

Request for Proposal

For

Pension Actuarial and Consulting Services

Pursuant to the provisions of the Home Rule Charter of the City of New Orleans and in accordance with paragraph 1 of Rule 45 of the Code of the Council of the City of New Orleans, the Council is requesting proposals from experienced firms to provide assistance with evaluation of and possible changes to the Municipal Employees' Pension System, the Firefighters' Pension System, and the Police Pension System (pension systems).

Purpose

The Council of the City of New Orleans ("Council") desires to engage an experienced professional or private firm to formulate and evaluate proposed changes to the various city employees' pension systems and to advise the Council on these and other pension-related issues. This solicitation is being made under Rule 45 of the Council's rules regarding competitive selections for professional services contracts and is subject to ratification by a majority vote of the City Council.

Scope of Services

- Provide actuarial and investment analysis associated with alternate pension options.
- Consult with Council members and representatives on appropriate alternate pension options for new and current employees, and make recommendations on retirement plan changes.
- Review and analyze actuarial cost analyses performed to date of defined benefit and contribution options.
- Review governance and administrative structure and policies of municipal retirement system with potential alternate options.
- Discuss retirement income and income replacement ratios and determine the retirement income adequacy of proposed pension options. Use appropriate public sector and private sector benchmarks for comparison.
- Use actuarial analyses performed to date to compare and discuss projected costs (annual required contributions) associated with each alternative pension option. Compare costs with projected cost of current pension benefits and with appropriate public sector benchmarks.
- Analyze in detail and provide an opinion on legal issues associated with:
 - The adoption of an alternate pension option for new employees.
 - Cost sharing with new and current employees for pension cost increases.

- Changes to pension benefits for current employees, including but not limited to providing current employees an option to select an alternate pension benefit.
- For all employee pension plans, evaluate investment policies, guidelines, and implementation of the stated investment policies.

Contents of Proposal

The Proposal should include the following components.

A concise but detailed narrative indicating the proposed approach to providing the required services, including a description of the types and qualities of service which would be provided, and a budget showing estimated number of expected work hours and hourly billing rate for each professional, and an estimate of reimbursable costs if any.

A sworn affidavit listing all persons with an ownership interest in the respondent. An "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly traded corporation. This affidavit is a public record.

A sworn affidavit stating that no other person holds an ownership interest in the respondent via a counter letter.

A list of all persons, natural or artificial, who are retained by the respondent at the time of the application and who are expected to perform work as sub-contractors in connection with the respondent's work for the City Council. The Council may require information on employees or sub-contractors of or ownership interests in the sub-contractor. This list is a public record. The contract with the City Council shall contain a provision that in regard to any sub-contractor proposed to be retained by the respondent to perform work on the contract with the City Council, the respondent must provide notice to the Council Pension and Retirement Committee within thirty (30) days of retaining said sub-contractor. The Council may require information on ownership interests in the sub-contractor.

A sworn affidavit stating that the affiant is in compliance with Section 2-8 (c) of the City Code and that no principal, member and/or officer of the contracting

entity has within the preceding five (5) years been convicted of, or plead guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, and/or falsification or destruction of public records.

A comprehensive narrative detailing the respondent's plan to comply with the provisions of Section 70-432.1 of the Code of the City of New Orleans pertaining to local and disadvantaged business enterprise (DBE) goals for the City of New Orleans. (See # 1below)

Name, title, address, phone number, fax number, and e-mail address of the firm's principal contact person and proposed principal consultant.

Professional experience and resumes of partners, principal(s), and employees in the firm who will be responsible for the activity involved in the provision of professional services to the Council through the term of the engagement, with specific concentration on the extent of experience with actuarial analysis of retirement pension plans and with the ability to analyze the impact of any proposed technical, policy, or legal changes to the various retirement plans.

Evidence of sufficient qualified staff to perform service in a timely manner.

Demonstrated familiarity, knowledge, and understanding of the City of New Orleans, its neighborhoods, people, and diversity.

Four references from clients of the applicant for whom similar projects have been performed.

A Completed "Consulting Services Questionnaire" using the format that is attached. Any sub-consultants proposed to be used must also submit a completed questionnaire which must be attached to the prime firm's questionnaire. If an association or joint venture is contemplated, the expertise of each individual firm should be clearly defined, as well as the level of involvement of each individual firm and the proposed means of coordination between firms. A joint venture will be considered a "firm."

