City and County of San Francisco

Office of the Controller

REQUEST FOR PROPOSALS FOR

Actuarial and Consulting Services

RFP#CON2011-03

CONTACT: Jason Renteria, Jason.Renteria@sfgov.org, (415) 554-5328

Background

San Francisco is the fourth largest city in California and serves as a center for business, commerce and culture for the West Coast. The City and County of San Francisco ("the City"), established by Charter in 1850, is a legal subdivision of the State of California with the governmental powers of both a city and a county under California law. The City's powers are exercised through a Board of Supervisors serving as the legislative authority, and a Mayor and other independent elected officials serving as the executive authority.

The City seeks proposals from firms demonstrating successful experience providing actuarial and consulting services in the either or both of the following areas:

Service Area 1:
GASB 45 – Actuarial Valuation Services.

Service Area 2:
Actuarial, Healthcare Trust Fund Consulting, Audit, HealthCare Reform and General Services for the Health Service System and Board.

Proposers must have experience providing actuarial and consulting services to large, complex public or private sector clients.

All actuarial, auditing, consulting, and general services must be performed under the direct supervision of a lead staff member who is a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries.

Intent of this Request for Proposals (RFP)

It is the intent of the City to identify the most responsive and qualified Proposer(s) to negotiate a contract for GASB 45 – Actuarial Valuation Services described under Service Area 1 of this RFP, a contract for Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services for the Health Service System and Board described under Service Area 2 of this RFP and contracts for as needed services in both Service Area 1 and 2. Proposers are not guaranteed a contract.

Anticipated Contract Term

Based on this RFP's schedule, the anticipated contract terms will be July 1, 2011– June 30, 2014, with the option to extend the contract for up to two (2) additional years. Actual contract terms may vary, depending upon service and project needs at the City's sole, absolute discretion. Proposers selected must be available to commence work on or before July 1, 2011.

3-YR Base contract w/ option

The City has the option to award separate contracts for Service Area 1 and Service Area 2, and for as-needed services. Proposals submitted for both Service Areas will be evaluated separately.

Anticipated Contract Budget

The anticipated not-to-exceed contract budget for the three year base period for Service Area 1 is $200,000. The anticipated not-to-exceed contract budget for the three year base period for Service Area 2 is $1,500,000. Funds for additional terms will be negotiated via amendment. Proposals providing a lower cost estimate are welcomed due to the City's budgetary constraints. Budgets for as-needed contracts are to be determined. The City seeks proposals demonstrating an efficient, effective approach with measurable program deliverables and outcomes.

Schedule*

RFP issued	04-13-11
RFP re-issued	05-02-11
Advance RFP questions deadline	04-25-11 (12 pm PT)
Answers posted online	05-02-11 (5 pm PT)
Deadline for proposals	05-13-11 (12 pm PT)
Contract award intent notification	06-09-11
Contract begins	07-01-11

*Each date subject to change. All hours are Pacific Time. Check website for latest schedule.

RFP Questions and Communications

Interested parties, including Proposers, are specifically directed NOT to contact any employees or officials of the City other than those specifically designated in this RFP and its Attachments. Unauthorized contact may be cause for rejection of proposals at the City's sole and absolute discretion.

In lieu of a pre-proposal conference and to ensure fair and equal access to information about this RFP, e-mail your questions to Jason Renteria at Jason.Renteria@sfgov.org. ***Questions must be in writing and received before 12:00pm PT on April 25, 2011.*** No questions will be accepted after this time with the exception of City vendor compliance or Human Rights Commission subcontracting requirement questions.

A summary of the questions and answers pertaining to this RFP will be posted on the City Controller's Office website at http://www.sfcontroller.org/solicitations.

1. Introduction

1.1 General Terms Used in the RFP

The "Proposer" refers to any entity submitting a proposal to this Request for Proposals ("RFP"). The "Contractor" refers to the Proposer awarded a contract for services under this RFP. Other abbreviations used throughout this RFP include:

- **ACO** – Accountable Care Organization
- **AOSD** – Accounting Operations and Systems Division (AOSD) of the Controller's Office
- **ARC** – Annual Required Contribution
- **Board** – Health Service Board
- **CAFR** – Comprehensive Annual Financial Report
- **City** – The City and County of San Francisco
- **COWCAP** – Countywide Cost Allocation Plan
- **DMO** – Dental Maintenance Organization
- **GASB** – Government Accounting Standards Board
- **GASB45** – Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions
- **HMO** – Health Maintenance Organization
- **HSS** – Health Service System
- **NB Fund** – Negotiated Benefits Fund
- **OPEB** – Other Post Employment Benefits
- **PPO** – Preferred Provider Organization
- **System** – Health Service System
- **Trust Fund** – Health Service System Trust Fund

1.2 Background of Actuarial and Consulting Services

The City and County of San Francisco, California ("City") seeks responses from firms demonstrating successful experience in providing actuarial and consulting services to provide GASB 45 Valuation Services (Service Area 1) and Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services (Service Area 2), as well as additional as needed actuarial and consulting services.

The requested Actuarial and Consulting services are highly specialized. Actuary firms providing these services must be familiar with Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, experienced handling large, multi-plan and multi-tier employers such as the City of San Francisco and have access to specialty expertise and complex information analysis tools.

All actuarial, auditing, consulting, and general services must be performed under the direct supervision of a lead staff member who is a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries.

1.3 Service Area 1 - GASB 45 Valuation Services

Governmental Accounting Standards Board GASB Statement Number 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) states in general that governments should account for and report the annual cost of other post employment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. These amounts should be produced by actuarial valuations performed in accordance with parameters established by the GASB. The valuations should be conducted at least every two years for plans that administer OPEB for 200 or more plan members (both active employees and retirees). Actuarial valuations generally should follow accepted actuarial practices as set forth by the Actuarial Standards Board.

The City and County of San Francisco's last GASB 45 valuation was performed using census data as of June 30, 2008, and provided the annual required contribution (ARC) for the fiscal year ending June 30, 2010. The Contractor awarded a contract for services under this RFP will perform valuations using census data as of June 30, 2010 and June 30, 2012 to provide the ARC for the fiscal years ending June 30, 2012 and June 30, 2014 respectively.

Since the prior valuation, using June 30, 2008 census data, an important change has been made to the manner in which the City and its employees fund retiree medical benefits. For employees hired on or after January 10, 2009 there are new plan provisions which affect retiree medical benefits, including employee and City contributions. As a result, costs are expected to be lower with respect to new employees, and the City and County expects the impact of this change to first be reflected in the ARC for the fiscal year ending June 30, 2012, subject to plan experience over the inter-valuation period.

1.4 Service Area 2 - Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services

The City's Health Service System (HSS) currently administers benefits for approximately 109,000 members and their dependents, which include both active and retired employees and dependents of the City and County, the San Francisco Unified School District, the San Francisco Community College District, and the San Francisco Superior Court.

HSS currently offers a selection of three medical plans including one self-insured PPO plan, administered by a third-party administrator, and two fully-insured HMO plans. As of July 1, 2010, all of the medical plans provided by HSS include vision care provided by Vision Service Plan. In addition, HSS offers employees of the City and County and all retirees a selection of three different dental plans. Employees may choose among a self-insured traditional indemnity plan, administered by a third-party administrator, and two fully-insured DMO plans. Retirees may choose among three dental plans—a fully-insured traditional indemnity plan offered by HSS and two fully-insured DMO plans. The medical plans are funded from the Health Service System Trust Fund (Trust Fund) established pursuant to Section 12.203 of the San Francisco Charter. The dental benefits, on the other hand, are funded through a negotiated benefits fund (NB Fund). Further information about the medical and dental plans currently offered by HSS may be found on the HSS website at: http://www.sfgov.org/site/hss_index.asp.

In addition to these medical and dental benefits, HSS currently provides to certain employees participating in HSS (a) healthcare flexible spending accounts, (b) dependent care flexible spending accounts, (c) life insurance, (d) long-term disability insurance and (e) cafeteria plans for certain management positions. HSS utilizes outside vendors in connection with each of these benefits. These benefits are funded through the NB Fund.

HSS produces consolidated annual financial statements for the Trust Fund and the NB Fund. These financial statements are audited annually by auditors retained by the San Francisco Controller's Office.

1.5 Roles of City Departments in this RFP and resulting contracts

The primary mission of the Controller's Office Accounting Operations and Systems Division (AOSD) is to control the financial activities of the City. The division certifies contracts, pays vendors, approves personnel requisitions and reviews, monitors, controls, and projects departmental expenditures on a continuous basis to assess overall fiscal condition. The division is responsible for producing the City's annual audited financial statements including the Comprehensive Annual Financial Report (CAFR), the Single Audit Report, and other reports required by federal, state, and local regulations, as well as the Countywide Cost Allocation Plan (COWCAP). Other functions include developing and maintaining citywide financial systems, system policies, procedures, training, security, and documentation. AOSD staff will manage contracts awarded for Service Area 1.

