



REQUEST FOR INFORMATION

RFI No: 4000005776

**RFI Title: OPEB (Other Post-Employment Benefits)
Actuarial Services**

Issue Date: September 01, 2017

**Responses Due: September 15, 2017,
4:00PM**

Timely responses are encouraged.

In the event of County closures due to inclement weather, emergency, or any published event, solicitation closings will automatically be moved to the next business day.

Refer Questions to:

Anna Hathorne, Procurement Analyst

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Submit Responses to:

Multnomah County Purchasing

501 SE Hawthorne Blvd, Suite 125

Portland, OR 97214

(Electronic submission is preferred)

Email: anna.hathorne@multco.us

INTRODUCTION

The Multnomah County (The County), Department of County Management (DCM), Finance and Risk Management Division seeks responses from firms that are interested in providing information from qualified professional vendors for actuarial and administrative support services related to The County's Other Post-Employment Benefits (OPEB) as defined by Governmental Accounting Standards Board (GASB) Statement Number 75 and GASB Statement Number 45 (that has not been superseded).

Information gathered as a result of this Request for Information (RFI) may assist the County in the construction of any potential solicitation(s) and provide the County knowledge of available services or products in the market place. **There shall be no monetary exchange or contract resulting from this RFI.** The County, at its sole discretion, may request product demonstrations from any or all qualified respondents.

BACKGROUND AND POTENTIAL SCOPE OF PROJECT

Multnomah County (the County) is responsible for the funding of certain post-employment benefits, other than pension benefits. With respect to Other Post-Employment Benefits (OPEB) plans, the County funds all current contributions on a pay-as-you-go basis and does not deposit contributions into a trust fund, as defined by GASB Statement Numbers 75, and 45, to pay for future costs.

The County administers a single-employer defined benefit healthcare plan whereby benefit provisions are established through negotiations between the County and representatives of eleven collective bargaining units. In general, the defined benefit healthcare plan states the County shall pay 50 percent (50%) of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's 58th birthday or date of retirement, whichever is later, until the retiree's 65th birthday, death or eligibility for Medicare, whichever is earlier. Retirees must have five (5) years of continuous County service immediately preceding retirement at or after age 58 years or 10 years of continuous County service immediately preceding retirement prior to age 58. The County's post-employment medical plan does not issue a publicly available financial report.

The County's OPEB liability reported in prior years has historically included three parts: (1) the explicit subsidy, (2) the implicit subsidy, and (3) a life insurance benefit. The **explicit subsidy** represents the portion of the liability attributable to the premium subsidy provided by the County to employees who meet certain criteria. The **implicit subsidy** represents the additional cost of providing health care to retirees above the premium charged for those retirees. The cost of health care has historically increased with increasing age, but the premiums are the same regardless of age for all employees and retirees who are not eligible for Medicare. As a result, the cost of providing health care to older employees and retirees generally exceeds the premium, and the premium for younger employees generally exceeds the cost of providing health care to those employees. The post retirement **life insurance benefits** represent a small portion of the County's total liability.

The County's last published actuarial valuation was January 1, 2015, which assumed eighty-six percent (86%) of future pre-65 retirees and fifteen percent (15%) of future post-65 retirees would elect coverage. Rates were assumed using two experience studies:

1. The 2013 Oregon PERS (Public Employee Retirement System) Experience Study for OPSRP (Oregon Public Service Retirement Plan):
 - Rates of retirement for OPSRP members.
2. The 2013 Oregon PERS Experience Study:
 - Rates of retirement for Tier 1 and Tier 2 members,
 - Termination rates,
 - Mortality rates, and
 - Disability rates.

Below are the number of active retiree/beneficiaries medical and dental memberships as of June 30, 2016:

1. Retirees and beneficiaries receiving medical benefits	656
2. Retirees and beneficiaries receiving dental benefits	758

The County engages an actuarial firm to perform all recurring and non-recurring services and providing strategic planning components related to its OPEB plan as outlined below.

Recurring services include:

- Preparation of actuarial valuation reports as required by GASB Statements Numbers 45 & 75, frequency to be determined. The final report will include an actuarial certification as to the accuracy of the results and will be due on or before September 30th of the respective valuation year.
- Review and analysis of employee data on all current retirees, beneficiaries, and active employees who eventually become eligible for benefits; reviewing for reasonableness comparing it with expectations and key demographics.
- Review and analysis of claims data using historical medical and prescription drug claim experience for the active employees and retirees as the basis for developing expected future claim costs for these groups including the development of projections and trend experience data.
- Discussion (verbal and written) of assumptions and any requirements of GASB 75 that allow options with County staff to review the complete data to finalize valuation assumptions to obtain sign off from County staff on key assumptions.
- Valuation processing using contracted actuarial consultant's proprietary actuarial valuations system reflecting the County's specific plan provisions, employee data, claims experience, and the actuarial assumptions that are agreed upon during of the appropriate stage of the project.
- Preparation of a draft report for The County as of the initial valuation date that will meet GASB 75 standards, reporting and tables for disclosure requirements. Review of the draft report with The County in detail ensuring that all required elements are present in the report; that The County understands the results and presentations; and confirmation of the methodology and assumptions that were used in preparation of the draft report.
- Provision of financial impact analysis including an evaluation of key metrics having impact of cost of health care delivery, and a review of both fixed and variable elements that contribute to variable plan costs.
- Assisting external auditors in connection with audits of OPEB plans as related to the valuation and financial report.

Nonrecurring services include:

- Provision of actuarial consulting services to Department of County Management (DCM) staff and assistance with the implementation of GASB Statement Number 75.
- Provision of a financial impact analysis for changes as a result of implementing GASB Statement Number 75 or other benefits plan modifications as needed.
- Preparation of all related OPEB forms required by state and federal statutes, if any.
- Assistance and attendance at meetings as required or requested by the DCM staff or the Board of County Commissioners
- General actuarial consulting to DCM staff and the Board of County Commissioners.

Strategic planning components include:

- Updating the County on any changing legislations and regulations that are relevant to the administration of the OPEB plan
- General actuarial consulting to County DCM staff and the Board.
- Provision of copies of all files, correspondence, and records, within thirty (30) days upon termination of appointment as actuary, at no cost to The County.

REQUESTED INFORMATION

Please provide answers to the following questions. In your response, please follow the format and numbering sequence below.

1. Using a cover letter format introducing your firm and include the following:
 - a. Firm name, address, and telephone number(s).
 - b. Name, title, street address, e-mail address, and telephone number of the primary contact(s) who are authorized to represent the firm in responding to this RFI and potential future procurement or contractual concerns.
 - c. Printed name, title and signature of a corporate officer or other individual who is legally authorized to provide this information on behalf of your firm.
 - d. Briefly state your understanding of the services to be performed as described in the Background and Scope of Project section above.
 - e. Indicate your firm's interest in responding to a potential future solicitation as a result of this RFI.
2. General vendor information:
 - a. Does your firm offer OPEB consulting services?
 - b. Does your firm offer any services in addition to actuarial services? If yes, please briefly describe additional services.
 - c. Provide the length of time your firm has been in business, and duration of providing services described in the Background and Potential Scope of Project section above.
 - d. Does your firm currently do business with other government agencies? If yes, please list them.
 - e. Provide the number of full-time personnel by position title and location.
 - f. Provide the location of the business headquarter and any field offices, specifying location of office that would service the County's account.
3. Description of Services and Work Plan:
 - a. Briefly describe how your firm is in the position to provide the actuarial and OPEB services listed above in the Background and Potential Scope of Project section, and provide a brief history of your firm's experience on providing similar services.
 - b. Briefly describe your firm's technical plan for accomplishing the recurring services described above in the Background and Project Scope section.
 - c. Briefly describe your firm's approach to the provision of OPEB actuarial services and your methodology for providing on-going support.
 - d. Provide an estimate of the number of person hours anticipated.
4. Contract Default/Termination –Please indicate if your firm has had any contract defaults or terminations in the past five (5) years.
5. Multnomah County seeks to partner with vendors who demonstrate a commitment to responsible business practices and sustainable operations that ensure minimal adverse impact on the environment, have positive economic impacts for our community, and promote social equity in business operations.

Please describe in detail how your firm engages in and promotes environmental, economic and social equity in daily business operations.

6. Additional information - Provide any other information your firm thinks would be of interest to the County that is not addressed in the questions above.

CONFIDENTIALITY

Multnomah County is required to disclose non-exempt public documents pursuant to ORS 192.410-192.505). ORS 192.502(4) exempts the County from disclosing information submitted in response to a solicitation where the information is such that it “should reasonably be considered confidential.” A respondent who determines that information within a response meets the statutory requirement and desires that such information remain confidential shall mark the bottom of the pages containing such information with the word “CONFIDENTIAL.”

If a respondent marks every page of a response as “CONFIDENTIAL”, the statutory requirement is not met; any response so marked will not be deemed to have been submitted in confidence and upon request, the entire response will be disclosed.

The County will keep properly marked information confidential unless ordered to release the information and materials by the District Attorney pursuant to ORS 192.460.

SUBMITTED MATERIALS PROPERTY OF COUNTY

All materials submitted for any portion of this Request for Information shall become the property of the County and will not be returned to respondents.

RESPONSE SUBMISSION

Respondents to this Request for Information (RFI) must submit responses by the date/time on the first page. Responses may be mailed, hand-delivered or emailed to the County at the address listed per the instructions on the first page. Electronic submission preferred.