

GENERAL ASSEMBLY OF IOWA

LEGAL COUNSELS

Douglas L. Adkisson
Edwin G. Cook
Sean E. Crowley
Patricia A. Funaro
Michael J. Goedert
Nicole R. Haatved
Leslie E. W. Hickey
Janet S. Johnson
Mark W. Johnson
Timothy C. McDermott
Joseph E. McEniry
Richard S. Nelson

RESEARCH ANALYSTS

Kathleen B. Hanlon
Thane R. Johnson



LEGISLATIVE SERVICE BUREAU

STATE CAPITOL
DES MOINES, IOWA 50319
(515) 281-3566
FAX (515) 281-8027

DIANE E. BOLENDER
DIRECTOR

RICHARD L. JOHNSON
DEPUTY DIRECTOR

JOHN C. POLLAK
COMMITTEE SERVICES ADMINISTRATOR

LOANNE M. DODGE
IOWA CODE EDITOR

KATHLEEN K. BATES
ADMINISTRATIVE CODE EDITOR

JULIE E. LIVERS
LEGISLATIVE INFORMATION OFFICE DIRECTOR

July 17, 1998

MEMORANDUM

TO: CO-CHAIRPERSONS SENATOR SHELDON RITTMER AND REPRESENTATIVE MONA MARTIN, MEMBERS OF THE PUBLIC RETIREMENT SYSTEMS COMMITTEE AND STAFF

FROM: ED COOK *EC*

RE: Selection of Consultant - William Mercer, Inc.

As noted previously, House File 2496 provides for a comprehensive examination of the plan designs concerning the portion of the Iowa public employees' retirement system (IPERS) that deals with the members of special classifications within IPERS, the statewide fire and police retirement system, and the public safety peace officers' retirement, accident, and disability system. Pursuant to the bill as enacted, the systems' representatives for the study are required to hire a consultant to facilitate the study and this consultant shall not be hired without prior approval of the public retirement systems committee. On July 17, 1998, the systems' representatives have indicated to me that they have selected William Mercer, Inc., of Denver, Colorado, to facilitate the conduct of the comprehensive examination. As such, the members of the public retirement committee are now required to either approve or disapprove the selection of this consultant.

To assist you in determining whether to approve the consultant, the systems' representatives have prepared a document detailing the selection process and indicating why this particular consultant was hired. I am sure that if you have any additional questions, you can call any one of the three systems' representatives.

Based upon the rules of the public retirement committee adopted last interim, a determination as to whether to approve the consultant selected will require three affirmative votes from both the House and Senate members of the committee. To facilitate this process, I have enclosed a stamped postcard for the legislative members of the committee to register their vote concerning the

consultant. If you so desire, you may also register your vote by telephoning the Legislative Service Bureau. Since I will be gone from July 20 through July 24, you should either call the front office at (515) 281-3566 or Rick Nelson at (515) 242-5822 during that week if you choose to register your vote by phone during that week. I will return to the office on July 27 and you may call me directly at that time at (515) 281-3994. Upon receipt of a sufficient number of votes to either approve or disapprove the consultant, I will send a letter to you and the systems' representatives confirming the results.

The Systems' representatives have indicated to me that they are desirous of formally hiring the consultant by around August 1 so your prompt response concerning the selection of the consultant would be appreciated. Please do not hesitate to call if you have any questions.

MUNICIPAL FIRE & POLICE RETIREMENT SYSTEM OF IOWA

phone: (515) 254-9200
fax: (515) 254-9300
e-mail: pensions@mfprsi.org

2836 104th Street, Des Moines, IA 50322

July 17, 1998

Ed Cook
Legislative Service Bureau
State Capitol
Des Moines, Iowa 50309

Dear Mr. Cook;

In accordance with the provisions of H.F. 2496, Act of the 1998 General Assembly, action has been taken by representatives of IPERS, POR and MFPRSI to select a consultant to support the study of various subjects pertaining to the three retirement systems. Progress toward the completion of the required study has been significant over the last two months, to include efforts to identify and select a consultant to support the systems' efforts.

The selection of the consultant was performed utilizing a Request for Proposal process (RFP). The RFP was distributed to five firms of which four submitted a response (AON Consulting, Buck Associates, William Mercer, Inc. and The Segal Company). The three representatives of the systems independently evaluated and scored the replies, utilizing the scoring criteria identified within the RFP. Upon completion of this step, the three representatives met and determined the ranking for the firms based upon their independent evaluations.

The following firm received the highest combined ranking and is proposed as the service provider for the consulting contract: William Mercer, Incorporated. A brief explanation of the qualities of the firm's proposal, which lead to its selection is contained within attachment one to this document.

Upon approval of the selection by the legislative committee, a contract will be established with the firm and efforts will be continue to meet the November 1998 deadline for the report to the Committee. On behalf of Greg Cusack and Carroll Bidler, thank you for your assistance in this matter


Dennis L. Jacobs
MFPRSI Executive Director

Attachment

Attachment Two Selection of Firm WILLIAM MERCER, INC.

I. The Firm's Approach to the Provision of Consulting Services

The Firm provided a clear statement of their understanding of the project requirements

The Firm has a clear mission statement and clear philosophy of purpose.

The Firm reflected a clear statement of the needs of the contract and the support services required of the firm.

II. The Firm's Fee Proposal

Firm submitted the lowest fee proposal: \$47,602
(Other firms' bids were \$50,000; \$59,500; and \$98,500)

III. The Firm's Organization and Staff Qualifications

The Firm has a strong and deep organization, global in focus and experience.

A targeted team of personnel with specific skills and experience will be assigned to the project.

The personnel assigned appear to have direct understanding of and hand-on experience with public pension plans, in particular, public safety plans.

An individual with direct Social Security experience is assigned to the team.

The team leader has strong credentials and hands on experience with public retirement systems.

The team assigned to the contract has a good mix of skills and expertise.

IV. The Firm's Relevant Experience

The firm's exhibited a broad range of services, which are provided to both public and private pension plans.

Over 300 clients were listed and identified with specific services provided.

The firm has performed several recent relevant assignments which have similarities to the individual components of this study.