The City and County of San Francisco Health Service System (the System) is a department of the City and County that is reflected as an Other Employee Benefit Trust Fund in the City and County's Comprehensive Annual Financial Report. The System became an independent department of the City and County on July 1, 2005, and is the primary purchaser and administrator of health, dental and other non-retirement benefits for employees and retirees (and their respective eligible dependents) of the City and County of San Francisco, the San Francisco Unified School District, the San Francisco Community College District and the San Francisco Superior Court. Since July 1, 2005, the System is governed by the Health Service Board (Board). The seven-member Board consists of two members appointed by the Mayor, one member appointed by the President of the Board of Supervisors and four members elected by the members of HSS. The Board is responsible for ratifying all primary service providers of the System, including the approving the Contractor selected to perform work under Service Area 2 of this RFP. HSS staff will manage contracts awarded for Service Area 2.

Controller's Office staff will oversee this RFP process. For more information regarding the Controller's Office and City Services Auditor, visit http://www.sfcontroller.org/.

2. Scope of Work

This scope of work is a general guide to the work the City expects to be performed, and is not a complete listing of all services that may be required or desired.

To minimize duplication of effort and to allow the City to coordinate data requests and data available for the services requested within this RFP, as well as for previous and future projects, the selected Contractor's findings and data may be shared by the City with other City Contractors, as deemed appropriate by the City.

Each Proposer should demonstrate its capabilities by providing responses to RFP Attachment V, Proposal Template. Qualified Proposers may bid on either Service Area 1 or 2 or both. Firms are requested to indicate if they are submitting a proposal either Service Area 1 or 2 or both and to submit separate, independent proposals to each Service Area. See RFP Attachment V.

Selected Proposers will work closely with City staff, composed of staff from the Controller's Office and Health Service System, among other City departments.

Successful completion of the following shall be established by negotiated Agreements between the City and Contractor:

2.1 Service Area 1: GASB-45 Valuation Services, including but not limited to, calculation of the actuarial accrued liability, normal cost, annual required contribution, net OPEB obligation, projected benefit payments, and actuarial gains and losses.

The Contractor selected in this Service Area shall perform GASB-45 valuation services and other as needed actuarial and consulting services. Required services may include:

2.1.1 Actuarial Services

Perform GASB 45 – Actuarial Valuations using data as of June 30, 2010 and June 30, 2012 to provide Annual Required Contribution (ARC) calculations and necessary material for the Comprehensive Annual Financial Report (CAFR) to comply with GASB OPEB reporting and disclosure requirement for the fiscal years ending June 30, 2012 and 2013 (June 30, 2010 data) and June 30, 2014 and 2015 (June 30, 2012 data). The Contractor shall perform the actuarial valuations in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks (may include, but are not limited to):

1. Prepare the necessary material for the Comprehensive Annual Financial Report (CAFR) to comply with GASB OPEB reporting and disclosure requirements, including calculating the actuarial accrued liability, normal cost, annual required contribution, net OPEB obligation, projected benefit payments, scenario analysis, and actuarial gains and losses.
2. Prepare and review project plan with the City.
3. Review the methods and assumptions to be used in the GASB 45 valuation and document them for City review and approval.
4. Facilitate a "kick-off" meeting.
5. Prepare a data request template.
6. Review the data for internal consistency and reasonableness compared to the prior valuation, but will not perform a complete audit of the data.
7. Communicate any data gaps identified to the City in a timely manner.
8. Conduct inter-valuation gain/loss analysis to determine reasons for changes in the unfunded actuarial accrued liability, whenever a prior actuarial valuation is available to support this.
9. Develop implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
10. Provide a formal public presentation of the reported findings.

Deliverables (may include, but are not limited to):

1. Presentation of Valuation Results. To include, the results of the valuation, including the actuarial accrued liability, normal cost, annual required contribution, net OPEB obligation, projected benefit payments, scenario analysis, and actuarial gains and losses in plain language using PowerPoint.
2. Final Valuation Report. To include, the actuarial accrued liability, normal cost, annual required contribution, net OPEB obligation, projected benefit payments, scenario analysis, and actuarial gains and losses as mandated by GASB45 and CAFR reporting requirements.
3. Presentation of Proposed Assumptions and Methodologies. To include, assumptions and methodologies, highlighting and explaining reasons for and expected impact of changes from previous valuations in plain language using PowerPoint.
4. Other deliverables as requested by the City to effectively monitor achievement of the above Deliverables and Tasks.

2.1.2 As-Needed Actuarial and Consulting Services

Provide additional actuarial and consulting services on an as-needed basis, as determined and requested by the City. Any as-needed services are subject to the City's review and approval of scope and budget, including staffing, timeline, deliverables, and costs.

Tasks (may include, but are not limited to):

1. Perform actuarial services as required to be in compliance with GASB pronouncements.
2. Perform other as needed actuarial and consulting services.

2.2 **Service Area 2:** Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services.

The Contractor selected in this Service Area shall provide Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services. Required services may include:

2.2.1 Actuarial Services

Perform professional actuarial, financial, or benefits expertise, analysis and counseling required by Health Service System for the Healthcare Trust Fund, in the normal and regular course of its operations. The Contractor shall perform the actuarial services in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks (may include, but are not limited to):

1. Calculate annual rates for the medical PPO self-insured plan with approximately 8,000 members and the dental DPO self-insured plan with approximately 26,500 members, in accordance with currently adopted policies and other policies to be adopted from time to time by the Board. (I.e. some current policies include "Self-Funded Plans Funding Policy" and the "Reserving and Contingency Margin Policy". Anticipated future policy to be adopted that will affect the annual rates is an "Early Retiree Reinsurance Program Funds Policy". See currently adopted policies attached.) Conduct retrospective rate review and analysis as part of the annual rate-setting process.
2. Calculate contribution amounts for participating employers and HSS members, in accordance with policies currently adopted and other policies to be adopted from time to time by the Board (i.e. some current policies include "Self-Funded Plans Funding Policy" and the "Reserving and Contingency Margin Policy". Anticipated new policy to include an "Early Retirement Reinsurance Program Funds Policy." – see currently adopted policies attached)
3. Calculate reserves for the medical PPO self-insured plan and the dental DPO self-insured plan, in accordance with the "Reserving and Contingency Margin Policy" currently adopted and other policies to be adopted from time to time by the Board.

4. Review and evaluate the existing Healthcare Trust Fund "Self-Funded Plans Funding Policy" and the "Stabilization Policy"; provide HSS and the Board with recommended changes, if any.

Deliverables (may include, but are not limited to):

1. Presentation of advice and recommendations to the Board and HSS staff with respect to setting the policies described above including addressing issues and providing recommendations to support long and short-term cost savings while ensuring regulatory compliance.
2. Annual actuarial certification and report to the Board of Supervisors pursuant to Section A8.422 of the Charter (and any similar or successor provisions of applicable law)
3. Annual regional/state and national benchmark analysis along with future trend projections using age adjusted and burden of illness profiling against regional/state/national benchmarks and models and best practice recommendations. Population profiling including risk and burden of illness.
4. Dashboard maintenance including establishing dashboard criteria for Accountable Care Organization's (ACO) and tracking results.
5. Other actuarial services and reports as needed.

2.2.2 Healthcare Trust Fund Consulting Services

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Perform professional consulting services required by Health Service System for the Healthcare Trust Fund, in the normal and regular course of its operations. The Contractor shall perform the consulting services, in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks (may include, but are not limited to):

1. Conduct review and analysis of HSS plans and benefits to assist in implementing or assessing the effectiveness of policies adopted by the Board from time to time.
2. Develop reports and other tools that assist the Board and HSS staff with monitoring and assessing current benefit plans or programs, including reports consolidating information separately available from individual plans or vendors.
3. Develop and conduct financial modeling of plans, benefits or proposals.
4. Provide advice and proactive recommendations to the Board and HSS staff with respect to the development of the policies described above and regarding Health Care Reform.
5. Provide advice regarding industry best practices, trends and developments, Accountable Care Organizations, including recommendations for changes to plans and Board policies.
6. Assist with evaluating the performance of plans and vendors.
7. Assist with requests for proposals for benefits or services and assistance with interim rate renewals.
8. Assist and participate with HSS on establishment, implementation, and measurement of the impact of an Accountable Care Organization.
9. Other consulting services as needed.

