. There are no designated dates for release of addenda. Therefore, interested respondents should check the City website on a daily basis from time of Request for Proposals issuance through Request for Proposals deadline date. It is the sole responsibility of the respondent to be knowledgeable of all addenda related to this Request for Proposals.
- Q. Any cost incurred by the respondent in preparation, transmittal, or presentation of any proposal or material submitted in response to this Request for Proposals, including oral presentation and demonstration if required, shall be borne solely by the respondent.
- R. The Board and the City of St. Louis along with the Board's and City's auditors and accountants shall be afforded access during the term of any contract adopted pursuant to this Request for Proposals, and for five (5) years following termination, to all of the company's books and records without limitation whatsoever for the purpose of conducting audits. All

books and records shall be open to inspection and/or reproduction to the extent necessary to adequately permit evaluation and verification of the company's full compliance with contract documents. In those situations where the company's records have been generated from computerized data or records, in addition to hard copy (reports), contractor shall provide such information on disk or in a suitable alternative electronic format.

- S. This Request for Proposals in no manner obligates the Board to the eventual purchase of services offered until confirmed by an executed written Contract approved by the Board. Progress toward this end is solely at the discretion of the Board and may be terminated at any time prior to the signing of the Contract.
- T. This Request for Proposals, and any contract or agreement with respondents that may result, shall be governed by the laws of the State of Missouri.
- U. In connection with the contract resulting from this Request for Proposals, the firm agrees that in performing any services resulting from this Request for Proposals, neither he/she nor anyone under his/her control will permit discrimination against any business, employee, applicant, client or subscriber because of race, color, national origin, ancestry, religion, age, disability, sex or sexual orientation, gender identity or expression, genetic information, marital status or retaliation.
- V. Respondents will be expected to comply with the City's Living Wage Ordinance No. 65597, and are encouraged to review this ordinance prior to making their submissions. The Contractor shall make a good faith effort to maximize utilization of women and minority-owned businesses (W/MBE) in all of its activities under this Contract and shall comply with the Mayor's Executive Order No. 28, as amended, or any subsequent order, ordinances, or any City Rules and/or Regulations with respect to W/MBE participation. Contractor shall complete the attached W/MBE Utilization Plan forms (Appendix D) and Good Faith Efforts form (Appendix D).

- W. In connection with the furnishing of goods and services under any contract resulting from this Request for Proposals, the firm shall comply with all applicable requirements and provisions of the Americans with Disabilities Act (ADA).
- X. As a condition for the award of this contract, Contractor, shall, pursuant to the provisions of Sections 285.530 through 285.555 of the Revised Statutes of Missouri 2000, as amended, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with this Agreement. Contractor shall also sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with this Agreement.
- Y. Any contract or agreement that results from this Request for Proposals is subject to annual appropriation by the City. Any contract or agreement that results from this Request for Proposals is voidable at any time by the Board if appropriation by the City for the services under the contract or agreement is not made.
- Z. The Selection Committee reserves the right to interview, or call for a presentation from, any respondent submitting a proposal, as well as form additional evaluation criteria for the presentations. The Selection Committee also reserves the right to discuss the proposals with any or all respondents. Nothing in this Request for Proposals is intended to be, nor should anything herein be construed as, an offer of engagement. A selection or designation of a successful respondent shall not be construed as an offer of engagement until and unless a contract is fully negotiated. For the contract to take effect, all applicable parties with the authority to bind the respective entity must sign the agreement.

INTRODUCTION:

Before February 1, 2013, pension and disability benefits were provided to the firefighters of the City of St. Louis by the Firemen's Retirement System of St. Louis (the "FRS"). The FRS was established on July 26, 1944, and was called the St. Louis Firemen's Pension Fund. A new Firemen's Retirement System was established June 17, 1959 and began operations after January 1, 1960. The assets and liabilities of the former Firemen's Pension Fund were merged into the new Firemen's Retirement System.

Benefit accruals under the FRS were frozen as of February 1, 2013. Benefits for Participants who retired before February 1, 2013 will continue to be paid from the FRS. Retirement benefits attributable to service rendered and compensation received for service as a firefighter for the City before February 1, 2013, and death and disability benefits for Participants who die or become disabled while in service as a firefighter for the City before February 1, 2013, will continue to be paid from the FRS.

The City of St. Louis established the new Firefighters' Retirement Plan (the "FRP"), as prescribed in Ordinance 69245 as amended by Ordinance 69353, pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri, to provide retirement, disability and death benefits for the firefighters of the City and their covered dependents for service rendered and compensation received on and after February 1, 2013.

The new FRP provides a pension benefit attributable to service rendered and compensation received for service as a firefighter for the City on and after February 1, 2013. The FRP also provides death and disability benefits for Participants who die or become disabled while in service as a firefighter for the City on and after February 1, 2013. The FRP operates separately but simultaneously with FRS under a dual plan system effective as of February 1, 2013.

