

CITY OF ROCK ISLAND, ILLINOIS



**ROCK ISLAND
ILLINOIS**

**Request for Proposals
For Actuarial Valuation Services**

For the Fiscal Years Ending 2022* and 2023
(Option to renew annually from 2024-2026)**

***01/01/2023 Actuarial Report**

****01/01/2024 Actuarial Report**

CITY OF ROCK ISLAND, ILLINOIS

November 4, 2022

REQUEST FOR PROPOSALS FOR ACTUARIAL VALUATION SERVICES

I. GENERAL INFORMATION

The City of Rock Island is requesting proposals to conduct independent actuarial valuations for the Police and Firefighters' Pension Funds (GASB Statements 25/27, including GASB 67/68 Amendments). The City has used independent actuarial valuations since 1991 for the Police and Firefighters' Pension Funds. The City of Rock Island will retain an Illinois Certified Actuary firm for a two-year contract (with an option to renew on an annual basis for the following three-years with minor modifications) using complete valuations every year for the Police and Firefighters' Funds.

There is no expressed or implied obligation for the City of Rock Island to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. During the evaluation process, the City of Rock Island reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

A. Background Information

The City of Rock Island is located in northwestern Illinois, situated between the Mississippi and Rock Rivers approximately 175 miles west of Chicago and 175 miles east of Des Moines. Along with the communities of Moline and East Moline, Illinois, and Davenport and Bettendorf, Iowa, the City of Rock Island is part of the Davenport - Rock Island - Moline Metropolitan Statistical Area (MSA) commonly referred to as the Quad Cities. Rock Island is also the county seat of Rock Island County. In 2020, Rock Island's population was 37,108 in a region of 383,681.

The City of Rock Island is organized under the Council-Manager form of government with legislative authority vested in a City Council made up of a Mayor and seven alderpersons. Council members are elected from wards to staggered four-year terms. The City has unified its administrative functions through the appointment of a City Manager (the position was created by the action of the City Council on July 1, 1952), who is responsible for the day to day operations of the City and its 429 full-time equivalent employees. The City's police department, with 81 sworn police officers, is located at 1212 – 5th Avenue. The fire department currently has four stations housing the department's 57 full-time personnel.

The City negotiates with the following bargaining units: Fraternal Order of Police (62 employees, contract expires December 31, 2024); Police Command (19 employees, contract expires December 31, 2024); Fire Fighters (57 employees, contract expires December 31, 2023);

Library (8 full-time employees and 17 part-time employees, UAW contract expires December 31, 2024); Public Works (74 employees, AFSCME A contract expires December 31, 2024), and Office/Professional (63 employees, AFSCME B contract expires December 31, 2023). The City considers its employee relations to be good.

The City of Rock Island is organized into departments and agencies, including the Rock Island Public Library, Parks and Recreation, Martin Luther King Jr. Community Center and Police and Fire Pension Funds, all of which operate under separate boards and commissions. All accounting and financial reporting functions of the City are centralized.

The City’s audit can be found at <https://www.rigov.org/242/Comprehensive-Annual-Financial-Reports>.

B. Pension Plans

The City of Rock Island participates in the following pension plans:

<u>Plan</u>	<u>Multiple Employer</u>	<u>Single Employer</u>	<u>Defined Benefit</u>	<u>Defined Contrib</u>
IL Municipal Retirement Fund	Yes	N/A	Yes	N/A
Police Pension Plan	N/A	Yes	Yes	N/A
Firemen’s Pension Plan	N/A	Yes	Yes	N/A

II. SCOPE OF SERVICES

A. Actuarial Pension Services

The City of Rock Island is seeking proposals from qualified Actuaries to provide actuarial services for the Police and Firefighters’ Pension Funds from 2022 through 2023. A written evaluation is requested for each pension fund which includes, but is not limited to:

- A certified actuarial statement
- A summary of the valuation objectives
- A statement of the actuarial cost method selected and actuarial assumptions
- The results of the valuation including the recommended and the “statutory minimum” contribution from the City to property fund each pension fund
- Annual Comprehensive Financial Report GASB Statement disclosure information

B. Selection Procedure

The following is an outline of the selection procedure and a tentative time schedule:

- RFP letters mailed – Friday, November 4, 2022
- RFP questions submitted to City staff – Friday, November 18, 2022
- Response to questions posted to City’s website – Tuesday, November 22, 2022
- Proposals due by 2:00 p.m. CST – Friday, December 2, 2022
- Recommendation to City Council – Monday, December 19, 2022

III. INSTRUCTIONS FOR PREPARING PROPOSALS

A. Rules for Proposals

The following material is required to be submitted for a proposing firm to be considered:

1. Five (5) bound copies of the proposal shall be submitted and shall include the following:
 - (a) Title page – the title page shall show the firm’s name, address and webpage; the name, email address and telephone number of a contact person, and the date of the proposal.
 - (b) Table of Contents.
 - (c) Transmittal Letter – a signed letter of transmittal briefly stating the proposers understanding of the work to be done, the commitment to perform the work within the established time period, a statement why the firm believes itself to be the best qualified firm to perform the engagement and a statement that the proposal is a firm and irrevocable offer for (90) ninety days.
 - (d) Detailed Technical Proposal – including the assumptions the firm most often uses in computing valuations for cities of comparable size. See Section III-B of this request for proposal for more information.
 - (e) References – a complete listing of Illinois municipalities which have used your valuation figures for tax levy, preferable of comparable size to the City of Rock Island, which we may contact for references. Please include a contact name, City, address, phone number and email address.
 - (f) Fee Proposal – the proposed fees should be presented using Appendix A. The proposed fees shall be the maximum, not to exceed fee for each fiscal year.