Deliverables (may include, but are not limited to):

1. Review and analysis of HSS plans and benefits to assist in implementing or assessing the effectiveness of policies adopted by the Board.
2. Reports and other tools that assist the Board and HSS staff with monitoring and assessing current benefit plans or programs, including reports consolidating information separately available from individual plans or vendors.
3. Financial models of plans, benefits or proposals.
4. Consulting services, including advice, recommendation and participation, as requested from time to time by HSS staff and Board.

2.2.3 Auditing Services

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Perform professional auditing services required by Health Service System for the Healthcare Trust Fund, in the normal and regular course of its operations. The Contractor shall perform the auditing services, in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks (may include, but are not limited to):

1. Conduct claims and performance audits, (including but not limited to statistical claims review, claims processing staffing assessment, claims appeals, performance guarantee validation) of third-party administrators and other vendors.
2. Other auditing services as needed.

Deliverables (may include, but are not limited to):

1. Present Claims and performance audits (including but not limited to statistical claims review, claims processing staffing assessment, claims appeals, performance guarantee validation) of third-party administrators and other vendors.
2. Other auditing services as needed.

2.2.4 As-Needed Services

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Provide additional general services on an as-needed basis, as determined and requested by the City. These will include but not be limited to Medicare Part D Actuarial Attestation, Early Retirement Reinsurance Program projections, Regulatory Compliance review, and other Special Projects as noted below. The Contractor shall perform these general services, in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks (may include, but are not limited to):

1. Attend and present at Board and other HSS meetings Health Industry updates as needed. Presentations and handouts (PowerPoint slides) for posting on HSS' website should be understandable to the public and reflect plain language.

2. Prepare a detailed annual actuarial budget for services under this contract and provide quarterly reporting and revisions permitting the Board and HSS staff to adequately predict and monitor contract costs..
3. Provide advice and make recommendations pertaining to state and federal regulatory compliance. (Scope to be agreed between HSS and Contractor).
4. Medicare Part D Consulting pertaining to the Centers for Medicare Services Retiree Drug Subsidy program, including Actuarial Attestation.
5. Early Retiree Reinsurance Program (ERRP) Consulting, including projected reimbursements,
6. Special Project Services. "Special Project Services" shall mean any special reports, studies, evaluations, surveys comparisons, analyses or other services that are requested by HSS, in its sole discretion, outside the scope of the Core Services.

Deliverables (may include, but are not limited to):

1. Presentations, and handouts (PowerPoint slides), advice and recommendations to Board and HSS staff and stakeholders on Health Industry updates and state and federal regulatory compliance issues with be understandable and reflect plain language,
2. A detailed annual actuarial budget for services under this contract will be prepared at the beginning of each contract period with quarterly reporting and updates of billing of services permitting the Board and HSS staff to adequately predict and monitor contract costs.
3. Medicare Part D Consulting for the Centers for Medicare Services Retiree Drug Subsidy Program, including attestation.
4. Projections of reimbursement from HSS' participation in the Early Retiree Reinsurance Program (ERRP) and other related Consulting.
5. Special Projects as requested by HSS, in its sole discretion.

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2.2.5 Health Care Reform Services

Perform professional actuarial, financial, or benefits expertise, analysis and counseling on Health Care Reform to ensure HSS is in compliance with all mandated changes required by Health Care Reform and other Health Care Reform consulting. The Contractor shall perform the Health Care Reform services in accordance with accepted actuarial practices as set forth by the American Academy of Actuaries.

Tasks: (may include, but are not limited to)

1. Identify implications and develop strategies to respond to Health Care Reform requirements.
2. Develop long-term and short-term financial modeling of alternatives.
3. Advise on regulatory compliance.

Deliverables (may include, but are not limited to)

1. Presentation of Annual Rate Renewal Results. To include, the results of rate calculations including the retrospective analysis of historical rates and experience of the City's self-insured medical and dental plans, appropriateness and competitiveness of the benefit designs, calculation of

stabilization for the self-insured plans, maintenance of Trust Fund contingency margin per the Board approved contingency policy.

2. Presentation of Dashboard Results. To include Accountable Care Organization (ACO) metrics and results, performance guarantee results, and vendor comparative diagnostic metrics.
3. Presentation of Proposed Assumptions and Methodologies. To include, assumptions and methodologies, highlighting and explaining reasons for and expected impact of changes from previous rate renewals in plain language using PowerPoint.
4. Other deliverables as requested by the City to effectively monitor achievement of the above Deliverables and Tasks.

5 Wellness

3. City-Proposer Communications

Proposers are specifically directed NOT to contact any employees or officials of the City other than those specifically designated in this RFP and its Attachments. Unauthorized contact may be cause for rejection of proposals at the City's sole and absolute discretion.

Advance Questions

In lieu of a pre-proposal conference and to ensure fair and equal access to information about this RFP, e-mail your questions to Jason Renteria at Jason.Renteria@sfgov.org.

Questions must be in writing and received ***12 pm PT on Monday, April 25, 2011.*** No questions will be accepted after this time with the exception of City vendor compliance or Human Rights Commission questions.

A summary of all information, advance and pre-proposal questions and answers pertaining to this RFP will be posted on the Controller's Office website at http://www.sfcontroller.org/solicitations.

4. Proposal Submission Requirements

4.1 Time and Place for Submission of Proposals

Proposals and all related materials must be received by ***12 pm PT on Friday, May 13, 2011.*** Proposals may be delivered to the Reception Desk at City Hall, Room 316 or to:

Jason Renteria
Office of the Controller
City Hall, Room 388
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Postmarks will not be considered in judging the timeliness of submissions. Proposals submitted by e-mail or fax will not be accepted. Late submissions will not be considered, including those submitted late due to postal or delivery service failure. Note that Proposers hand-delivering proposals to City Hall may be required to open and make packages accessible for examination by security staff.

4.2 Proposal Package

The following items must be included in your proposal and packaged in a box or envelope clearly marked **RFP# CON2011-03 Actuarial and Consulting Services.**

Complete, but concise proposals, are recommended for ease of review by the Evaluation Team. Proposals should provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the RFP. Marketing and sales type information should be excluded. All parts, pages, figures, and tables should be numbered and clearly labeled.

A. **One (1) original printed proposal (with original signatures) labeled as "Original."** The pages should be bound by a method in which the sheets may be easily separated (e.g. 3-hole binder, binder clip, comb binding, velo binding, etc).

RFP Attachment I	Acknowledgement of RFP Terms and Conditions
RFP Attachment II	Human Rights Commission Local Business Enterprise Forms – 2 copies
RFP Attachment III	City's Administrative Requirements
RFP Attachment IV	City's Agreement Terms and Conditions
RFP Attachment V	Proposal Template

B. **One (1) CD-ROM containing entire contents of proposal, including all RFP Attachments.** The CD-ROM and electronic files on the CD-ROM must be labeled with the Proposer's name. All files should be submitted in unprotected PDF or Word format. Electronic files should include signatures, where applicable.

C. **Seven (7) complete printed copies of RFP Attachment V**. The pages may be bound by a method of the Proposer's choosing. Proposers are advised to review RFP Attachments I through IV before beginning work on the proposal template in RFP Attachment V to ensure they can meet the City's requirements.

5. Evaluation Criteria

This section describes the guidelines used for analyzing and evaluating the proposals. It is the City's intent to select Proposer(s) for contract negotiations that will provide the best overall service package to the City inclusive of fee considerations. Proposers selected for contract negotiations are not guaranteed a contract. This RFP does not in any way limit the City's right to solicit contracts for similar or identical services if, in the City's sole and absolute discretion, it determines the proposals are inadequate to satisfy its needs.

5.1 Evaluation Team

City representatives will serve as the Evaluation Team responsible for evaluating Proposers. Specifically, the team will be responsible for the evaluation and rating of the proposals, for conducting reference checks, and for interviews, if desired by the City.

5.2 Minimum Qualifications

The Minimum Qualifications are used by the City to determine whether the Proposer and the proposed staff identified to complete all tasks specified in the scope of work have had experience on projects comparable to the services the City is requesting. Any proposal that does not demonstrate that the Proposer meets these minimum qualifications by the proposal deadline will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s).

The Proposer certifies that:

A. RFP ATTACHMENTS: It has completed the requirements and submitted the forms described in RFP Attachments I, II, III, IV, and V (including Prior Project Description templates) as part of Proposal, as applicable.

B. EXPERIENCE:

1. It has submitted a minimum of one (1) and a maximum of two (2) Actuarial and Consulting Prior Project Descriptions in accordance with RFP Attachment V, Section B, clearly demonstrating successful completion of project(s) within the last five (5) years of the date of this RFP (successful completion means project outcomes have been assessed by client).

2. It has submitted a minimum of one (1) and a maximum of two (2) Sample Report(s) that includes a detailed project plan similar to services requested by the City within the last five (5) years of the date of this RFP (successful completion means project outcomes have been assessed by client).

C. STAFFING:
The proposal clearly demonstrates that the project manager and/or technical lead proposed to be assigned to the City's project individually had a similar role in a minimum of one (1) of the Prior Project Descriptions for the Proposer (or proposed partner, if applicable) submitted to qualify for Service Area 1 OR Service Area 2. All actuarial, auditing, consulting, and general services must be performed under the direct supervision of a lead staff member who is a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries.

5.3 Proposal Evaluation Criteria (100 points)

Proposals will be evaluated in accordance with the information provided by the Proposer in RFP Attachment V and the criteria below.

5.3.1 Proposer and Partner (if applicable) Firm Qualifications – 25 points (Must be completed by **all** Proposers)

a) Appropriateness of Proposer's firm history and structure, including total staff size and composition, to services under this RFP;
b) Proposer's firm experience providing services comparable to those requested to large, complex public sector clients;
c) Proposer's familiarity with the City and County of San Francisco's health benefit plans and legislation;
d) Relevance of Proposer's Prior Project Descriptions to services under this RFP; and
e) Proposer's capacity and resources to provide the services under this RFP.

5.3.2 Proposed Staff Qualifications – 25 points (Must be completed by **all** Proposers)

a) Clarity and appropriateness of proposed staffing structure, including proposed staff organization chart;

b) Clarity and appropriateness of proposed staff roles and responsibilities, and applicability of proposed staff qualifications and education, including partners and sub-consultants. Lead staff performing the actuarial services must be a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries. All actuarial services must be performed under the direct supervision of such a lead staff member; and

c) Commitment to provide continuity of qualified staff through completion of services;

5.3.3 Project Approach ~~and Cost~~ – ~~40~~ 30 points

For Service Areas 1 and 2: (Must be completed by **all** Proposers)

a) General work plan/approach demonstrates understanding of the project and the tasks to be performed;
b) Demonstrates ability to complete project in a timely manner;
c) Has appropriate expectations of client involvement or level of effort and knowledgeable questions and data/resource requests;
d) Has developed sufficient expertise or methodology to create competitive differences that will be beneficial to the City;
~~e) Cost proposal is sufficiently detailed, reasonable and appropriate for the work involved.~~

f) Service Area Specific Approaches:

For Service Area 1: (If Proposer is **only** submitting a response for Service Area 2 do **NOT** complete)

a) Work plan/approach demonstrates experience performing GASB-45 Valuations with multiple tiers of employees, with multiple classes of employees and with over ten thousand (10,000) active employees.
b) Work plan/approach demonstrates understanding of San Francisco's health care benefits, legislation and the City's Health Service System (HSS).

For Service Area 2: (If Proposer is **only** submitting a response for Service Area 1 do **NOT** complete)

a) Work plan/approach demonstrates experience performing actuarial work pertaining to health benefit plans and legislation.
b) Work plan/approach demonstrates experience performing actuarial work for health benefit plans with over fifty thousand (50,000) active employees.
c) Work plan/approach demonstrates understanding of HSS's role in tracking and reporting data for preparation of San Francisco's GASB45 valuation report.

5.3.4 Project Cost – 10 points (Must be completed by **all** proposers)

a) Cost proposal is sufficiently detailed, reasonable and appropriate for the work involved.

5.3.54 Completeness of Proposal Submission – 10 points

a) Proposal conforms with RFP requirements and concisely but comprehensively addresses RFP requirements;
b) Proposal is professionally presented and contains organized content and format.

5.4 Contractor Selection Processes

Selection Interviews

Following the Proposal Evaluation process, up to three of the highest scoring Proposers may be invited to interviews with the Evaluation Team. Interviews, if pursued by the City, will consist of standard questions asked of all selected Proposers, and specific questions regarding individual proposals. If interviews are conducted, they will be worth 100 points based on a set of criteria established following review of written proposals. The 100 Points possible awarded for interviews will be separate from the 100 points awarded during the Proposal Evaluation process. If the City elects to conduct interviews, the highest ranked Proposer will be determined based solely on points awarded in the interviews. The lead staff members that will be assigned to the project should be present for the interview, as well as the lead staff of any subcontractor, including Local Business Enterprise firms.

The City has sole and absolute discretion over whether interviews will be conducted or not to select Proposer(s) for contract negotiations

Reference Checks
Reference checks, including, but not limited to, prior clients as indicated in RFP Attachment V Prior Project Description(s), may be used to confirm the applicability of Proposer experience to the services the City is requesting and the quality of services and staffing provided to prior clients, as well as adherence to schedules/budgets and Proposer's problem-solving, project management and communication abilities, as well as performance on deliverables and outcomes.

Other Terms and Conditions
The selection of any Proposer for contract negotiations shall not imply acceptance by the City of all terms of the proposal, which may be subject to further negotiation and approvals before the City may be legally bound thereby.

The City will select the most qualified and responsive Proposer with whom City staff will commence contract negotiations. If a satisfactory contract cannot be negotiated in a reasonable time with the selected Proposer, then the City, in its sole discretion, may terminate negotiations and begin contract negotiations with the next highest scoring Proposers it deems qualified. The City, in its sole discretion, has the right to approve or disapprove any staff person assigned to its projects before and throughout the contract term. The City reserves the right at any time to approve, disapprove, or modify proposed project plans, timelines and deliverables, provided that all modifications are within the scope of services sought by this RFP.

6. Protest Procedures

6.1 Protest of Non-Responsiveness Determination

Within five (5) working days of the City's issuance of a notice of non-responsiveness, any Proposer that has submitted a proposal and believes that the City has incorrectly determined that its proposal is non-responsive may submit a written notice of protest by e-mail (fax is not acceptable). Such notice of protest must be received by the City on or before the fifth (5th) working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

6.2 Protest of Contract Award

Within five (5) working days of the City's issuance of a notice of intent to award a contract under this RFP, any Proposer that has submitted a responsive proposal and believes that the City has incorrectly selected another Proposer for award may submit a written notice of protest by mail or e-mail (fax is not acceptable). Such notice of protest must be received by the City on or before the fifth (5th) working day after the City's issuance of the notice of intent to award a contract.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

6.3 Delivery of Protests

All protests must be received by the due date. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) or by FAX will not be considered. Protests must be e-mailed to: ***esther.reyes@sfgov.org***.

RFP ATTACHMENT V: PROPOSAL TEMPLATE

REQUEST FOR PROPOSALS FOR
Actuarial and Consulting Services
RFP#CON2011-03
CONTACT: Jason Renteria, Jason.Renteria@sfgov.org, (415) 554-5328

Proposals received under this RFP that fail to address each of the requested items in this Attachment V, Proposal Template in sufficient and complete detail to substantiate that the Proposer can meet the City's Minimum Qualifications will not be considered. Note that responses of "To be provided upon request" or "To be determined" or the like, or that do not otherwise provide the information requested (left blank) are not acceptable.

Instructions are provided in blue and may be deleted. Please complete your proposal in the template provided, using as much space as needed. Indicate clearly where separate documents are provided. In order to receive the maximum amount of points, please be sure to follow this format carefully and thoroughly (but concisely) address each section. Please ensure your response meets the Minimum Qualifications so that it will be evaluated.

Note that all documents under this RFP process are subject to public disclosure. Please redact confidential or proprietary information as appropriate.

A. Executive Summary

1. Proposer Information and Partner(s)

Proposer's Name	
Proposer's Address	
Location of Proposer's Office to Perform Services under this RFP	
Proposer's Website Address	
Proposer's City Vendor ID	*Note: Possession of this number serves as partial verification that the Proposer has completed the City's administrative requirements (see Attachment III, Section A for more details).*
Proposer's Partner(s) Name(s)	

2. *RFP Contact*

Clearly identify the person that will serve as the overall RFP contact. This person will receive e-mail notifications regarding the RFP process.

Name

Title

Email

Phone

Fax

Address

3. *Service Areas*

Indicate which service area(s) your firm is seeking to provide. Check all that apply.

- ☐ Service Area 1: GASB 45 Valuation Services
- ☐ Service Area 2: Actuarial, Healthcare Trust Fund Consulting, Healthcare Reform and General Services.

4. *How did you find out about this RFP Opportunity?*

Insert Response Here.

5. *Pending Litigation*

Briefly describe any litigation or pending litigation related to services provided by your firm within past three years of this RFP issue date. If none, state "None."

Insert Response Here.

6. *Clients Relationships Severed for Reasons Other than Convenience*

Provide a list of your clients where the contractual relationship was not completed and was severed for reasons other than convenience. A brief description of why the relationship was severed and the name of the client and the client's project manager are also required. If none, state "None."

Insert Response Here.

B. Minimum Qualifications

The Minimum Qualifications are used by the City to determine whether the Proposer and the proposed staff identified to complete all tasks specified in the scope of work have had experience on projects comparable to the services the City is requesting. Any proposal that does not demonstrate that the Proposer meets these minimum qualifications by the proposal deadline will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s). Be sure to complete this section, as described.

1. *Proposer Certification*

The Proposer certifies that:

A. RFP ATTACHMENTS: It has completed the requirements and submitted the forms described in RFP Attachments I, II, III, IV, and V (including Prior Project Description templates) as part of Proposal, as applicable.

☐ **Yes**

B. EXPERIENCE:

B.1 It has submitted a minimum of one (1) and a maximum of two (2) Actuarial and Consulting Prior Project Descriptions clearly demonstrating successful completion of project(s) within the last five (5) years of the date of this RFP (successful completion means project outcomes have been assessed by client).

☐ **Yes**

B.2 It has submitted a minimum of one (1) and a maximum of two (2) Sample Report(s) that includes a detailed project plan similar to services requested by the City within the last five (5) years of the date of this RFP (successful completion means project outcomes have been assessed by client).

☐ **Yes**

C. STAFFING:
The proposal clearly demonstrates that the project manager and/or technical lead proposed to be assigned to the City's project individually had a similar role in a minimum of one (1) of the Prior Project Descriptions for the Proposer (or proposed partner, if applicable) submitted to qualify for Service Area 1 OR Service Area 2. All actuarial, auditing, consulting, and general services must be performed under the direct supervision of a lead staff member who is a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries.

☐ **Yes**

2. *Prior Project Description(s) and Sample Report(s)*

Using the following template, Proposers must submit a minimum of one (1) and a maximum of two (2) Prior Project Description(s) and a minimum of one (1) and a maximum of two (2) Sample Reports in accordance with the Minimum Qualifications stated above.

Contacts for each project are required and may serve as references for the Proposer. The City will not inform Proposers when references will be contacted. The Proposer should ensure that client contact information listed in the response is up-to-date and should notify clients that the City may be contacting them. See RFP Attachment I, Section 14.

Failure to provide the information as requested will result in rejection of your proposal.

RFP ATTACHMENT V: PROPOSAL TEMPLATE

ACTUARIAL AND CONSULTING PRIOR PROJECT DESCRIPTION 1 (REQUIRED)

Project	*Project Name*
Client	*Client Name (City, County, etc.)*
Client Unit	*Client Agency, Department, or Unit Name*
Client Contact Name and Title	
Client Contact Phone	
Client Contact E-mail	
Timeline	*Month/Year to Month/Year; Length of project beginning to end*
Consultant Firm Name	
Consultant Lead(s)	*Staff Lead Name(s) – same as lead proposed to City?*
Fee	*$00,000.00*
Number of Hours	*XX hours*

Project Background Include background information regarding the client and/or program, as applicable. What were the goals and desired outcomes of your services? How were they similar or different from the intent of the project described in this RFP?

Insert Response Here.

Project Scope What were the project activities your firm completed? How were they similar or different from what is described in RFP Section 2? Provide sufficient information to give the City insight into the size/complexity and scope of the project.

Insert Response Here.

Project Approach How did you approach the project? What methodologies were used, and how did those address the project goals? Describe any challenges you have faced, including strategies you used to address them. Were you able to complete the project on time and within budget?

Insert Response Here.

Project Staffing Identify each key person on the project team with titles and roles and hourly rate, including all subcontractors. Include brief narrative descriptions of the responsibilities each person had on the project.

Insert Response Here.

Involvement of Client and/or Stakeholders Discuss how client and any stakeholders were involved in the project, major opportunities for input, client staff contributions, etc.

Insert Response Here.

Project Outcomes What, if any, measurable service deliverables or outcomes can be attributed to your services? How did you add value to the client? Examples include but are not limited to the amount of cost savings as a result of services provided, legislative or policy changes, organizational changes, or other measurable indicators of successful implementation of findings from your services.

Insert Response Here.

RFP ATTACHMENT V: PROPOSAL TEMPLATE

ACTUARIAL AND CONSULTING PRIOR PROJECT DESCRIPTION 2 (OPTIONAL)

Project	*Project Name*
Client	*Client Name (City, County, etc.)*
Client Unit	*Client Agency, Department, or Unit Name*
Client Contact Name and Title	
Client Contact Phone	
Client Contact E-mail	
Timeline	*Month/Year to Month/Year; Length of project beginning to end*
Consultant Firm Name	
Consultant Lead(s)	*Staff Lead Name(s) – same as lead proposed to City?*
Fee	*$00,000.00*
Number of Hours	*XX hours*

Project Background Include background information regarding the client and/or program, as applicable. What were the goals and desired outcomes of your services? How were they similar or different from the intent of the project described in this RFP?

Insert Response Here.

Project Scope What were the project activities your firm completed? How were they similar or different from what is described in RFP Section 2? Provide sufficient information to give the City insight into the size/complexity and scope of the project.

Insert Response Here.

Project Approach How did you approach the project? What methodologies were used, and how did those address the project goals? Describe any challenges you have faced, including strategies you used to address them. Were you able to complete the project on time and within budget?

Insert Response Here.

Project Staffing Identify each key person on the project team with titles and roles and hourly rate, including all subcontractors. Include brief narrative descriptions of the responsibilities each person had on the project.

Insert Response Here.

Involvement of Client and/or Stakeholders Discuss how client and any stakeholders were involved in the project, major opportunities for input, client staff contributions, etc.

Insert Response Here.

Project Outcomes What, if any, measurable service deliverables or outcomes can be attributed to your services? How did you add value to the client? Examples include but are not limited to the amount of cost savings as a result of services provided, legislative or policy changes, organizational changes, or other measurable indicators of successful implementation of findings from your services.

Insert Response Here.

RFP ATTACHMENT V: PROPOSAL TEMPLATE

ACTUARIAL AND CONSULTING SAMPLE REPORT 1 (REQUIRED)

Project	*Project Name*
Client	*Client Name (City, County, etc.)*
Client Unit	*Client Agency, Department, or Unit Name*
Client Contact Name and Title	
Client Contact Phone	
Client Contact E-mail	
Timeline	*Month/Year to Month/Year; Length of project beginning to end*
Consultant Firm Name	
Consultant Lead(s)	*Staff Lead Name(s) – same as lead proposed to City?*
Fee	*$00,000.00*
Number of Hours	*XX hours*

Sample Report

Insert Sample Report Here or Attachment

RFP ATTACHMENT V: PROPOSAL TEMPLATE

ACTUARIAL AND CONSULTING SAMPLE REPORT 2 (OPTIONAL)

Project	*Project Name*
Client	*Client Name (City, County, etc.)*
Client Unit	*Client Agency, Department, or Unit Name*
Client Contact Name and Title	
Client Contact Phone	
Client Contact E-mail	
Timeline	*Month/Year to Month/Year; Length of project beginning to end*
Consultant Firm Name	
Consultant Lead(s)	*Staff Lead Name(s) – same as lead proposed to City?*
Fee	*$00,000.00*
Number of Hours	*XX hours*

Sample Report
Insert Sample Report Here or Attachment

C. Proposer (and Partner) Firm Qualifications – 25 points

Even if using an alternative format for your responses, the following information must be included in the order specified to be scored appropriately.

1. Firm History and Structure

Briefly describe your firm, including history, number of years in business, organizational structure, ownership structure, names of principals, staff size and composition.

Insert Response Here.

2. Firm Experience

Describe your firm's experience providing services to comparable large, complex, public sector clients.

Insert Response Here.

3. Familiarity with City and County of San Francisco's Health Benefits Plans and Legislation

Describe your firm's familiarity with San Francisco's Health Benefits Plan and Legislation

Insert Response Here..

4. Relevance of Prior Project Description to Services under this RFP

Describe how your firm's prior projects are relevant to the services requested in this RFP.

Insert Response Here..

5. Capacity and Resources

Describe your firm's general capacity and local resources to provide the services under this RFP.

Insert Response Here.

D. Proposed Staff Qualifications – 25 points

Even if using an alternative format for your responses, the following information must be included in the order specified to be scored appropriately.

As previously noted in RFP Attachment I:

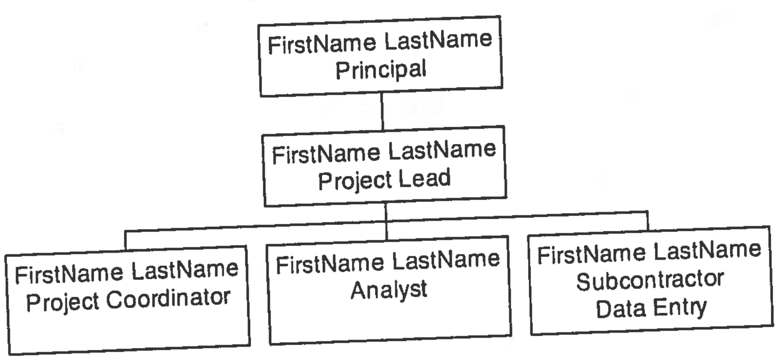
- If Proposer is selected for a contract, the City will contractually obligate the Proposer to assure that the key individuals listed and identified in the Proposal will be performing the work and will not be substituted with other personnel or reassigned to another project by the Proposer/Contractor without the City's prior approval or request. The City, in its sole discretion, shall have the right to review and approve all staff assigned to provide services throughout the duration of the contracts negotiated under this RFP. If selected for interviews, the Proposer's key individuals, including partner/subcontractor representatives, will be required to meet with the City prior to selection for contract negotiations.
- The selected Proposer(s) will be expected to take the lead role in project management and staff/subcontractor coordination. Proposals should factor this assumption into pricing.
- The City has approval rights over the use of all subcontractors. Proposer must identify all subcontractors in its proposal and these subcontractors must conform to all City policies regarding subcontractors.

1. *Staffing Structure*

Describe the staffing structure proposed for services under this RFP, including a proposed staff organization chart.

Insert Response Here.

The organization chart should be in graphic format as follows (example only). The organization chart should include sufficient detail on the staff levels to be assigned to the services by specialization, as appropriate.



2. *Staff Roles, Responsibilities, Qualifications, and Education*

Expanding on the proposed staff organization chart information provided above, use the following tables or alternative format to provide detailed narrative information on the proposed project roles and responsibilities, qualifications, and educational background of project principals and key staff members, **including subcontractor staff**, proposed to perform services for the City. The project manager or technical lead must be a Fellow in the Society of Actuaries ~~and~~ and/or a Member of the American Academy of Actuaries. Include as many tables as needed.

Name, Title	*Insert Response Here.*
Proposed Role and Responsibilities	*Insert Response Here.*
Experience	Describe the proposed individual's experience with services requested by the City. *Insert Response Here.*
Education	Describe the proposed individual's educational background and training. *Insert Response Here.* *Insert other qualifications or educational background narrative here, or indicate if resume or CV is attached.*
Membership	Is the proposed staff a Fellow in the Society of Actuaries? ☐ **Yes** ☐ **No** Is the proposed staff a Member of the American Academy of Actuaries? ☐ **Yes** ☐ **No**

Name, Title	*Insert Response Here.*
Proposed Role and Responsibilities	*Insert Response Here.*
Experience	Describe the proposed individual's experience with services requested by the City. *Insert Response Here.*
Education	Describe the proposed individual's educational background and training. *Insert Response Here.* *Insert other qualifications or educational background narrative here, or*

	indicate if resume or CV is attached.
Membership	Is the proposed staff a Fellow in the Society of Actuaries? ☐ **Yes** ☐ **No** Is the proposed staff a Member of the American Academy of Actuaries? ☐ **Yes** ☐ **No**

Name, Title	*Insert Response Here.*
Proposed Role and Responsibilities	*Insert Response Here.*
Experience	Describe the proposed individual's experience with services requested by the City. *Insert Response Here.*
Education	Describe the proposed individual's educational background and training. *Insert Response Here.* *Insert other qualifications or educational background narrative here, or indicate if resume or CV is attached.*
Membership	Is the proposed staff a Fellow in the Society of Actuaries? ☐ **Yes** ☐ **No** Is the proposed staff a Member of the American Academy of Actuaries? ☐ **Yes** ☐ **No**

3. *Continuity of Qualified Staff*

Describe your firm's commitment to providing continuity of qualified staff through completion of contract.

Insert Response Here.

E. Project Approach ~~and Cost~~ – ~~40~~ 30 points

Describe your firm's proposed approach to services and activities described in Section 2, Scope of Work of the RFP. Even if using an alternative format for your responses, the following information must be included in the order specified to be scored appropriately.

For reference please note the Service Area Specific Approaches must match the Service Areas selected in Question 3 "Service Areas" under Section A "Executive Summary" above.

1. General Work Plan/Approach

(Must be completed by **all** Proposers)

Describe your general work plan/approach for the indicated tasks, including associated activities and deliverables, to successfully complete the Scope of Work.

Insert Response Here.

2. Ability to Complete Project in a Timely Manner

Describe your firm's ability to complete the project in a timely manner

Insert Response Here.

3. Client Involvement or Level of Effort

(Must be completed by **all** Proposers)

Describe your firm's expectations and/or assumptions of the City's involvement or level of effort, including review, approval and other communication protocols necessary to successfully complete the services.

Insert Response Here.

Provide a list of questions you would need answered and the data or other City resources you would need access to or to be provided by the City to successfully complete the services.

Insert Response Here.

RFP ATTACHMENT V: PROPOSAL TEMPLATE

4. *Competitive Differences*

(Must be completed by **all** Proposers)

What makes your firm's approach to the services different or more effective than other firms providing the same services? Describe any other asset, expertise, experience, data or technology that provides your firm with a competitive edge or advantage that will provide a benefit to your clients. Include any lessons learned.

Insert Response Here.

~~5. *Cost Proposal*~~

~~The City seeks proposals demonstrating an efficient, effective approach with measurable deliverables and outcomes.~~

~~The City intends to award a contract to the Proposer(s) that will provide the best overall Proposal(s) to the City inclusive of qualifications and cost considerations. The City reserves the right to accept other than the lowest cost and to reject all proposals that are not responsive to this RFP.~~

- ~~The City recognizes that estimating costs may be difficult and is asking Proposers to state their assumptions. Proposers should estimate staff hours and levels of effort based on previous experience with projects similar in size and scope of this RFP.~~
- ~~The City will negotiate costs and work effort with the selected Proposer to develop a firm fixed price for the contract utilizing a blended hourly rate to compensate Proposer for all services, travel, lodging, meals, miscellaneous and any other expenses related to the completion of services. Additional and separate cost reimbursement will not be provided by the City.~~
- ~~Note that hourly rates provided shall apply to any and all as-needed services requested by the City for the full contract period under this RFP, as applicable. Please see RFP Attachment I, Section 13.~~

~~A spreadsheet or table format is preferred with sufficient detail for the City to determine the justification for what is being included. Provide a total Cost Proposal on a project basis for Service Area 1 and **on an annual basis** for Service Area 2 with a breakdown of:~~

1. ~~Number of hours and cost per activity or deliverable described in Section 2, Scope of Services of this RFP;~~
2. ~~Standard hourly billing rates by staff name/role with the estimated percentage of overall team effort each staff person would allocate to the project;~~
3. ~~Total number of hours; and~~
4. ~~Total cost for all services under this RFP.~~

~~Only fill out the information for the Service Area(s) you are applying for.~~

~~***Service Area 1 – GASB 45 Valuation Services***~~

~~*Insert Cost Proposal Here or Attachment.*~~

~~***Service Area 2 – Actuarial, Healthcare Trust Fund Consulting, Healthcare Reform and General Services***~~

~~*Insert Cost Proposal Here or Attachment.*~~

~~6~~ 5. Service Area Specific Approaches

Only fill out the information for the Service Area(s) you are applying for.

Service Area 1 – GASB 45 Valuation Services

Describe how your work plan and approach accounts for performing GASB-45 Valuations with multiple tiers of employees, multiple classes of employees, and with over ten thousand (10,000) active employees.

Insert Response Here.

Describe how your work plan and approach accounts for San Francisco's health care benefits, legislation, and the City's Health Service System (HSS).

Insert Response Here.

Service Area 2 – Actuarial, Healthcare Trust Fund Consulting, Healthcare Reform and General Services

Describe how your work plan and approach accounts for actuarial work pertaining to health benefit plans and legislation.

Insert Response Here.

Describe how your work plan and approach accounts for performing actuarial work for health benefit plans with over fifty thousand (50,000) members.

Insert Response Here.

Describe how your work plan and approach accounts for HSS's role in tracking and reporting data for the preparation of San Francisco's GASB-45 Valuation Report.

Insert Response Here.

F. Project Cost – 10 points

1. Cost Proposal

The City seeks proposals demonstrating an efficient, effective approach with measurable deliverables and outcomes.

The City intends to award a contract to the Proposer(s) that will provide the best overall Proposal(s) to the City inclusive of qualifications and cost considerations. The City reserves the right to accept other than the lowest cost and to reject all proposals that are not responsive to this RFP.

- The City recognizes that estimating costs may be difficult and is asking Proposers to state their assumptions. Proposers should estimate staff hours and levels of effort based on previous experience with projects similar in size and scope of this RFP.
- The City will negotiate costs and work effort with the selected Proposer to develop a firm fixed price for the contract utilizing a blended hourly rate to compensate Proposer for all services, travel, lodging, meals, miscellaneous and any other expenses related to the completion of services. Additional and separate cost reimbursement will not be provided by the City.
- Note that hourly rates provided shall apply to any and all as-needed services requested by the City for the full contract period under this RFP, as applicable. Please see RFP Attachment I, Section 13.

A spreadsheet or table format is preferred with sufficient detail for the City to determine the justification for what is being included. Provide a total Cost Proposal on a project basis for Service Area 1 and **on an annual basis** for Service Area 2 with a breakdown of:

1. Number of hours and cost per activity or deliverable described in Section 2, Scope of Services of this RFP;
2. Standard hourly billing rates by staff name/role with the estimated percentage of overall team effort each staff person would allocate to the project;
3. Total number of hours; and
4. Total cost for all services under this RFP.

Only fill out the information for the Service Area(s) you are applying for.

Service Area 1 – GASB 45 Valuation Services

Insert Cost Proposal Here or Attachment.

Service Area 2 – Actuarial, Healthcare Trust Fund Consulting, Healthcare Reform and General Services

Insert Cost Proposal Here or Attachment.

City and County of San Francisco
Office of the Controller and
Health Services System

REQUEST FOR PROPOSALS
for Actuarial and Consulting Services
RFP#CON2011-03

CLARIFICATIONS

The RFP has been re-issued to reflect the following changes to Minimum Qualifications and Proposal Evaluation Criteria.

I. Minimum Qualifications in RFP Section 5.2 (C) and RFP Attachment V Section B (1)(C) :

Qualifying requirement for lead staff membership in the Society of Actuaries and American Academy of Actuaries has been changed from "and" (membership in both) to "and/or" (membership in either):

Staffing: The proposal clearly demonstrates that the project manager and/or technical lead proposed to be assigned to the City's project individually had a similar role in a minimum of one (1) of the Prior Project Descriptions for the Proposer (or proposed partner, if applicable) submitted to quality for Service Area 1 OR Service Area 2. All actuarial, auditing, consulting, and general services must be performed under the direct supervision of a lead staff member who is a Fellow in the Society of Actuaries ***and/or*** a Member of the American Academy of Actuaries.

II. Proposal Evaluation Criteria in RFP Section 5.3:

Section 5.3.2(b): (*same change as noted above in Minimum Qualifications*) Clarity and appropriateness of proposed staff roles and responsibilities, and applicability of proposed staff qualifications and education, including partners and sub-consultants. Lead staff performing the actuarial services must be a Fellow in the Society of Actuaries ***and/or*** a Member of the American Academy of Actuaries. All actuarial services must be performed under the direct supervision of such a lead staff member.

Section 5.3.3: Project Approach and Cost is worth 40 points total. The points for each portion are as follows: 30 points for Project Approach and 10 points for Project Cost.

QUESTIONS AND ANSWERS

1. Are there going to be two contracts or one for the services?

   The City intends to negotiate two contracts, one for each Service Area. Please refer to the Intent section of the Request for Proposals (RFP): "It is the intent of the City to identify the most responsive and qualified Proposer(s) to negotiate a contract for GASB 45 – Actuarial Valuation Services described under Service Area 1 of this RFP, and a contract for Actuarial, Healthcare Trust Fund Consulting, HealthCare Reform and General Services for the Health Service System and Board described under Service Area 2"

2. Is there an incumbent performing these services? Who is the current benefits consultant? Who performed the most recent study?

   Mercer is currently performing the services and performed the most recent study.

3. What were the annual fees charged and what were the terms of the contract? Has the scope of work changed since the work was done?

   Please refer to the attached Service Area 1 and Service Area 2 Previous Scope and Cost documents from the current agreement.

4. Can we get a copy of the most recent actuarial and GASB 45 report? Can we get a copy of the proposal of the last successful bidder?

   Most recent report:
   http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=1480

   Please refer to the attached Service Area 1 and Service Area 2 Previous Scope and Cost documents from the current agreement.

5. Do you want us to quote a best and final offer price now, or will you allow us or request us to modify our quote for our best and final offer later?

   Per RFP Attachment I, Section 13: "The City may award contract(s), based on Proposals received without discussion. A Proposer's initial cost and work effort estimate should, therefore, be based on the most favorable terms available."

6. Are you satisfied with your current consultant? What is your satisfaction level with the services you are currently receiving? How long have you been working with your current consultant? Does the City have any service related issues or other concerns with the current consultants?

   This is not an appropriate question to answer in an open solicitation process in which former and/or current consultants may submit proposals. The Evaluation Criteria for proposals are listed on page 12 of the RFP, which match the format of RFP Attachment V Proposal Template.

7. Why are you putting this work out to bid? (What is the reason for going out to bid for actuarial and consulting services?)

   The City must adhere to the terms of the prior solicitation. The contract term allowed in the previous solicitation expires June 30, 2011.

8. Are there any regularly scheduled meetings that require attendance by the plan actuary or lead health care consultant? If so, can you provide additional information on the frequency and purpose of the meetings?

   To be negotiated with the selected contractor(s).

9. Please provide a list of vendors that received this RFP

   E-mail notification of the RFP posting was sent to Cheiron, Mercer, Towers Watson, Axene Health Partners, Buck Consultants, Milliman, Keenan Associates, and AON Hewitt. The RFP is publicly posted at the following web addresses: http://www.sfcontroller.org/index.aspx?page=24, and http://mission.sfgov.org/OCABidPublication/BidDetail.aspx?K=4291

10. Does the City have an established Benefits communication strategy? If so, what does that entail?

    To be negotiated with the selected contractor(s).

11. How does the City currently conduct open enrollment for employees/retirees? Does the City currently have an established Online Benefits Open Enrollment vendor? If so, who is the vendor and is Online Benefits Open Enrollment the only service currently provided by this vendor? What is your satisfaction level with the services you are currently receiving? Does the City have any service related issues or other concerns with the current online Benefits Open Enrollment vendor? Are there any other services required from the Online Benefits Open Enrollment vendor, other than online open enrollment (i.e. COBRA administration)?

    The City currently conducts open enrollment for employees/retirees during the month of April to be effective July 1st. HSS holds in-person benefit processing at our HSS facility where vendors are available during the last two weeks of the month to answer complex questions.

The City does not currently have an established Online Benefits Open Enrollment vendor. The City and County will be conducting Online Benefits administration including Open Enrollment after citywide migration to PeopleSoft 9.0.

12. Does the City handle retiree benefit administration in-house? If so, what types of transactions does that include, e.g. sending monthly billing statements, accepting medical, dental and vision premiums, open enrollment communication, etc.?

    The City handles retiree benefit administration in-house. We do not send monthly billing statements. However, we do send delinquency notifications. We do accept and process medical, dental and vision premiums from pension checks and over the counter payments using checks and credit cards. We transmit retiree premiums collected to the vendors. We prepare and mail retiree open enrollment guides, open enrollment communication, and process open enrollment applications with changes to plans and/or dependents. We mail confirmation letters with benefit choices, after open enrollment to retirees.

13. What are the Plan's scheduled major activities for 2011-2012?

    The City plans to issue an RFP for a few non-medical/dental vendors in FY 2011-2012. We will be participating in Blue Shield's establishment of two Accountable Care Organizations (ACO) for our members in San Francisco. We are planning and launching employee wellness activities and evaluation of effectiveness.

14. Has the City implemented any wellness initiatives, such as Health Risk Assessments, online resources, lifestyle coaching, etc.? If so, what has been implemented and what would you like to see as part of your overall wellness program in the future?

    The City has a variety of wellness classes that are offered to members and retirees during the lunch hour. Our vendor health plans have a Health Risk Assessment, (HRA), Disease Management Programs, lifestyle coaching, and a variety of online resources available to members and retirees. Our newly hired Wellbeing Coordinator is in the process of working with our vendors to develop and roll out a more robust wellbeing program and will need assistance with establishing evaluation measures. There may be a possibility of an RFP for a system-wide wellness vendor.

