

**"REQUEST FOR PROPOSAL (RFP)  
FOR  
CONSULTING SERVICES"**

**June 8, 1998**

## **PART I - ADMINISTRATIVE INFORMATION**

### **1.1 PURPOSE**

Through a formal proposal process, a consulting firm is to be selected to provide specified consulting services on behalf of the following named public retirement systems in Iowa;

- Municipal Fire and Police Retirement System of Iowa,
- Iowa Peace Officers Retirement System, and
- Iowa Public Employees Retirement System ("the Systems").

The intent of the contract will be to establish a short-term relationship between the selected firm & the Systems.

### **1.2 BACKGROUND**

In its administration of the retirement programs, the Systems are responsible for the establishment of professional relationships to execute their program responsibilities.

Legislation enacted in 1998 by the Iowa General Assembly mandated the conduct of a study of various subjects pertaining to the public safety workers covered by the three systems.

### **1.3 OBJECTIVES OF THE REQUEST FOR PROPOSAL (RFP)**

- A To provide sufficient information necessary for the preparation of proposals by qualified offerors.
- B. To provide for an objective evaluation of the proposals.
- C. To result in a contract between the successful offeror and the Systems.

### **1.4 COMMUNICATION CONCERNING THE RFP**

Answers to all questions concerning the request for proposal and the expectations of the retirement System will be forwarded to all participating prospective offerors. In all cases, no verbal communications will override written communications.

1.5 PROPOSAL

- A. Six copies of the sealed proposal must be received in accordance with section 1.14 at the following address  
**The Public Retirement Systems**  
C/O: **MFPRSI**  
**2836 - 104th street,**  
**Des Moines, IA 50322**
- B. All proposals must be complete in every respect and must answer concisely and clearly all questions in Part IV of this RFP.

1.6 ECONOMY OF PRESENTATION

Proposals shall not contain promotional or display materials, and they must pertain to the requirements explained in Part III to aid in the technical evaluation.

1.7 REJECTION OF PROPOSAL

- A. The Systems reserve the right to reject any or all proposals in whole or in part received by reason of this request. The Systems will not pay for any information herein requested, nor is it liable for any costs incurred by the offeror.
- B. Offerors whose proposals do not meet the mandatory requirements will be so notified.

1.8 DISCLOSURE OF PROPOSAL CONTENT

The laws of Iowa require that at the conclusion of the selection process the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets or proprietary information, recognized as such and protected by law, may be withheld if identified as such in the proposal.

1.9 PROPOSAL OBLIGATIONS

The contents of the proposal and any clarifications thereto submitted by the successful offeror shall become part of the contractual obligation and incorporated by reference into the ensuing contract.

1.10 DISPOSITION OF PROPOSALS

All proposals become the property of the retirement Systems and will not be returned to the offeror.

1.11 GRATUITIES

- A. The laws of Iowa provide that it is a felony to offer or promise to give anything of value or benefit to a public employee with the intent to influence that employee's duties. Evidence of violations of this statute will be turned over to the proper prosecuting attorney.
- B. The Systems provides reimbursement for transportation, lodging, meals and miscellaneous expenses for their employees.

1.12 IOWA STATUTES AND RULES

The terms and conditions of this RFP and the resulting contract or activities based upon this RFP shall be construed in accordance with the laws of Iowa. Where statutes and regulations of the United States Government are referenced herein, they shall apply to this RFP and the resulting contract. Whenever differences exist between federal and state statutes or regulations affecting this procurement, interpretation shall be in the direction of that which is most beneficial to the interests of the retirement Systems.

1.13 SIGNATURE OF OFFEROR'S AGENT

The offer made by technical proposal, and any clarifications to that proposal, shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract.

1.14 SCHEDULE OF EVENTS

A. Proposal Submission:

Proposals will be received, on or before  
**July 8, 1998 at the following address:**

**Public Retirement Systems  
C/O: MFPRSI  
2836 - 104<sup>TH</sup> Street  
Des Moines, Iowa 50322**

**If established, the starting date of the contract will be on or about  
August 1, 1998**

**B. Evaluation of Firms**

Subsequent to receipt of the responses, the representatives of the retirement systems will review and evaluate the responses to the RFP. The Systems' representatives will jointly, in their exclusive judgement, determine which firms are the top candidates for consideration based upon the responses to this RFP, utilizing the scoring grid described in Part IV.

At their sole discretion, the Systems' representatives may make on-site visits to the offices of the firms identified as the top candidates for the purpose of evaluating the capabilities of the firms.

The Systems representatives may, at their sole discretion, conduct interviews with one or more of the firms.

**C. Selection of Consulting Firm**

Upon the completion of the evaluation, the Systems will determine whether to offer a firm a contract at the conclusion of the above steps.

Selection of the firm to whom the contract will be offered will be based upon the results of the following:

1. scoring of the responses to the RFP,
2. the findings from the on-site visits (if conducted), and
3. the interviews with the finalists (if conducted).

**D.** The offer of a contract will be subject to negotiation of contractual terms and conditions.

**1.15 CONTRACT MANAGER**

Written inquiries shall be forwarded to Dennis L. Jacobs at the above provided address. The following named individuals will jointly serve as the contract manager:

Dennis L. Jacobs, Executive Director, MFPRSI (515) 254-9200  
Greg Cusack, Chief Benefits Officer, IPERS (515) 281-0024  
Carroll Bidler, Chief Financial Officer, POR (515) 281-8422

**1.16 AWARD**

The Systems reserve the right to award this contract not necessarily to the firm(s) with the lowest cost but to the firm(s) which will provide the best match to the requirements of the RFP.

The Systems reserve the right to not award a contract as a result of this RFP.

## **PART II - TERMS AND CONDITIONS**

### **2.1 TERMINATION**

The Systems shall have the privilege without cause to immediately terminate the relationship at any time upon written notice by registered mail or personal delivery.

### **2.2 EQUAL EMPLOYMENT OPPORTUNITIES**

The firm shall comply with the provisions of federal, state, and local regulations to insure that no employee or applicant for employment is discriminated against because of race, religion, color, sex, disability, or national origin. If required by federal statute, the contractor shall have an Affirmative Action Plan and shall provide the appropriate state or federal agencies with reports required to insure compliance with equal employment legislation and regulations. The firm shall insure that all authorized subcontractors comply with the provisions of this clause.

### **2.3 AUDIT OR EXAMINATION OF RECORDS**

- A. The firm agrees that the Systems' Auditors or any authorized representative of the Systems shall have access to and the right to examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, and records of the firm relating to this contract.
- B. All records relating to this contract shall be retained for five (5) years following the date of final payment or completion of any required audit, whichever is earlier.
- C. Compliance with the clause does not relieve the firm from retaining any records required by other laws or regulations of other government units.

### **2.4 WARRANTY AGAINST CONTINGENT FEES**

The firm warrants that no person or selling agency has been employed or retained to solicit and secure this contract upon an agreement or understanding for commission, percentage, brokerage or contingency; excepting bona-fide employees or selling agents maintained by the contractor for the purpose of securing business. For breach or violation of this warranty, the Systems shall have the right to award this contract without liability, or in their discretion, to deduct from the contract price or to otherwise recover, the full amount of such commission, percentage, brokerage or contingency.

## 2.5 SUBCONTRACTS

- A. The Systems shall approve all subcontracts entered into by the firm for the purpose of completing the provisions of this contract. All such subcontractors shall be procured with adequate attention to the principles of competition and reasonableness of costs.
- B. All records relating to subcontracts shall be available for audit or examination as stipulated in paragraph 2.3 above.

## 2.6 CHANGES

Changes in the provisions to be furnished under the resulting contract may be made only in writing and must be approved mutually by an agent of the firm and the Systems.

## 2.7 IMMUNITY FROM LIABILITY

Every party to this agreement is hereby notified and agrees that the Systems and their agents are immune from liability and suit for or from the firm's activities involving third parties and such party shall hold the Systems harmless from any such claim.

## 2.8 INVOICES AND PAYMENT

The successful firm shall bill the Systems in two equal installments, the first billing will be received on or about November 10, 1998 and the second installment shall be received within thirty days of the completion of the contract for all services rendered as described herein.

## 2.9 TAXES - STATE AND LOCAL

The Systems are exempt from Federal excise taxes, and no payment will be made for any taxes levied on vendor's employee's wages. The Systems are exempt from state and local sales and use taxes on the services supplied.

## 2.10 SECURITY OF DATA

Some data files of the Systems are of a confidential nature. The firm's employees shall be allowed access to these files only as needed to their duties related to the contract and in accordance with the rules established by the custodian of the records. The firm shall maintain positive policies and procedures for safeguarding the confidentiality of such data, and may be liable civilly or criminally under privacy legislation for negligent release of information.

2.11 RIGHTS IN PRODUCTS

The Systems retain all rights to all data reports, programs, designs and other results of this contract. The firm may not reproduce or otherwise use the products of this contract without the written consent of the Systems. The Systems reserve first publication rights to any products of this contract and the Systems may place these products in the public domain without permission of the firm.

2.12 CONTRACTOR PERSONNEL

The Systems may request replacement of any firm personnel believed unable to carry out the responsibilities of this contract and shall approve all firm's staff assigned to this contract.

2.13 CONFLICTS BETWEEN TERMS

The Systems reserve the right to accept or reject any exception taken by the offeror to the terms and conditions of this request for proposals.

2.14 THE RESULTING CONTRACT

The contract between the Systems and the offeror shall be a combination of the specifications, terms and conditions of the RFP; the offer contained in the proposal and any written clarification or changes made in accordance with the provisions herein.

2.15 WAIVER OF INFORMALITIES

The Systems reserves the right to waive any and all informalities in proposals if such waiver does not substantially change the offer or provide a competitive advantage to any bidder.

2.16 TERM OF CONTRACT

The contract shall be for a **nine month period** from the date of its execution and shall be eligible to be extended at the mutual agreement of the parties.

2.17 FEDERAL REGULATORY COMPLIANCE

It is the responsibility of the successful firm(s) to establish and maintain compliance with appropriate federal statutory and regulatory requirements.



### **PART III - SCOPE OF WORK AND DELIVERABLES**

The services provided by the selected consulting firm shall be in support of a study of various subjects concerning three Iowa retirement systems, as mandated by House File 2496, Act of the 1998 Iowa General Assembly (see attached Exhibit). The study pertains to the public safety (police, fire, etc.) workers covered by the retirement systems.

The legislation requires the named representatives of the systems to conduct a study, with the support of a consultant, to evaluate and make recommendations concerning these subjects. The study, as described on the following Table is divided into three primary subjects. The Scope of Work, for the public retirement systems' representatives and the selected consulting firm, is delineated on the pages following the Table.

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#### **TABLE: STATUTORY REQUIREMENTS FOR STUDY**

[Alpha references are to the corresponding sentences of the legislation.]

##### I. Analysis Of Benefit Plans:

- a. Consider appropriate benefit enhancements to each retirement system.
  - including the availability of enhanced disability benefits for members
  - applicability of federal social security benefits
- b. (s1) Consider establishment of a benefit structure which takes into account the applicability or inapplicability of federal social security contributions and benefits and which provides comparable and equitable benefits for members of each system .
- d. Establishment of equitable contribution rates for both employers and employees, including consideration of the mechanism to establish the contribution rates.