2. Proposals must be received by 2:00 p.m. CST on Friday, December 2, 2022 to the following address:

**JESSICA SAGER
FINANCE MANAGER
CITY OF ROCK ISLAND
1528 3rd AVENUE
ROCK ISLAND, ILLINOIS 61201**

Proposals must be submitted in a sealed envelope marked in the lower left hand corner:

“ACTUARIAL VALUATION SERVICES PROPOSAL”

It is the sole responsibility of respondents to the Request for Proposal to deliver the proposals by the stated deadline. Each proposal must be submitted with all required documentation. All questions regarding this Request for Proposal package should be directed to Jessica Sager, Finance Manager at sager.jessica@rigov.org.

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Rock Island in conformity with the requirements of this request for proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. However, the presentation will be considered as an example of the type of work typical of that of the firm. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an assumption approach that will meet the request for proposal’s requirements.

The technical proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer’s capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, items 2 through 7 must be included. They represent criteria against which the proposal will be evaluated.

2. Independence

The firm shall provide an affirmation statement that it is independent of the City of Rock Island as defined by generally accepted auditing standards.

The firm shall also list and describe the firm's professional relationships involving the City of Rock Island or any of its agencies, its elected or appointed officials and employees for the past five (5) years, together with a statement explaining why such relationships, if any, do not constitute a conflict of interest relative to performing the proposed actuarial services.

3. License to Practice in Illinois

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Illinois.

4. Firm Qualifications and Experience

The proposal shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists and who would be assigned to the engagement. The firm should also provide information on the actuarial experience of each person, including membership in professional organizations relevant to the performance of the actuarial services provided.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to the engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Rock Island. However, in either case, the City retains the right to approve or reject replacements.

C. Fee Proposal

1. Total All-inclusive Maximum Fee

The fee proposal should contain all pricing information relative to performing the

actuarial services engagement as described in this request for proposals on a “not to exceed” basis for the years ending in 2022 and 2023. The total all-inclusive maximum price proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

We request that the proposer provide Appendix A, in a separate envelope. This is a maximum “not to exceed” fee in a series of one year segments for each year.

At the end of each one-year segment, the contract will automatically renew for the next one-year segment unless the City notifies the proposer of non-renewal of the contract in writing no later than December 1st of any year included within the contract. Further, renewal or denial of extending the contract is subject to any other reasons as stipulated in the contract. It is the City’s desire and expectation that the successful proposer will be retained for five years.

IV. EVALUATION AND SELECTION CRITERIA

A. Evaluation Process

1. Proposals will be evaluated by members within the Finance Department.
2. The Department will evaluate the technical proposal submitted by each firm using the criteria shown in Section IV-B.
3. The Finance Department will select the proposal which is judged to be the most responsive to the City’s requirements, and based on ability and fee, appears to be the best able to serve the City. The Finance Director will present the Department’s recommendation to the City Council.
4. The City Council will review the recommendation of the Finance Department and, if in agreement, will award the contract.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements
 - a. The firm is independent and licensed to practice in Illinois.

- b. The firm's professional personnel have received adequate continuing professional education pertinent to the services outlined in the RFP.
 - c. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Rock Island.
 - d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality experience.
 - e. The firm adheres to the instructions in this request for proposals on preparing and submitting.
 - f. EEOC Statement (see Attachment B)
2. Technical Qualifications
- a. Expertise and experience
 - b. Assumptions approach
3. All-inclusive maximum, not to exceed, fee

C. Oral Presentations

During the evaluation process, the Finance Department may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Department may have on the firm's proposal. Not all firms may be asked to make such oral presentations.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted. The City of Rock Island reserves the right without prejudice to reject any or all proposals.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

APPENDIX A

FOR FISCAL YEARS ENDED DECEMBER 31,

2022

2023

FIRE PLAN	\$ _____	\$ _____
FIRE GASB REPORTING	\$ _____	\$ _____
POLICE PLAN	\$ _____	\$ _____
POLICE GASB REPORTING	\$ _____	\$ _____
TOTAL FEE:	\$ _____	\$ _____

HOURS SUMMARY:

Partner	_____	_____
Manager	_____	_____
Staff	_____	_____
Clerical	_____	_____
Total Hours	_____	_____

Firm Name: _____

Address: _____

Web Page: _____

Signature: _____

Printed Name: _____

Title: _____

Email: _____

Date: _____

EEOC POLICY STATEMENT

Equal Employment Opportunity

It is the policy of (insert accounting firm name) _____
to provide equal employment opportunity to all persons regardless of race, color, religion, sex or national origin.
Accordingly, we will take Affirmative Action to insure that we will:

1. Recruit, hire and promote in all job classifications regardless of race, color, religion, sex or national origin.
2. Make promotional decisions that are in accordance with principles of equal employment opportunity by imposing only valid requirements for promotional opportunities.
3. Incorporate our equal employment opportunity policy in all personnel actions such as compensations, benefits, transfers, layoffs, returns from layoffs, company sponsored training, education and tuition assistance.
4. Conduct social and recreation programs sponsored by our agency without regard to race, color sex or religion.
5. Bidder should contact the City Human Resource Director for specific information regarding the City's Equal Employment Policy.

Signature of Official:

Name (Typed):

Title:

Date:
