



Sample Request for Proposals

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Sample Request for Proposals

Reference Number: MTAS-747

REQUEST FOR PROPOSALS

ACTUARIAL VALUATION OF POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City of _____ (*city/town name*) is seeking proposals from qualified firms to complete an actuarial valuation of the City's retiree _____ (*life, health, vision, etc. benefit plan as appropriate*) insurance plans. This valuation shall be performed in compliance with the actuarial standards/methods included in the Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB).

Background

The City of _____ (*city/town name*) currently provides _____ (*life, health, vision, etc.*) insurance benefits to qualifying retirees through fully insured plans. A summary description of the retiree insurance benefits is included at the end of this RFP.

The City of _____ (*city/town name*) was incorporated in _____. For the fiscal year beginning July 1, _____, there are _____ budgeted full-time employees and _____ retired employees and spouses. Currently, retiree _____ (*life, health, vision, etc.*) insurance benefits are funded on a pay-as-you-go basis.

Purpose of Valuation

Given the number of retirees who already receive _____ (*life, health, vision, etc.*) insurance benefits and the number of current employees who will reach retirement age and qualify for retiree insurance benefits over time, the City wishes to proceed with the actuarial valuation and accurately assess its liability for these postemployment benefits in compliance with GASB Statement 45.

The results of this valuation will be used to assist the City in preparing for compliance with the GASB standard and guide the City in making policy decisions regarding possible modifications to its existing retiree _____ (*life, health, vision, etc.*) insurance benefit programs.

Scope of Work

The proposed valuation shall consist of the following:

Phase 1 will consist of the actuarial valuation to determine the City's liability for the existing retiree _____ (*life, health, vision, etc.*) insurance programs. This valuation shall be completed in a manner so as to comply with all of the actuarial valuation requirements of GASB Standard No. 45.

This phase will include a minimum of three meetings, including a kick-off meeting with City staff to discuss the proposed valuation, clarify issues regarding benefit plans, etc.; a meeting with staff at the conclusion of the valuation to review results; and a briefing for the city's governing body to review the results.

(OPTIONAL)

Phase 2 would consist of an analysis of possible plan modifications or alternatives for City consideration. Initiation of Phase 2 would be at the City's option based upon the results of Phase 1. If the City chooses to initiate Phase 2, the exact scope of work and fee would be negotiated at that time.

RFP Submittal Requirements

Submittals in response to this RFP shall include the following:

1. Summary of the firm's experience in similar projects, including client reference contact information;
2. Discussion of the proposed methodology to be employed in the valuation;
3. Identification of and biography information for staff member(s) to be assigned to the valuation;
4. Proposed valuation schedule;
5. List of required data elements and other information to be provided by the City; and
6. Valuation fee proposal (Phase 1 only) and proposed payment terms.

Selection Criteria

City staff will review all submitted proposals and may choose to invite one or more firms for an interview to further discuss their proposal. Selection of a recommended firm will be based on three factors:

1. The firm's experience in similar projects;
2. The proposed methodology and valuation schedule; and
3. The fee proposal.

The selection criteria are intended to allow the City to select the firm that submits the best overall proposal, not just the lowest cost proposal.

RFP Submittal Deadline

Proposals in response to this RFP should be sent to:

(Name)
(Title)
(Mailing Address)
(City, State, Zip Code)

To be considered, proposals must be received by ____ (time) on ____ (day, month, year). Electronically submitted proposals will be accepted. All proposals should have the words "RFP Response" on the front of the envelope or electronic submission forms. Proposals will not be opened publicly.

Any questions regarding this RFP should be directed to:

(Name)
(Title)
(Mailing Address)
(City, State, Zip Code)
(Telephone number and email address)

(Attach appendices from appropriate sections of the city personnel policy that describe the health plan benefits for current employees and retirees.)

Thank you to Kirk Bednar for his comments and assistance, to the city of Brentwood, Tennessee, for providing MTAS with a copy of its request for proposal (RFP) for an actuarial study and the permission to use a variation of it in this publication, and to Janice Casteel and Mike Keith at the city of Cleveland, Tennessee, for their knowledge, expertise, and valuable comments.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

Source URL (retrieved on 11/18/2019 - 1:29am): <https://www.mtas.tennessee.edu/reference/sample-request-proposals>



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