##### II. Analysis of Administrative Requirements

- c. Review the functions of each retirement system under examination and consideration of how to perform those functions in an efficient manner that meets the needs of the members of each retirement system.
- f. Consideration of the member service needs of both active and retired members of each retirement system under examination shall be made in examining each item for consideration in this subsection.
- b. (s2)- Include consideration of transferring certain groups of employees from one system to another.
- g. Consideration of any applicable federal and state legal requirements concerning public retirement systems, to include consideration of the obligations currently established for qualified plans under the federal Internal Revenue Code.

##### III. Reporting Requirement

- e. Consideration of establishing a uniform actuarial reporting method for all retirement systems under consideration to assist the public retirement systems committee in examining the relative financial condition of each retirement system.

The firm selected to provide the consulting services will perform the following services in support of the representatives of the three retirement Systems and on behalf of the Public Retirement Systems Committee of the Iowa General Assembly

## **SCOPE OF WORK**

### **A. Service Requirements**

Review and evaluate the information provided by the retirement systems pertaining to each of the three primary subjects:

- I. Analysis of Benefit Plans
- II. Analysis of Administrative Requirements
- III. Reporting Requirement

Support the development and submission of a final report to the appropriate committee of the Iowa General Assembly. Participate in legislative briefings and committee meetings in support of the findings of the study. **It is anticipated that the firm's representatives will make up to five visits to Des Moines for the purposes of meeting with the Systems representatives and to participate in legislative meetings.**

#### **I. Analysis of Benefit Plans:**

- a) Evaluation of the information provided by the retirement Systems' representatives and of related data.
- b) Development of information concerning parity among the existing benefit plans of the retirement Systems
- c) Supply of additional relevant data as deemed necessary and examination of the benefit plan provisions in the context of national patterns and trends.
- d) Upon the completion of a) - c), suggestion of elements or adjustments to the benefit plans, as deemed appropriate and potential additional enhancements required to establish overall parity of benefits.

#### **II. Analysis of Administrative Requirements:**

Review and comment upon, as necessary, the information provided by the Systems' representatives concerning the functions being performed by the retirement systems.

#### **III. Reporting Requirement:**

Review and comment upon, as necessary, the information provided by the Systems' representatives concerning actuarial reporting.

The Systems' representatives will develop the descriptive information concerning the three retirement Systems pertaining to each of the three subject areas.

**B. Requirements: Process and Time-line**

The following section describes the process and time-line that is being utilized to establish and conduct the study. The responsibilities of the various parties are identified within the description. The selected consulting firm will be expected to provide the services described in A. above, within the context of the process and time-line herein described.

**PROCESS AND TIME LINE**

1. Submission of written inquiries concerning the contents of and nature of the work required by this request for proposal. (by June 22, 1998)  
Responsibility of: Consulting Firm to Submit Inquiries
2. Response to written inquiries sent to all firms. (by June 26, 1998)  
Responsibility of: Systems' representatives
3. Consulting Firms' responses received (by July 8, 1998)  
Responsibility of: Consulting Firm to Submit Reply to RFP
4. Select the consulting firm to recommend to the legislative committee for performance of the contract (on or about July 20)  
Responsibility of: Systems' representatives
5. Obtain approval of legislative committee for hiring of consulting firm (on or about July 21)  
Responsibility of: Systems' representatives
6. Establish contract with selected consulting firm (on or about August 1, 1998)  
Responsibility of: Systems' representatives
7. Submit information to the consultant (on or about August 1, 1998) and coordinate analysis by the consultant (during August and September 1998)  
Responsibility of: Systems' representatives
8. Obtain report from the consulting firm (by October 15)  
Responsibility of: Consulting Firm to Submit Report

9. Prepare report and submit to association representatives for comments.  
(by October 31)  
**Responsibility of: Systems' representatives**
  
10. Submit report to legislative committee (by November 2)  
**Responsibility of: Systems' representatives**  
**Responsibility of: Consulting Firm to Support development of final Report**
  
11. Participate in various legislative committee meetings and provided written and verbal responses to legislative inquiries (November - April).  
**Responsibility of: Systems' representatives**  
**Responsibility of: Consulting Firm to support submission of responses and to participate in legislative committee meetings.**

**The terms of the final contract between the System and the successful firm will be binding and will supersede Part III of this request for proposal.**

## PART IV

### PROPOSAL PREPARATION AND EVALUATION

#### 4.1 PROPOSAL PREPARATION INSTRUCTIONS

The firm must respond to the statement made in 4.2A, Mandatory Requirements, and must provide a thorough response to each of the questions raised in 4.2B, Evaluation Criteria. Failure to adequately respond may be cause for rejection of the firm's submission.

The evaluation criteria will be utilized to award points to those firms whose proposals meet the mandatory requirements. A maximum of 100 points is available under Section 4.2B. Firms receiving the highest scores from the Systems' representatives will be given strongest consideration in the selection of the consultant.

#### 4.2 MANDATORY REQUIREMENTS AND EVALUATION CRITERION

##### A. Mandatory Requirements

1. The questions provided in 4.2B must be answered completely and in the sequence in which they are asked. Supporting material must be clearly referenced to the appropriate question.

Material which is strictly promotional in nature should not be used. The submission of extraneous material may serve to disqualify the firm from further consideration.

2. It is desirable but not necessary that the personnel assigned to serve the systems have had previous experience in providing services to a pension system. A brief description of the organization's experience must be provided to include a comment on any pension fund experience. (Attach as Appendix A)
3. The firm must provide a statement which indicates its ability and willingness to provide the type and level of services as delineated in Part III of this document. (Attach as Appendix B)

**B. Evaluation Criteria (100 points)**

The questionnaire is divided into four sections, each of which shall be given consideration by the retirement Systems' representatives during the review and evaluation process.

The four sections are as follows:

- I. The Firm's Approach to the Provision of Consulting Services  
(20 points.)
- II. The Firm's Fee Proposal  
(20 points)
- III. The Firm's Organization and Staff Qualifications  
(30 points)
- IV. The Firm's Relevant Experience  
(30 points)

Upon review of all of the acceptable proposals, the Systems' representatives will assign points to the proposals relative to the other proposals.

The System's representatives shall jointly select the firm to which the contract shall be awarded, based upon the selection criteria contained herein.

**4-B QUESTIONNAIRE:**

NAME OF FIRM:

Address:

Contact:

Phone:

Fax:

**COMPLIANCE INSTRUCTIONAL NOTES:**

**THE SYSTEMS STIPULATE THAT THE FIRM'S RESPONSE BE PROVIDED ON AND BE LIMITED TO THE FOLLOWING PAGES.**

**SPACE IS PROVIDED TO ADDRESS EACH QUESTION AND THE REQUESTED APPENDIXES ARE IDENTIFIED.**





**I - A. Service Philosophy**

3) Provide the background of the development of your service philosophy: who, why, when and where.

4) Restate, in your own words the nature of the assignment.

**I - A. Service Philosophy**

- 5) Describe the expectations the firm will have for the retirement systems' representatives in order to complete the study.





### III - A. Organizational Summary

- 4) Describe and explain any significant litigation or regulatory issues in which the firm has been involved over the last five years?

- 5) Indicate whether the firm would have any potential "conflict of interest" with the retirement Systems?

**III - B. Personnel**

1) Identify the number of personnel firm-wide, by category of employee:

2) Identify the number of personnel, by category of employee, in the office that will provide the consulting services for this relationship:

( identify office) \_\_\_\_\_



**IV. THE FIRM'S RELEVANT EXPERIENCE**

**A. Experience:**

- 1) Describe the experience of the firm in providing consulting services of the nature required by this RFP, include specific references to public and private pension plans and police and fire plans, if applicable?

- 2) For how many years has the firm provided consulting services?



IV - A Experience

- 3) Identify and describe any information data base(s) that will be utilized to support the consulting service.

- 4) Identify a representative sample of your firms' clients by name and/or type of relationship over the last five year period, since January 1, 1993, as follows;

| <u>NAME OF PLAN</u> | <u>CONSULTING SERVICES PROVIDED..</u> |
|---------------------|---------------------------------------|
|---------------------|---------------------------------------|



IV - A. Experience

- 7) Please provide samples of reports provided by the firm in similar consulting relationships. (Attach as Appendix E)

**ATTACHMENTS TO BE PROVIDED BY CONSULTING FIRM:**

Attachment to Cover Letter - Affirmative Action Policy Statement

Attachments/Appendixes to Questions

Appendix A - Description of Organization's Experience

Appendix B - Statement of Willingness to Comply

Appendix C - Organizational Charts

Appendix E - Biography of Consultants/Key Service Providers

Appendix F - Samples of Reports

**EXHIBIT TO RFP:**

**COMPREHENSIVE EXAMINATION OF PLAN DESIGN – PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY SYSTEM, THE STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM, AND MEMBERS OF SPECIAL CLASSIFICATIONS WITHIN THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – REPORT.**

1. The chief benefits officer of the Iowa public employees' retirement system, the executive director of the statewide fire and police retirement system, and the director of the financial division of the department of public safety for the public safety peace officers' retirement, accident, and disability system, hereafter "the systems' representatives", shall coordinate, in consultation with the public retirement systems committee established pursuant to section 97D.4, a comprehensive examination of the plan designs concerning the public retirement systems established in chapter 97A, chapter 411, and the provisions of chapter 97B governing special classifications, pursuant to the principles established in chapter 97D, and make recommendations concerning plan design improvement for each of the retirement systems.
2. In coordinating and conducting the examination required by this section, the systems' representatives shall consult, and make periodic reports to, the public retirement systems committee. In addition, the systems' representatives shall hire, subject to the prior approval of the public retirement systems committee, a consultant to facilitate the conducting of the examination.
3. In conducting the examination, the systems' representatives shall consider and examine, but not be limited to, the following:
  - a. Consideration of appropriate benefit enhancements to each retirement system. Consideration of benefit enhancements shall take into account the availability of enhanced disability benefits for members of each retirement system under examination and the applicability of federal social security benefits for members of certain retirement systems under examination.
  - b. Consideration of establishing a benefit structure pertaining to each retirement system under examination, which takes into account the applicability or inapplicability of federal social security contributions and benefits for the members of each applicable retirement system, and which provides comparable and equitable benefits for members of each system upon retirement. In addition, the examination shall include consideration of transferring certain groups of employees from one system to another.
  - c. Review of the functions of each retirement system under examination and consideration of how to perform those functions in an efficient manner that meets the needs of the members of each retirement system.

d. Establishment of equitable contribution rates for both employers and employees, including consideration of the mechanism to establish the contribution rates.

e. Consideration of establishing a uniform actuarial reporting method for all retirement systems under consideration to assist the public retirement systems committee in examining the relative financial condition of each retirement system.

f. Consideration of the member service needs of both active and retired members of each retirement system under examination shall be made in examining each item for consideration in this subsection.

g. Consideration of any applicable federal and state legal requirements concerning public retirement systems, to include consideration of the obligations currently established for qualified plans under the federal Internal Revenue Code.

4. In conducting the examination, the systems' representatives shall solicit from active and retired members of each of the retirement systems subject to the comprehensive examination written comments concerning issues to be considered by the consultant, prior to the hiring of the consultant, and written comments on the results of the examination.

5. On or before November 2, 1998, the systems' representatives shall file a report with the legislative service bureau, for distribution to the public retirement systems committee, which contains the results of the comprehensive examination and any proposal, or proposals, for improving the plan design of any or all of the public retirement systems examined pursuant to this section. The report shall include discussion and recommendations concerning the items for consideration listed in subsection.