Schedule of Costs and Expenses

Proposals are to include a schedule of estimated costs and expenses, including:

1. Estimated number of hours and hourly rate for each level of staff anticipated or an alternative flat rate for total work to be performed.
2. All expenses must be billed at cost and in accordance with U.S. GSA per diem limits.
3. The contract with the Consultant will be for a period not to exceed one year and include a maximum not-to-exceed total dollar limit.
4. Upon mutual agreement between the Council and the Contractor, the contract term may be extended for one additional one-year period.

ACKNOWLEDGEMENT OF EXCLUSION OF WORKERS – COMPENSATION COVERAGE:

Contractor must expressly agree and acknowledge that he is an independent Contractor as defined in R.S. 23:1021 (6) and as such, it will be expressly agreed and understood between the parties in entering into this professional services contract, that the City of New Orleans shall not be liable to the Contractor for any benefits or coverages as provided by the Workmen's Compensation Law of the State of Louisiana and further, under the provisions of R.S. 23:1034 anyone employed by the Contractor shall not be considered an employee of the City for the purpose of Workmen's Compensation coverage.

ACKNOWLEDGEMENT OF EXCLUSION OF UNEMPLOYMENT COMPENSATION COVERAGE:

Contractor must expressly declare and acknowledge that he is an independent Contractor, and as such is being hired by the City under this contract of hire as noted and defined in R.S. 23:1472 (E), and therefore, it will be expressly declared and understood between the parties in entering into this professional services contract, or contract for hire, and in connection with unemployment compensation coverage only, that:

- A. Contractor has been and will be free from any control or direction by the City over the performance of the services covered by this contract; and

B. Service(s) to be performed by Contractor is outside the normal course and scope of the City's usual business; and

C. Contractor has been independently engaged in performing the service(s) listed herein prior to the date of this contract. Consequently, neither Contractor nor anyone employed by the Contractor shall be considered an employee of the City for the purpose of unemployment compensation coverage, the same being hereby expressly waived and excluded by the parties hereto.

1. **Local and Disadvantage Enterprise Goals for the City of New Orleans:**

Pursuant to Section 70-432.1 of the Code of the City of New Orleans, the City of New Orleans has established an overall goal of 50% utilization of businesses that are locally owned and controlled for all public spending or private projects that utilize public funding and/or incentives. An overall goal of 35% is established for utilization of socially and economically disadvantaged businesses, particularly of those businesses located in storm damaged areas. DBE certification by the Sewerage and Water Board, Louis Armstrong International Airport or the City of New Orleans will be accepted.

2. **Conflict of Interest**

Any firm providing a response to this RFP shall provide a clean and unambiguous indication of any perceived, real, or potential conflict of interest it may have with respect to performing work on behalf of the council. The Council shall make the final decision as to whether any conflicts exist.

3. **Evaluation Criteria**

Upon receipt by the due date of proposals to this RFP, by qualified professionals or firms, the Council's Staff Selection Review Committee will evaluate all responses received based upon the criteria listed in Council Rule 45 a copy of which is attached. Particular emphasis may be placed on the following criteria:

- Training and experience with the type of task required.
- Appropriateness of plan submitted.

- Capability of contractor to provide staffing and support.
- Knowledge of local conditions.
- Ability to provide the work in the time period required, as evidenced by past performance and current workload.
- Involvement of members of women or disadvantaged groups at the professional level.
- Participation by persons living and/or working in New Orleans at a professional level.
- The need for continuity of services and/or specialized and institutional experience and knowledge.
- Billing rate and/or total proposal cost.

4. **Proposal Process and Submission**

Except as provided herein below, no written, electronic or oral communications from potential applicants regarding this RFP shall be made to any Councilmember or Council Staff person during this Request for Proposal process. Any inquiries shall be made in writing to the Council Fiscal Office, City Hall, 1300 Perdido Street, Room 1E06, New Orleans, LA 70112 or by e-mail to btavalos@nola.gov or cjaquillard@nola.gov

Fifteen (15) copies of the submission, including samples of work products, must be submitted in hard copy form by 3:00 p.m. on Friday March 4, 2011 to the City Council Chief of Staff Office, Room 1E06 City Hall, 1300 Perdido Street, New Orleans, LA 70112. Where possible, an electronic version of the proposal should also be submitted to btavalos@nola.gov or cjaquillard@nola.gov

A Selection Review Committee composed of the Council Chief of Staff, the Council Research Officer, the Council Fiscal Officer, and/or Council Utility Regulatory Officer will review and evaluate the submissions, and select qualified proposals for referral to the Council Pension and Retirement Committee. If more than five (5) responses are received, the Selection Review Committee shall review all responses, but it is authorized to eliminate from consideration, if it deems doing so appropriate, all but the five (5) most qualified and responsive respondents. For each submission selected for

referral, the staff committee will contact one or more of the persons suggested as references.

