

Issue Date: March 13, 2019

# ***REQUEST FOR PROPOSAL***

for Actuarial Services

Prepared by Borough of Bridgeport,  
Montgomery County, Pennsylvania

*for*

The Borough of Bridgeport Police and Non-Uniform Pension  
Plans

**Keith S. Truman, Borough Manager**  
63 W. 4<sup>th</sup> Street  
Bridgeport, PA 19405

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# Introduction and Historical Background

The Borough of Bridgeport is soliciting proposals from qualified firms to provide actuarial services to its two defined benefit pension plans and one defined contribution pension plan.

The provisions of the Police Pension Plan are governed by Pennsylvania Act 600 of 1956, as amended. For both plans, the funding and reporting to the agencies of the Commonwealth of Pennsylvania is in accordance with Act 205 of 1984. The plans provide retirement, death, and disability benefits to the Borough's police officers and non-uniform employees. The Police Defined Benefit Plan has 9 actives and 9 retirees, with assets valued at \$5.49 million as of 12/31/2018. The Non-Uniform Defined Benefit Plan has 5 actives and 10 retirees, with assets valued at \$2.2 million as of 12/31/2018. The Non-Uniform Defined Contribution Plan has 4 actives and 0 retirees, with assets valued at \$25,000 as of 12/31/2018.

The successful actuarial firm will begin its service to Bridgeport Borough as of October 1, 2019 and run until December 31, 2019, with automatic one-year renewals commencing on January 1, 2020 unless otherwise terminated by the Borough.

The general administration and the responsibility for the proper operation of the retirement system are vested in the Bridgeport Borough Council.

# Scope of Services to be Provided for Borough of Bridgeport Pension Plans

## **Regular Services**

The successful actuarial firm will be required to perform the following actuarial services for the Pension Plans on an annual or biennial basis:

1. Prepare the actuarial valuation reports as of January 1 of each odd-numbered year, beginning January 1, 2021. The reports include benefit information on all members in the plans, as well as plan funding information. The valuation process should include a review of the actuarial assumptions as well as the plan's overall condition.
2. Prepare the Act 205 forms to be submitted to the Department of the Auditor General every other year, beginning January 1, 2021.
3. Determine the minimum municipal obligation (MMO) required by Act 205 to be submitted by the Chief Administrative Officer to the governing body by September 30 of each year.
4. Assist Borough in determining pension benefits for retired and terminated members.
5. Provide assistance and attend meetings as required or requested by Borough management and the Board of Supervisors.
6. Review the annual AG-385 Certification form and recommend alterations, as needed.
7. Determine reporting requirements under the Government Accounting Standard Board Statements, generally GASB No. 67, and provide annual GASB Financial Statements for all pension plans.
8. Provide specific pension plan information and reports to external CPA firm relative to annual audit of the municipalities General Purpose Financial Statements.

# Scope of Services to be Provided for Bridgeport Pension Plans *(Continued)*

## **Additional Services**

The successful actuarial firm will be required to perform the following actuarial services upon request of the Borough:

1. Inform the Borough of legislative and regulatory changes that may be applicable to the plans.
2. Provide actuarial studies for benefit cost estimates and additional actuarial services upon the request of the Borough.
3. Provide the necessary documentation or actuarial testimony during labor negotiations, and assist with arbitration if needed.
4. Prepare (or assist the solicitor in preparing) plan documents including amendments, Summary Plan Descriptions, and ordinances or resolutions as needed by the Borough.
5. Conduct educational and informational meetings with plan membership upon the request of the Borough.

# Application Questions

## Application Questions

1. Please provide the names and titles of all individuals who will be providing professional services to the **Borough's** pension plan(s).
2. Describe how long your firm has been providing the types of pension services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania. In general terms, describe the make-up of your current municipal client base:
  - a. How many of your current public pension clients are **Pennsylvania municipal pension clients**?
  - b. What are the total pension assets of those Pennsylvania municipalities that your firm has under administration?
3. Details specific to services required:
  - a. Describe your proposal regarding actuarial services.
  - b. Attach samples of the actuarial reports including but not limited to the bi-annual valuation and member benefit statements that your firm would provide if chosen by the municipality.
4. Describe your firm's approach to client support and if selected to provide services to this municipality, how this municipality will be integrated into your client support network.
5. Has your firm or any subcontractor or company in an advisory capacity that will be a party to the proposed services relative to this RFP, been involved in:
  - a. Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or
  - b. Any investigation of the same nature that has occurred within the past 36 months?
6. Describe your firm's errors and omissions insurance and commercial general liability insurance and specific coverage.

# Application Questions *(Continued)*

## **Application Questions** *(continued)*

7. Specify any fees associated with initial takeover. Specify any fees that would be levied should the municipality withdraw or terminate the professional services contract with your firm. Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for.
  
8. Describe your process for making tax payments on behalf of participants receiving monthly benefits as well as your timeline for end of the year tax reporting (i.e. 1099R and 945).
  
9. Describe your process for preparation of financial reports in accordance with GASB 67 & 68. Is this included in your fee?

# References

Please list six (6) Pennsylvania municipal pension plan clients for whom the firm has provided actuarial services within the past year. For each reference listed, include the name of the municipality, the contact person at the municipality, telephone number and the email address. References should be municipalities with plans of similar size and type to the Borough's plans, and within a reasonable distance to the borough.

# Fees

Please provide the following information regarding fees:

## Regular Actuarial Services

Annual fee for Police Pension Plan: \$ \_\_\_\_\_

Annual fee for Non Uniform Pension Plan: \$ \_\_\_\_\_

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# Submission of Proposals

Bidders should submit their proposals to:

**Borough of Bridgeport**

63 W. 4<sup>th</sup> Street

Bridgeport, PA 19405

[ktruman@bridgeportborough.org](mailto:ktruman@bridgeportborough.org)

Proposals must be received by 4:30pm on April 26, 2019.

No exceptions to this deadline will be allowed unless the Borough extends the deadline, whereupon it will notify recipients of the RFP. You should submit ten (10) copies of your proposal.

Proposals become the property of Borough of Bridgeport upon submission and will not be returned.

All costs for developing proposals are entirely the responsibility of the actuarial firm and shall not be chargeable to Borough of Bridgeport. Borough of Bridgeport accepts no responsibility for lost or late delivery of proposals.

Questions about the Request for Proposal must be submitted in writing by email, mail or by fax at [ktruman@bridgeportborough.org](mailto:ktruman@bridgeportborough.org) or fax number 610-292-8236 no later than April 5, 2019.

# Evaluation Criteria

Only proposals that meet the Minimum Qualifications will be evaluated. The evaluation will take place in two phases. Phase One will involve review of written proposals. Phase Two will involve interviews with the Borough's Pension Committee who will make the final selection. In both phases of the selection process, firms will be evaluated using the following criteria.

- Must work with a minimum of 50 DB Pension Plans (including both Police & Non-Uniformed).
- Understanding of Pennsylvania Municipal Pension Plans, including Act 600 and Act 205
- Depth of Professional Staff
- Communication of Actuarial Results
- Firm Organizational Background and Reputation
- Quality of Actuarial Services
- References
- Fees

# Miscellaneous Provisions

The Bridgeport Borough Council reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if the Council determines such action or actions to be in the best interest of the membership of the pension plans.

The Borough also reserves the right to request clarification of any submission, modify or alter the Scope of Services and solicit new submissions, reject any or all submissions, and wave immaterial irregularities in any submission.

The Borough does not intend to entertain limited liability clauses of any type with the winning bidder.