15. Will Consulting Services be extended to the separate entities (SFUSD, etc.) within the City Plan?

    Yes, intended to cover benefits for the San Francisco Unified School District (SFUSD), City Community College (CCD) and the Courts.

16. Is the current Healthcare Consultant also the GASB consultant? If not, who is the current GASB consultant?

Yes, the healthcare consultant is currently also the GASB consultant.

17. What is the City's GASB liability? Is the GASB liability determined by the City Plan as a whole, or by the sum of each separate entity? Has the City funded any of this liability? If so, is it in an irrevocable trust? What GASB liability-reducing strategies has the City implemented or considered?

Please see the most recent GASB-45 report: http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=1480

18. Is the City and County willing to accept a lead actuary with equivalent professional credentials, e.g. Fellow in the Institute of Actuaries, so long as they are also a credentialed Member of the American Academy of Actuaries?

Please see Clarifications section above and updated RFP documents.

19. Under Section 2.2.1, the RFP is silent with respect to actuarial assistance in the area of negotiating HMO renewals. Can you confirm that such tasks would be included within anticipated annual core service needs?

Yes. Negotiating HMO renewals would be included in the annual core service needs.

20. Under Section 2.2.1 Deliverables Item 3., please clarify your request: "along with future trend projections using age adjusted and burden of illness profiling against regional/state/national benchmarks and models and best practice

Services may include, but are not limited to, rate setting and benefit design benchmarking that compares our age adjusted and burden of illness profile with regional, state, and national populations of similar composition.

21. Under Section 2.2.1 Deliverables Item 3, you request: "Population profiling including risk and burden of illness". Such analysis is usually completed utilizing third party vendor software. Do you anticipate that the third party vendor's invoice is incorporated in our proposed fees rather than passed through directly to the City and County? If it is the former, please confirm the anticipated frequency of completing the analysis requested.

Yes, the City anticipates that this analysis will be covered under the selected consultant's contract compensation. We anticipate the referenced analyses would be completed on a semi-annual basis.

22. Under Section 2.2.1 Deliverables Item 3, please clarify your request: "Assist with requests for proposals for benefits or services..." Do you anticipate that periodic market review of specific vendor partners will be included within core services budget?

For Service Area 2, the City may be looking for assistance with solicitations for our non-medical/dental benefit vendors. We expect this assistance to be included within the core services budget.

23. Please confirm which services under Service Area 2 are considered "Core" and would therefore needed to be completed annually?

Core services include all professional actuarial, financial or benefits expertise, analysis and counseling required by HSS, in its sole discretion, in the normal and regular course of its operations. This includes actuarial services, consulting services, auditing services, general services, and other services such as Medicare Part D consulting, including actuarial attestation, state and federal regulatory compliance, and Early Retiree Reinsurance consulting. We will expect annual guidance on plan design, value based pricing, performance guarantees, and other industry innovations.

24. In the description of Service Area 2 requested services, there appears to be specific tasks that might not be required to be completed annually, e.g. development of ACO experience monitoring process, development of new ERRP policy, etc. As such, is it permissible to separately identify such services and provide estimated budgets to complete alongside identified Core Services budget in our response in RFP Attachment V?

Yes, that is permissible. However, these types of tasks which will be requested from time to time throughout the year are considered part of the core services.

25. Section 5.5.3 (f): Can you please clarify whether reference to GASB under Service Area 2 should be under Service Area 1 and similarly, reference to "Work plan/approach demonstrates understanding of San Francisco's health care benefits, legislation and the City's Health Service System (HSS)" should be considered under Service Area 2?

Reference to GASB45 is included under both Service Area 1 and Service Area 2. Reference to "Work plan/approach demonstrates understanding of San Francisco's health care benefits, legislation and the City's Health Service System (HSS)" should be considered under Service Area 2.

26. Would you please share the number of hours that your current consultant billed in each of the last 3 years?

For Service Area 1: Fees were based on deliverables and not an hourly basis.

For Service Area 2: The HSS actuarial hours billings for Service Area 2 totaled 1,587 for FY 2008-09, 1,164 for FY 09-10 and 1,141 for the first 8 months of FY 10-11.

27. Please provide the type and number of anticipated meetings for the first contract year. What General Services are anticipated for the first contract year?

To be negotiated with the selected contractor(s).

28. Please provide additional detail about the audit services (plans, frequency, scope of services, objectives, etc.)

To be negotiated with the selected contractor(s).

29. Please provide a list of the various divisions/departments that you will need GASB results allocated or performed, if not total.

GASB results are reported on a City-wide basis.

30. Scenario analysis is included in the scope of services. Please describe any forecasts or scenarios that are provided as a part of the basic services – that is, providing a forecast for the upcoming fiscal year or years(s) after completing the full valuation cycles (i.e. with the actual data from June 30, 2010 and June 30, 2012).

To be negotiated with the selected contractor(s).

31. In terms of actuarial assumptions and methods, the scope of services explains that any proposed assumptions and their changes be described in clear language. Please confirm whether work associated with an experience analysis of past actuarial assumptions (for example, a retirement assumption study or a turnover study) is considered out of scope analysis, or considered as part of the Group 1 service area work.

The referenced service would be considered out of scope for Service Area 1 in RFP Section 2.1.1. However, this service may be requested under RFP Section 2.1.2.

32. With respect to the Trust Fund services, assisting with the marketing of vendors is included in these services. When were these plans last marketed in terms of administration services and any insurance provisions? Is there a regular process for marketing these services (every N years)? If certain programs are likely to be marketed during the contract term, please explain the scope of services for the actuarial firm in assisting with such process.

The City conducted an RFP for a HMO vendor this year to be effective 7/1/11. We evaluate whether we need to market our vendors annually. We will work with the selected contractor to determine the economic feasibility of marketing vendors during the contract term and identify the scope services for actuarial assistance with the process at that time.

33. With respect to ACOs, please provide us background about your vision for ACOs and at what stage is the City/County in establishing criteria for measuring and monitoring progress?

The City is in its infancy in participating in Blue Shield's ACO development. Our vision is to be engaged as a partner. However, this is not yet negotiated.

34. With respect to auditing services, please describe in more depth what audits are required. When was the last claims and performance audit completed? How frequently are such audits conducted (at least in the past)? Please enumerate the specific requirements of HSS (Health Service System) for these audits.

Actuarial services include plan vendor performance audits of the City's self-funded PPO annually and of our self-funded dental plan every 3 years, per HSS Governance Policy. The last claims and performance audit was completed December 2010. In general, the objectives of the medical plan vendor audit are to: (1) Verify that claims are processed in compliance with the City's self-funded plan, procedures and controls, and network provider rates; (2) Validate the self-reported results for performance guarantee measurement; (3) Evaluate the adequacy of existing standards, procedures and controls in operational areas compared to best industry practices; and (4) Identify opportunities for cost savings, service, and performance guarantee improvements.

The objectives of the plan vendor performance audits of the City's self-funded dental PPO are to: (1) Verify that claims are processed in compliance with the City's Plan, Delta Dental's procedures and controls, and network provider rates;(2) Measure the quality and timeliness of vendor performance; and (3) Identify opportunities for cost savings and service improvements, including vendor disease/service specific outcome measures.

Other audits include a pharmacy audit which assessed the vendor's compliance with the terms of the PPO plan and determined whether claims

were processed in accordance with the PPO plan as communicated and defined to the participants in Plan Documents and other benefit publications. A wellness program audit/study was also conducted, which inventoried and evaluated the wellness initiatives in place throughout the City and compared this with best practices.

ADDITIONAL INFORMATION AND TIPS FOR PROPOSALS

Make it easy on the Evaluation Team and take the time to prepare a professional, high-quality proposal. Your proposal will reflect on the type of work you may be able to perform for the City.

- Is your proposal easy to review? Is it concise, well-organized, and complete?
- Did you check for formatting, typos, spelling, and grammatical errors? Did you include page numbers for easier reference in the evaluation process?
- Did you follow the RFP instructions regarding organization of the proposal, inclusion of required information, etc.?
- Is the information easy to find, follow, and understand or is it vague and require a lot of effort by the evaluation panel to figure out how it matches to the City's requirements?
- Did you tailor your proposal to specific RFP requirements beyond just repeating or paraphrasing the RFP language?
- Does your proposal CLEARLY demonstrate that your firm/organization and personnel have the experience and capability to carry out the project(s) with successful outcomes?
- Did you take evaluation criteria into consideration when preparing your proposal?