The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee relating to the procurement of goods or services by the city, including meetings involving third party transactions. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all city meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio recorder or court stenographer may be utilized to record all selection or negotiation committee meetings attended by the Office of the Inspector General.

5. Selection Process

The report of the Selection Review Committee will be provided to the Council Pension and Retirement Committee. The Council Pension and Retirement Committee may interview one or more of the respondents selected by the evaluation committee, and may then make a recommendation to the City Council. The Council, by a majority vote of its entire membership and by motion, may accept or reject the Committee's recommendation and choose one of the other firms/individuals submitted by the Selection Review Committee to the Council Committee. If a proposed contract cannot be negotiated with the firm/individual initially chosen, one of the other firms/individuals submitted by the Selection Review Committee may be chosen; and a proposed contract negotiated. If the Council does not choose one of the firms/individuals submitted by the Selection Review Committee, the Council may choose to begin the selection process again.

It is anticipated that the selection process will be completed during March 2011 and that the Council will retain the successful respondent prior to March 18, 2011.

6. Duration of Agreement

The services to be provided under the terms of any agreement shall begin on such date and shall end on such date as the parties will negotiate after selection of the contractor. It is understood and acknowledged by all signers to any Agreement that work described is to be accomplished during the time period specified herein. The terms, conditions and duration of any Agreement may be modified by an executed, written amendment to any Agreement.

The Contract period will be for one year from date of execution, subject to extensions based upon project status, availability of funding and contract performance. If the contract is extended, the terms including the scope of services and compensation rate

and maximum payment, will be subject to revision by mutual, negotiated agreement of the parties. In the event that a contract extension is considered, the rate of compensation, the scope of services, and maximum compensation shall be negotiated between the City Council and the Contractor. However, the City Council reserves the right to refuse contract extensions without cause.

7. Cancellation

Either party to any Agreement may terminate said Agreement at any time during the term of the Agreement by giving the other party written notice of said intention to terminate at least thirty (30) days before the date of termination.

8. Indemnification

The Contractor shall indemnify and hold harmless the City Council against any and all claims, demands, suits, judgments of sums of money to any party accruing against the City Council for loss of life or injury or damage to persons or property growing out of, resulting from, or by reason of any act or omission of the operation of the Contractor, his agents, servants or employees while engaged in or about or in connection with the discharge or performance of the services to be done or performed by the Contractor hereunder, and shall also hold harmless from any and all claims and/or liens for labor, services, or materials furnished to the Contractor in connection with the performance of his obligations under this agreement.

9. Questions

All questions relating to this RFP shall be in writing and must be received to the attention of Council Fiscal Office, City Hall, Room 1E06, 1300 Perdido Street, New Orleans, LA 70112 (fax 504-658-1089) by no later than seven (7) days prior to the Due Date of March 4, 2011. All responses will be provided in writing. During this selection process, no other written or oral communications from potential respondents regarding this RFP shall be made to any Councilmember or City employee other than as provided for herein.

10. Additional Information

The City of New Orleans is not liable for any costs incurred prior to entering into a formal written contract. Any costs incurred in the preparation of the statement, interview, or other pre-contract activity are the responsibility of the person submitting the statement.

All submissions become the property of the City and as such are public information. The City will assert ownership of all work products.

The contractor will invoice the City Council on a monthly basis during the term of the contract. Work shall be detailed in increments of one-tenth of an hour.

The contract shall contain a provision that any subcontractor proposed to be retained by the respondent to perform work on the contract with the City Council must be approved in advance of such retention by Motion of the Council. The Council may require information on ownership interests in the sub-contractor prior to approval of the sub-contractor's retention.

Section 9-1120, Chapter 2 of the Code of the City of New Orleans, relative to the Office of Inspector General provides in part as follows:

"Every city contract and every bid, proposal or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter."