

Watertown Contributory Retirement System

Administration Building, 149 Main Street
Watertown, MA 02472
617-972-6456

The City of Watertown Contributory Retirement System is soliciting proposals from qualified firms to submit written fixed fee proposals to conduct an annual actuarial study of the City's outstanding pension liability. The quoted fee must consist of a five-year pricing schedule.

The selection and hiring of a qualified firm is subject to the provisions of G.L. c.32 S 23B.

SCOPE OF SERVICES

The Governmental Accounting Standards Board requires a valuation be performed at least every two years for financial reporting purposes and PERAC recognizes a private valuation as meeting the requirements in M.G.L. c.32 S 21(3), provided that the PERAC staff has the opportunity to work with the private consultant.

Required services consist of the following:

Please find attached to this RFP a copy of the System's recent actuarial valuation report. Valuation reports shall, at a minimum, include the same level of detail as the attached report.

The actuary shall analyze and review the most recent actuarial study and assist the Board in its submission of a funding schedule to PERAC. The System will make available to the successful bidder, should a bidder be selected, the necessary record keeping information for said bidder, to be in a position to complete the actuarial study.

1. Valuation schedule of the pension fund for each of the five years shall be performed as follows:

Beginning January 1, 2025 – Full valuation
Beginning January 1, 2026 – Full valuation
Beginning January 1, 2027 – Full valuation
Beginning January 1, 2028 – Full valuation
Beginning January 1, 2029 – Full valuation

2. Upon submission of the written valuation report (expected 6 weeks after giving the assignment) to the Board, the successful bidder shall make a detailed oral presentation of its findings at a meeting of the Board.

3. Every year, the Board requires an update to the funded status of the plan for purposes of determining if an update to its funding schedule is warranted. For this purpose, actual asset values are used in conjunction with estimated, rolled forward, prior year plan liabilities.

4. Further, the actuary will produce GASB Statements No. 67 and 68 Accounting Valuation Reports on an annual basis.

5. Additional services that may be required would be attendance at various meetings and to provide additional valuation scenarios

SUBMISSION OF PROPOSALS

Qualified firms wishing to present the Board with a formal proposal for providing independent actuarial services should forward (7) copies of their proposal, including completion of the enclosed documentation, to:

Kayla J. Sheehan, Executive Director
Watertown Contributory Retirement System
Administration Building, 149 Main Street
Watertown, MA 02472

not later than 2:00 PM (Eastern Daylight Time) on September 30, 2024. Any proposals received after 2:00 PM September 30, 2024 will not be accepted.

The proposal shall contain two (2) sealed envelopes.

#1 Labeled:

“Watertown Retirement Board – Actuarial Proposal – Your Firm’s Name”

#2 Labeled:

“Watertown Retirement Board – Actuarial Fee Proposal – Your Firm’s Name”

Responses should include:

- A cover letter that is signed by an official with power to bind the proposal and a statement that the proposal is firm through February 28, 2024.
- The number of Massachusetts Public Pension Systems for whom your firm has provided actuarial studies.
- A description of the proposed methodology to be followed.
- Copy of prior studies performed.
- The amount of error and omissions insurance carried by the Firm.

All proposals will be opened and reviewed by the Watertown Retirement Board at 9:00 AM, October 23, 2024. All responses shall be deemed to be a public record and shall remain the property of the Watertown Retirement Board.

The intention of the Watertown Retirement Board is to award the actuarial services contract no later than November 21, 2024.

EVALUATION CRITERIA AND RATING

Each proposal will be rated in the following manner and on the following criteria.

1. Experience of the Proposer in providing actuarial services to other public pension funds, with preference given to those firms with experience providing actuarial services to Massachusetts public pension funds subject to Massachusetts General Law, Chapter 32.

Highly Advantageous: The Proposer has ten (10) or more years of experience in providing actuarial services to Massachusetts public pension funds.

Advantageous: The Proposer has ten (10) or more years of experience in providing actuarial services to public pension funds outside the Commonwealth of Massachusetts.

Not Advantageous: The Proposer has three (3) or less years of experience in providing actuarial services to public pension funds.

Unacceptable: The Proposer does not have experience in providing actuarial services to public pension funds.

2. The size of the firm, the experience of the actuaries and support staff and the availability of the staff that will be assigned to this contract.

Highly Advantageous: The firm is of such size and presents staff that is experienced and capable of providing high quality actuarial services as described in the RFP. The firm's location or availability is ideal for performing the services required by this RFP.

Advantageous: The firm is of such size and presents staff that has sufficient experience to provide actuarial services as described in this RFP. The firm's location or availability is acceptable for performing the services required by this RFP.

Not Advantageous: The firm is of limited size and has not sufficiently described the staff or their experience relative to providing the actuarial services as described in this RFP. The firm's location or availability appears to be a hindrance in performing the services required by this RFP.

Unacceptable: The firm is not of sufficient size and has not described a sufficient level of experience to perform the services contained in this RFP.

3. Quality of the Proposal.

Highly Advantageous: The Proposer has submitted a proposal that is complete in all respects, follows the organization of the RFP and responds to all requirements. The Proposal is clear, concise and easy to understand.

Advantageous: The Proposer has submitted a proposal that is complete in all respects, generally follows the organization of the RFP and responds to all requirements.

Not Advantageous: The Proposer has submitted a proposal that is nearly complete in all respects, although it does not follow the organization of the RFP and responds to most of the requirements.

Unacceptable: The Proposer has submitted a proposal that is not complete and does not follow the organization of the RFP.

4. Methodology and Time Schedule for Completing the Valuation(s).

Highly Advantageous: The proposal clearly describes a reasonable and attainable schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal is clear and the data requirements are what normally expected with a professionally performed actuarial valuation.

Advantageous: The proposal describes a schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal and the data requirements meet the minimum standards for the actuarial valuation required by this RFP.

Not Advantageous: The proposal does not provide a schedule for completing the valuations required by this RFP in a timely manner. The methodology described in the proposal is unclear and the data requirements do not meet the minimum requirements for the actuarial valuation required by this RFP.

Unacceptable: The proposal does not provide a schedule or a methodology to meet the minimum requirements of this RFP.

5. Annual Appropriation Assessment.

Highly Advantageous: The proposal describes the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC. The proposal commits to reviewing the data developed by the retirement system, performing calculations and responding to inquiries relative to the development of the annual appropriation assessment. The proposal also offers consulting services in support of exploring innovative assessment options that improve or change the manner in which the retirement system assesses its member units.

Advantageous: The proposal describes the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC. The proposal commits to reviewing the data developed by the retirement system performing calculations and responding to inquiries relative to the development of the annual appropriation assessment.

Not Advantageous: The proposal does not or does not clearly describe the actuarial consulting services to be provided to the retirement system in developing the annual appropriation assessment for submission to PERAC. The proposal does not clearly commit to reviewing the data developed by the retirement system, performing calculations and responding to inquiries relative to the development of the annual appropriation assessment.

Unacceptable: The proposal does not contain any information relative to consulting services for the development and submission of the annual appropriation assessment information.

6. The Proposer's experience with PERAC.

Highly Advantageous: The Proposer has performed multiple valuations that have been accepted by PERAC and the proposer has demonstrated a long-standing ability to respond to direction from PERAC in the conduct of valuation studies.

Advantageous: The Proposer has performed some valuations that have been accepted by PERAC and the proposer has demonstrated some ability to respond to direction from PERAC in the conduct of valuation studies.

Not Advantageous: The Proposer has not performed valuations that have been accepted by PERAC and the proposer has not demonstrated the ability to respond to direction from PERAC in the conduct of valuation studies.

Unacceptable: The proposal does not address any prior experience with PERAC in the preparation of valuation studies.

ACCEPTANCE AND AWARD:

The Board will select the most advantageous proposal based on the ratings and written evaluation of the Watertown Retirement Board. The most advantageous proposal may not be the lowest cost proposal and it may not have the highest composite ranking. The selected proposal will be based on the Board's evaluation of the costs and benefits associated with each proposal. The proposal selected will be that which provides the best combination of quality and price for the System. The Board reserves the right to interview any Proposer for any purpose during this evaluation process. Further, the Board reserves the right to seek clarification on any aspect of any proposal as part of their review. The Board may elect to schedule a final interview process with selected firms.

CONTRACT TERM AND FEES

The execution of a written contract will be required which is subject to approval of the Watertown Retirement Board. Failure of the parties to agree on mutually acceptable contract language will void the award of the proposed engagement of the selected respondent. The Watertown Retirement Board shall have sole discretion in determining whether the parties are unable to reach agreement on the language of the written contract. The contract shall begin upon acknowledgement from PERAC that that the proper filings have been received and continue until the satisfactory completion of services.

Please supply the fee schedule that you will apply to this account for each period covered under the RFP. Please describe your billing policy, including frequency. Also, please describe services which may be considered to be outside those associated with the proposal and the related costs for such services.

DOCUMENTS TO BE SUBMITTED:

1. Proposal for Services
2. Proposal for Pricing
3. Completed Vendor Certification
4. Sample Reports