



Request for Proposal Pension Administration System Consulting Services

**Proposals must be submitted before:
5:00 p.m. PST, Friday, July 9, 2010**

Late proposals will be rejected.

City of Fresno Retirement Systems
2828 Fresno Street, Suite 201
Fresno, California 93721
(559) 621-7080
www.CFRS-CA.org

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1. General Information

1.1 Purpose and Objective of This Proposal

City of Fresno Retirement Systems (CFRS) invite proposals for Pension Administration System Consulting Services to assist CFRS in the development of the Request for Proposal (RFP), successful procurement, planning and implementation of a comprehensive benefits system, imaging document system and development of a business continuity plan.

Services required initially will include:

- Development of the business requirements
- Development of Request for Proposals (RFP)
- Critical examination and analysis of submitted information system proposals
- Comparative assessment and appropriateness of Vendors' projected sizing, technology, timetables, approaches and solutions to CFRS' needs
- Proposal gap analyses
- Cost to value ratios
- Estimated modifications or customizations required to Vendors' software and hardware packages, change order control practices
- Planning, warranty and support assessment
- Reports and recommendations to the Retirement Administrator and the Retirement Boards on proposals that closely meet the needs of CFRS, while realistically balancing cost, efficiency, flexibility and future growth

The consulting service (Consultant) chosen will have demonstrated knowledge of public retirement systems and experience in all phases of complete project management, i.e., business analysis, procuring system hardware and software, project development lifecycle, installation, testing, de-bugging, archival data migration, testing, training and ramp-up.

1.2 Scope of Consulting Services

The predominant goal for this phase of consulting services is to equitably differentiate and identify, through knowledgeable business analysis and comparison of Vendor proposals, appropriate, cost-effective quality proposals for CFRS' new pension administration system.

Based on the business requirements the Consultant is expected to:

- Identify business requirements and rules
- Develop the RFP
- Summarize and evaluate the strengths and weaknesses of Vendor submissions
- Offer guidance and support in making a positive decision between competing vendors
- Discuss next steps in implementing the pension administration system project as outlined in the successful proposal

This phase of CFRS' pension administration project is expected to begin by mid year 2010.

1.3 Potential Future Scope

CFRS may be interested in continuing services beyond the initial proposal evaluation, on an on-going basis as needed, to augment staff resources, function as liaison with the Vendor, facilitate development and implementation of the pension administration system, and serve as an advocate for CFRS' interests with the Vendor.

After the successful conclusion of this initial phase of the project, including acceptance and usefulness of the consulting services, continuing services may be authorized without an additional RFP. CFRS may enter into negotiations for additional work with the Consultant selected; provided, however, that the selected Consultant shall not be allowed to submit a proposal to provide CFRS' new pension administration system. The Consultant selected pursuant to this RFP shall act only in a consulting/facilitator role to assist CFRS through the process of acquiring a new pension administration system.

1.4 Background Information

CFRS is a single *employer* 401(a) defined benefit public retirement system. Currently, there are 3,669 active members, 2,267 retirees or contingent annuitants, and 251 inactive (deferred) members. The system's assets are approximately \$1.87 billion. The Systems are governed by the provisions under the City of Fresno Charter and Municipal Code, as amended.

With its own governing boards, CFRS is composed of two independent governmental entities, separate and distinct from the City of Fresno, but a component of said City. The Boards administer and provide service retirement, disability, death and survivor benefits for City employees. The pension plans are defined benefit plans that provide benefits to general and safety members and their beneficiaries. Employee contributions to the plan are defined in the Fresno Municipal Code. See each plans description in Appendix A.

Further information on CFRS' benefits are available in the Comprehensive Annual Financial Reports (CAFR) posted on the Systems web site, www.CFRS-CA.org.

Currently, CFRS staff positions total 10, separated into Administration, Retirement Benefit Services, Fiscal/Investment and Executive Management. Each division performs specific tasks but also functions in interrelated ways.

1.5 Current System

To give prospective consulting service Vendors insight of the extensive application development CFRS requires for the pension system administration project, following is a brief summary of some of the existing system functions:

Functionality

- Import biweekly City Payroll and produce payroll reports
- Calculate benefits for retirement or withdrawals and produce reports
- Prepare member estimate of benefits and produce reports
- Maintain service, contribution and payroll history
- Notes field
- Actuarial data feed
- Maintain pension fund data and apply actuarial tables
- Death Verification data
- Contribution statements
- Manual Posting of Contributions and Interest
- Monthly interest allocation
- 1099 Processing and Transmittal
- Administrative security for changes to member files
 - Add
 - Override
 - Delete
- Process corrections and adjustments
- Process tax-deferred YTD and LTD contributions for reporting
- Export monthly electronic deposit file to Custodian Bank
- Preformatted reports and ad hoc reporting
- Maintain DROP Information
- Maintain Job Codes and Salary Schedules
- Process Cost of Living Adjustments (COLAs)
- Reciprocity, pending disability, hand calculations, service calculations
- Employer demographics

CFRS' vision of the new integrated retirement solution includes:

Desirable Functionality

- System provides the ability to accept and process a reporting file from the employer. The system includes pre-editing before posting member related information such as contributions, salary, service purchase payments.
- System is designed with benefit eligibility and calculation rules that can be changed by the end users when needed.
- System maintains and tracks employer reporting as well as employer payments of member contributions.
- System contains eligibility and calculation rules that use effective dating to determine which rules are to be used.
- System provides online ability to view and/or correct reporting errors of member information prior to posting to member's account.
- System maintains and stores all payment option rules as well as actuary mortality tables.
- Contribution and service credit rules can be modified by end users with appropriate security.
- System provides the ability to store benefit estimates in each member's history file.
- System maintains multiple addresses for each member, using effective dating and address types.
- System provides the ability to view and/or print past benefit estimates on a per member basis.
- System maintains multiple phone numbers or multiple contacts for a single member.
- System provides a benefit recalculation feature to recompute a current benefit and to compute any over and/or under payment adjustments.
- System contains dependent information for members including name, address, phone number, contact, relationship, SSN and birth date.
- System provides a benefit cancellation feature that will reset a member to active status and restore all contributions and service.

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- System maintains computed member service credit. System provides IRC 415 reasonableness testing functionality.
- System provides alternative views of contribution, salary, and service history, such as by plan, employers, filtered dates, etc.
- System offers benefit payment functionality.
- System allows detailed salary and contribution information to be quickly printed and/or saved to a text file.
- System allows users to define correspondence to be tracked on a per member basis.
- System tracks member domestic relations orders and provide warning messages of their existence.
- System supports the automatic execution of a query that will extract the information from the retirement system database into a separate text file.
- System contains note classification and note types for each viewing and printing.
- System supports the ability to track when correspondence was executed, date it was executed, the date it must be returned to the fund office and the ability to re-execute the correspondence.
- System provides the ability to print a single member statement, and the ability for the user to select which portions of the statement are to be printed (i.e. contribution, service, service purchase, nominated beneficiary and dependent.
- System supports the ability to generate correspondence to a group of members.
- System provides the ability to print member statements for a select group of members by member status. It shall include the ability to select which portions of the statement are to be printed.
- System supports a freeform checklist type workflow processing capability that is non-binding to the users and allow users to execute workflow steps outside of a workflow process.
- System provides the ability to store generated member statements in a member's history file.
- System supports task management. System should provide the ability for users to assign single administrative tasks to other system users.

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- System provides the ability to send a member statement file to a third party for printing in a different format.
- System provides a Seminar module designed to allow the fund to create seminars and track seminar attendance.
- System has the ability to track member movement between Retirement Systems.
- System has the ability to integrate with the accounting software.
- System has the ability to track disability retirement application processing, retain history for analysis of disability applications.
- System has the ability to support accounting, processing and distributions from our Deferred Retirement Option Programs (“DROP”).
- Website access for Member Portal to administration system information and projections of benefits.

2. Proposal Inquiries and Submittal Timeline

This Request for Proposal (RFP) is issued by the City of Fresno Retirement Systems (CFRS). CFRS is the sole contact for questions related to this RFP. Questions should be submitted in writing, via email or fax, citing the RFP title and page to:

Stanley L. McDivitt, Retirement Administrator
City of Fresno Retirement Systems
2828 Fresno Street, Suite 201
Fresno, CA 93721
Fax: (559) 621-7080
Email: stanm@fresno.gov

Questions about and clarifications of this RFP for Consulting Services and CFRS terms and conditions will be addressed at the end of the Vendor Inquiry period. An official written answer will be provided to all questions critical to the competitive selection process. Replies to questions of material relevance will be distributed to all interested Vendors.

Final inquiries must be received before:

5:00 p.m. PST, Friday, June 25, 2010

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Communications with CFRS:

Upon receipt of this RFP, firms intending to submit a proposal should not contact any individual on the CFRS staff or trustee of the CFRS Board of Retirement, other than the contact person listed. CFRS may remove from consideration the proposal of any Vendor who violates this no-contact policy.

The notice *Request for Proposal* will be published, advertised, and sent to all known Vendors who have expressed an interest.

Letters of Intent to Submit Proposals should be submitted to Stanley McDivitt, Retirement Administrator, before:

5:00 p.m. PST, Friday, July 2, 2010

Proposals are due at CFRS before:

5:00 p.m. PST, Friday, July 9, 2010
Late proposals will not be accepted.

Proposals are to be submitted to the attention of:

**Stanley L. McDivitt, Retirement Administrator
City of Fresno Retirement Systems
2828 Fresno Street, Suite 201
Fresno, California 93721**

Notification to Vendors of CFRS' decision to award a contract for consulting will be by mail.

Proposal Effective Dates:

Proposals, including costs, will be in effect for a period of at least 180 days after the RFP closing date.

3. Proposal Organization and Submission Format

Number of Proposal Copies:

Vendors will submit 1 electronic (digital) copy, 1 original and 15 copies of their proposals.

All information requested in the RFP must be addressed in the Vendor's response. Proposals should provide a straightforward, concise explanation of the capabilities and services that will satisfy the requirements of this RFP. Emphasis should be placed on completeness and clarity of content.

CFRS requests that proposals follow the sequence below:

3.1 Proposal Identification Sheet

3.2 Cover Letter, which shall include the following statements:

- a) The attached proposal is complete as submitted.
- b) All prices, cost schedules, interest rates, and other significant factors contained in the proposal are valid for 180 days from the proposal closing date.
- c) Certification of non-discriminatory practices in the company's acquisition of all goods and services.
- d) Signature of the representative(s) who is authorized to legally bind the Vendor.

3.3 Proposed Service Plan, Approach and Estimated timeline for completion of Pension Administration System project

- a) Please provide a description of the proposed scope of services as they relate to CFRS' requirements.
- b) Identify specific tasks and methodologies used by your consulting firm to make definitive, appropriate recommendations applicable to CFRS' project.
- c) Describe the processes, approximate timelines and reporting formats to be produced.
- d) Identify project lead personnel, their time commitment to this project, commitment to other clients and how this relates to the conditions of their availability for possible continuing or "follow-up" work on CFRS' pension administration project as a whole. (Note: For purposes of the specific task referenced in this RFP, lead personnel cannot be changed without the approval of CFRS.)

3.4 Consultant Qualifications and Experience

- a) Please describe company history/background information, including experience with City public pension systems and/or '37 Act pension systems and IT projects. If company is not local, describe how distance will impact service delivery to CFRS.
- b) Give a brief summary of consulting services provided for a public pension system project.

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- c) Provide two references from public pension funds that used your consulting services for similar projects and reviews. References should include project and organization name, address, contact person and FAX and telephone numbers.
- d) Identify any legal actions, lawsuits, arbitration or formal protests related to retirement system consulting performed by this agency.
- e) Detail primary (personnel assigned to this project) Consultant's expertise, background and availability.
- f) Describe IT experience and resources proposed for use during this project.

3.5 Consulting Services Cost

Please submit an estimated "Total Project Cost" for the review and recommendation of submitted pension administration system proposals. Relate costs with the suggested work plan and timeline developed. For each item in the work plan, detail personnel required, their hourly rate/range and estimated hours to complete the project. As a public entity, CFRS must consider the most effective approach to the task, without compromising quality of the outcome.

3.6 Consulting Rates

- a) Provide your standard Billing Rate Sheet.
- b) Provide rates and policies concerning travel and reimbursable expenses.
- c) If your firm has multiple offices, describe which office will staff this project.
- d) Include your standard contract or master agreement.

3.7 Exhibits and Attachments

The Vendor may include additional information or exhibits appropriate for CFRS' consideration.

4. Proposal Evaluation and Vendor Selection Criteria

Proposals will be evaluated by the CFRS Board of Retirement Information Technology Committee. After careful consideration of all submissions, the Committee will make a recommendation to the Board of Retirement. CFRS respectfully reserves the right to use all available means to evaluate the Vendor, including review of submitted proposals, reference checks, interviews and presentations. The evaluation team will be under no obligation to contact Vendors for clarification of proposals, but may do so at any time prior to contract award.

Because it is not possible to specify CFRS' possible future consulting requirements in this RFP, further discussion may take place. The preferred Vendor, based on the evaluation referenced below, will be awarded the right to negotiate. If the preferred Vendor and CFRS are unable to reach an agreement, CFRS reserves the right, but not the obligation, to negotiate with the next respondent under consideration.

4.1 Evaluation Criteria

Each proposal will be reviewed and evaluated as follows:

Presentation and Quality of the Proposal: All proposal requirements must be clear and concise.

Responsive submissions must be signed, complete, submitted in the prescribed format and compliant with specifications and legal requirements.

Quality of Approach, Work Plan and Personnel: Consulting services must match CFRS' needs, including expertise level of professional staff, appropriate timeline and staff resources dedicated to the project. Vendor's consultation experience on successful solutions to similar retirement systems is a preferred quality.

Financial Stability and Background Review: Prior and related experience on similar projects must be relevant, i.e., public pension system experience and familiarity with pension system culture. Vendor longevity, financial soundness and positive references are qualities valued by CFRS.

Evidence of adequate financial stability and business strength is a prerequisite to awarding of a contract regardless of any other consideration.

Costs: Total project expense will be evaluated on a cost vs. value basis.

Each item will be assigned a point value, which indicates its importance to CFRS. The evaluators may award all of the points, none of the points or some of the points, depending on the suitability of proposal responses.

5. Final Offers and Award of Consulting Contract

During the evaluation process, CFRS will identify any areas where additional information or clarification may be needed. If required, CFRS will provide each semi-finalist Vendor a description of issues to be explored. These areas may include pricing, personnel availability, or any other matter the evaluation team may need further information about for assessment. These issues will be exclusive to each semi-finalist; under no circumstances will the issues be disclosed between prospective Vendors. When this process is completed, final scores will be tallied. A successful Vendor will be selected. An award will be made to the responding Vendor whose proposal is deemed to be the most advantageous to CFRS, taking into consideration all stated criteria and evaluation factors.

CFRS may determine if it is in its best interest to seek a "Best and Final Offer."

This process will provide Vendors the opportunity to amend or change their original proposal to make it more acceptable and/or respond to any modified requirements that have been agreed to in writing.

CFRS reserves the right to exercise this option.

Notification of Award

A letter will advise the successful Vendor if CFRS awards a contract relative to this RFP. The contract will incorporate the mandatory requirements of this RFP, plus any amendments; the successful Vendor's proposal; the "Best and Final Offer;" and any other pertinent documents, as agreed between the Vendor and CFRS. All Vendors will be notified by mail of the Retirement Board's decision to award a contract.

6. General Terms and Conditions

6.1 Responsive Proposals

The proposal must be signed, complete, submitted in the prescribed format and comply with specifications and legal requirements.

The individual(s) who is (are) authorized to bind the Proposer contractually must sign a cover letter, which will be considered an integral part of the proposal. This cover letter must indicate the signer is so authorized and must indicate the title or position that the signer holds in the Proposer's firm. **An unsigned cover letter shall cause the proposal to be rejected.** The cover letter must contain a statement that the firm acknowledges that all documents submitted pursuant to this request for proposal process will become a matter of public record.

The letter also must contain the following:

1. The Proposer's name, address, and telephone and facsimile numbers.
2. The Proposer's Federal Employer Identification Number and Corporate Identification Number, if applicable.
3. The name, title or position, and telephone number of the individual signing the cover letter.
4. A statement indicating the signature is authorized to bind the Proposer contractually.
5. The name, title or position, and telephone number of the primary contact and/or account administrator if different from the individual signing the cover letter.
6. A statement to the effect that the proposal is a firm and irrevocable offer, good for three years with two one-year options.
7. A statement expressing the Proposer's willingness to perform the services as described in this RFP.
8. A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables within specified time frames.

6.2 Exceptions

Specific exception must be taken to any term or portion of this RFP, which Vendor will NOT ACCEPT in a contract issued pursuant to this RFP.

6.3 Submittal Costs

CFRS is not liable for any costs incurred by Vendors in developing and preparing their proposal, attendance at any conferences or meetings that may be associated with this proposal, contract negotiations, or for work performed prior to issuance of a countersigned contract.

Respondent is responsible for all costs associated with information, proposals, orientation or personnel required to comply with this RFP and potential subsequent contract. All proposals submitted become the property of CFRS and will not be returned.

6.4 RFP Withdrawal or Modification

Proposals may be withdrawn or modified by a written or faxed request from respondent before three business days prior to RFP closing due date.

CFRS may, by written notice to all respondents, cancel, postpone or amend the RFP prior to the due date. If, in the opinion of CFRS, the revisions or amendments will require additional time for response, the due date will be extended to all participants.

6.5 Errors/Clarifications

If any ambiguity, conflict, discrepancy, omission or other error is discovered in the RFP, the Vendor should immediately notify CFRS, Attention Stanley Mcdivitt, in writing, requesting modification or clarification of the document. Modifications of material consequence will be made by addenda issued to all participating respondents.

6.6 Right to Reject Proposals

CFRS reserves the right to select the proposal that will best serve its interests. CFRS also reserves the right to select other than the lowest fee proposal. CFRS may reject any and all proposals, for any reason, and reserves the right to re-solicit proposals in the event no response is acceptable. CFRS is in no way obligated to any respondent for the work as set forth in the specifications.

CFRS reserves the right to accept or reject proposals on each item separately or the proposal as a whole, without further discussion. Proposals that are incomplete may be considered nonresponsive and rejected.

Respondents will be notified if their proposal is rejected.

The following will lead to disqualification: misrepresentation or omission of facts in respondent's proposal submittal or in any other communication from respondent in connection with this RFP process; and seeking or causing intervention by third parties, where the purpose is to achieve special advantage in the award of any resulting contract.

6.7 Oral Presentations

Prior to the determination of the award, finalists may be required to make an oral presentation of their proposal and/or clarify their response. Failure to comply with scheduled presentations, once arranged, may be grounds for disqualification.

6.8 Public Record and Confidentiality of RFPs

All information received becomes a matter of public record unless it is exempt. However, all proposals will remain confidential until an award is made. The California Public Records Act, Government Code sections 6250, *et. seq.*, provides that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in the state. Public records are defined as any writing relating to the conduct of the public's business and are open to inspection during normal business hours.

There are specific exceptions to the Public Records Act. In the event CFRS receives a request of any proposal submitted pursuant to this Request for Proposal, it is the responsibility of the organization whose proposal has been requested to assert any rights to confidentiality that may exist. CFRS will not make that assertion on behalf of the Proposer. Absent a judicial determination that the documents are exempt from disclosure, they will be subject to inspection.

Submission by a Vendor constitutes a complete waiver of any claims whatsoever against the City of Fresno, CFRS, and/or its agents, officers or employees, that CFRS has violated a Vendor's right to privacy, disclosed trade secrets or caused any damage by allowing the proposal to be inspected.

6.9 Confidentiality of Data and Information

Vendors will maintain in confidence all CFRS member data and information derived from any data, which becomes available in connection with this RFP or services under this agreement, and will use any such information only for providing services to CFRS. All data and information acquired or developed by the Vendor in performance of this proposal will be and remain the property of CFRS. This section will survive the termination of this agreement.

Respondents also agree that all discussions or information gained during the engagement be considered confidential; no information or data accessed or gathered by the Vendor will be released without prior consent of the CFRS Retirement Administrator Stanley McDivitt.

6.10 Copyright and Intellectual Property Rights

All right, title and interest to any written or otherwise copyrightable material developed and/or delivered by the Consultant and consulting service will be and remain with CFRS. The Consultant warrants all developers of copyrightable material delivered under this agreement are, at the time of creation, employees or sub-contractors of the Consultant, and that such material is within the scope of the developer's employment.

6.11 Collusion Affidavit/Conflict of Interest

By submitting a proposal, the Vendor certifies that the quoted prices are genuine and not the result of collusion or any other activity that would tend to directly or indirectly influence the process.

The Proposer further certifies the Vendor has no real or potential conflicts of interest that would prevent the Consultant from acting in the best interests of CFRS.

6.12 Sub-Contracting

The Consultant may not assign or transfer this agreement, or any interest or claim, or subcontract any portion of the work contracted under this agreement without prior written approval of CFRS. If CFRS consents to such assignment or transfer, the terms and conditions of this agreement will be binding on any assignee or transferee.

6.13 Consultant's Liability and Insurance Requirements

The Consultant will defend, indemnify and hold CFRS, its officers, employees and agents, harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages caused by or resulting from negligent or intentional acts or omissions of the Consultant, its officers, agents or employees.

The Consultant, at its sole cost and expense, will insure its activities in connection with work under this proposal and obtain, keep in force and **maintain insurance at a minimum** as follows:

- A. Workers' Compensation Insurance. Consultant shall submit written proof that Consultant is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.
- B. Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions included in the Agreement), Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Actuaries' performance of work under this Agreement. Such insurance coverage shall have minimum limits for bodily injury and property damage liability of One Million Dollars (\$1,000,000) each occurrence and Five Million Dollars (\$5,000,000) in aggregate.

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- C. Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement with minimum limits for Bodily Injury and Property Damage liability of One Million Dollars (\$1,000,000) per occurrence and Five Million Dollars (\$5,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.
- D. Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with limits of not less than Five Million Dollars (\$5,000,000) aggregate and a deductible of not greater than \$500,000.

If any of the insurance coverages required under this Agreement are written on a claims-made basis, the insurance policy shall provide an extended reporting period of not less than four (4) years following the termination of this Agreement or completion of all work performed by Consultant specified in this Agreement, whichever is later.

All insurance shall be issued by a company or companies listed in the current "Best's Key Rating Guide" publication with a minimum of "A-; VII" rating. All insurance coverages required to be maintained by Consultant shall be maintained until the completion of all of Consultant's obligations under this Agreement, and shall not be reduced, modified, or canceled without thirty (30) days prior written notice to CFRS. Failure by Consultant to maintain all such insurance in effect at times required by this Agreement shall be a material breach of this Agreement by Consultant. CFRS, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from such breach. Alternatively, CFRS may purchase such required insurance coverage, and without further notice to Consultant, CFRS shall deduct from sums due to Consultant any premiums and associated costs advanced or paid by CFRS for such insurance. If sums due Consultant pursuant to this Agreement are insufficient to reimburse CFRS for the premiums and any associated costs, Consultant agrees to reimburse CFRS for the premiums and pay for all costs associated with the purchase of such insurance.

Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Consultant for any liability, whether within, outside or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the CFRS from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.