The following supplemental information is being provided along with the Request for Proposal:

1. FRS Annual Actuarial Valuation as of October 1, 2012
2. Summary Plan Description for The Firefighters Retirement Plan Effective February 1, 2013

GENERAL INFORMATION:

- A. The services of the selected actuarial consulting firm will begin on or about October 1, 2013 and continue for five (5) years subject to the provision of this Request and your proposal.
- B. The annual actuarial consulting fee will be paid on a monthly basis.
- C. All information, data, reports and records as they exist in the System's files necessary for carrying out the work requested shall be furnished to the actuary at no cost. The Board will cooperate in every way possible to assure prompt completion of services enumerated herein.
- D. Upon expiration or termination of the contract, the actuary shall agree to make available to the Board of Trustees or its designee all actuarial records required to maintain members' files and/or required to perform future actuarial studies including, but not limited to, the five-year experience report and changes in actuarial assumptions.
- E. Either party shall have the privilege with or without cause to terminate the relationship at any time upon thirty (30) days prior written notice by certified mail, return receipt requested, or personal delivery.
- F. The Firefighters' Retirement Plan of St. Louis reserves the right to contact clients listed in your proposal to determine the scope of your work for those clients and to secure evaluations of your services. By submission of your proposal you are authorizing the Firefighters' Retirement Plan of St. Louis to contact such persons.
- G. Costs will not be the sole factor used by the Board of Trustees in determining which firm is to be awarded the contract. The Board may consider any and all factors it deems necessary and proper, including but not limited to cost, contractual limitations on liability, if any, responses to this request, experience with governmental multiple-employer defined benefit plans, and general reputation.

ACTUARIAL AND CONSULTING SERVICES REQUIREMENTS:

A. Perform and report on an annual actuarial valuation of the contingent liabilities of the System, including a detailed analysis of gains and losses.

1. The report shall include: all GASB required information; a recommendation as to the contribution rates required for maintenance of the System as defined in the governing documents; a detailed analysis of the reasons for changes in the contribution rates from year to year, based on a comparison of actual changes in liabilities with expected changes according to each of the various actuarial assumptions; and various historical statistics. The necessary detailed information shall be retained on file to make changes in assumptions every five years.
2. The valuation shall be based on data furnished by the Secretary's office, in conjunction with the Information Technology section of the City of St. Louis. The actuary maintains the retired and vested members' valuation files from data provided by the Secretary's office.
3. The first report prepared by the selected actuary shall be based on employee data as of September 30, 2013.
4. The actuary tables shall be those adopted by the Board of Trustees upon recommendation of the actuary.
5. All reports shall be presented to the Board of Trustees by an Actuary of the firm on a date to be determined by the Board of Trustees. All actuarial reports are due within ninety (90) days following close of the fiscal year on September 30. Actuarial reports required during the contract period are as follows:

| | |
|----------|--------------------|
| 1st year | September 30, 2013 |
| 2nd year | September 30, 2014 |
| 3rd year | September 30, 2015 |
| 4th year | September 30, 2016 |
| 5th year | September 30, 2017 |

- B. Perform the experience study as outlined in the governing documents. The study is an actuarial investigation into the mortality, service and compensation of the members, retirees and beneficiaries of the System and includes a review of economic assumptions. The experience study will include the five-year period ending September 30, 2017.
- C. Consult with the Board of Trustees, the Secretary of the Board, and/or his staff or representative of the Secretary of the Board on any problems involved with the operation of the System including, but not necessarily limited to, the following:
1. Preparation of all requested tables pertaining to calculation of benefits.
 2. Provide best judgement estimates for considered plan changes as requested by the Board of Trustees.
 3. Computation, printouts, and electronic transfer of cost-of-living adjustments.
 4. Annually perform random audit of retirement benefit calculations performed by Secretary's office.
 5. Consultation on plan interpretation, calculation of benefits, record keeping, data processing, forms and any other actuarial consultation the Secretary and his staff or the Board may need or request.
 6. Advise Board of Trustees of all legislation, proposed legislation, Internal Revenue Code compliance issues, Internal Revenue Service regulations and rulings, etc., affecting the System.
 7. Attend conferences and Board meetings at the request of the Board or the Secretary to the Board (maximum of six (6) per year).
 8. Provide appropriate information to the System's auditors no later than December 31 in accordance with current accounting standards.

9. Computation of the cost on the transfer of creditable service to participating plans in the state of Missouri.
 10. Computations on the cost to purchase creditable service in the Plan.
 11. Perform any other actuarial duties specified in the governing ordinances.
- D. In the event that any special actuarial/consulting services should arise; the cost of such services shall be presented to the Board of Trustees for approval prior to project commencement. The work to be performed and the fee therefore will be reduced to writing prior to beginning such special work.

Special services, which would be considered beyond the normal scope of this contract may include, but not necessarily limited to, the following:

1. Major plan revisions;
2. Detailed actuarial cost studies of plan changes;
3. Meetings beyond six (6) per year.
4. Expert advice or testimony in the area of litigation.
5. Assistance in the design or implementation of administrative and recordkeeping methods and computer systems.

QUESTIONNAIRE:

Please be sure to address the items listed in the questionnaire in your proposal.