7. Standard for Performance

CFRS, in selecting the Consultant, is relying on the Consultant's reputation for excellence in the performance of the services required by this RFP. The Consultant will perform these services in the manner of a recognized specialist in this designated field. All deadlines set forth in the agreement are binding and may be modified only by subsequent written agreement of both the Consultant and CFRS. The Consultant will devote time to the performance of duties under this agreement as is reasonably necessary for the satisfactory accomplishment of service delivery within deadlines set by agreement with CFRS.

8. Contract Terms and Conditions

CFRS will negotiate its own contract with the Vendor, giving due consideration to the stipulations of the Vendor's standard contracts and associated legal documents. Bidders should be aware that a contract for the services noted in this RFP will include, but not be limited to, the requirements set forth in sections 6.9 to 7, and the following sections:

8.1 Prime Responsibility

The Vendor will be required to assume full responsibility for all services and activities offered in its proposal whether or not provided directly. Further, CFRS will consider the selected organization to be the sole point of contact with regard to contractual matters, including payment of fees.

Vendor and Vendor's personnel and subcontractors, if any, will operate as independent contractors and will not be considered employees or agents of CFRS.

Vendor and Vendor's personnel, including subcontractors, will treat any and all information provided by CFRS as confidential and are prohibited from using that information for any other purposes than those provided by contract, without express written permission from CFRS.

All terms and conditions of a contract with Vendor will be equally binding on any subcontractor.

Vendors agree, unless specifically exempted, to comply with California Government Code Section 12900 and its implementing regulations in matters relating to the development, implementation and maintenance of a non-discrimination program.

8.2 Performance

The Vendor will meet specific performance standards established during the contract negotiation process. The approved project schedule, specifying agreed upon, significant milestone events and a project completion date, will be incorporated into the contract.

8.3 Disposition of Proposals

All materials submitted in response to this RFP will become the property of CFRS and may be returned only at CFRS' option and at Vendor's expense. The original copy of each proposal will be retained in CFRS' official files and will become a matter of public record.

9. Guaranteed Most Favorable Terms

All prices, terms, warranties and benefits granted by the Vendor in its proposal must be comparable or better than those offered by the Vendor to other customers contracting under the same material terms and conditions. As used herein, material terms and conditions include those terms related to price and Vendor performance. Should the Vendor announce a general price reduction or make generally available to other customers more favorable terms or conditions with respect to the types of services provided here, such prices, terms or conditions will be available to CFRS on the date of general price reduction or when change in terms and conditions becomes effective.

Appendix A

CFRS Plan Description

The **Employees Retirement System** ("System") was established on June 1, 1939, and is governed by Article 5 of Chapter 3 of the City of Fresno Municipal Code. It is administered by the Retirement Board but not under the control of the City Council. The System is a single employer public employee retirement system that includes substantially all full-time employees, other than sworn officers of the Fire and Police Departments. Total participants of the System were comprised as follows at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Active Members		
Vested	1,657	1,626
Non-vested	<u>840</u>	<u>889</u>
Total Active Members	2,497	2,515

Retirees and Beneficiaries of Deceased Retirees

Currently Receiving Benefits	1,402	1,363
Inactive Vested Members	<u>184</u>	<u>192</u>
Total	<u>4,083</u>	<u>4,070</u>

Pension benefits are based upon a combination of age, years of service, monthly salary, and the option selected by the participant. Death and disability benefits are additionally based upon whether the death occurred before or after retirement. Members' contributions, including interest, are 100 percent vested at all times. Employer contributions do not become vested until completion of 5 years of credited service when they become 100 percent vested, but are not payable until the member attains the age of 55. Contributions are made by the members and the employer at rates recommended by the System's independent actuary and adopted by the Retirement Board. Employee contribution rates vary according to age and are designed to provide funding for approximately one-third of retirement benefit basic normal costs and one-half of the cost of living component. The City's contribution rate is designed to provide funding for the remaining regular retirement and cost-of-living benefits, as well as all regular disability and survivors' benefits.

The City of **Fresno Fire and Police Retirement System** ("System") was established on July 1, 1955, under provisions of the City of Fresno Ordinance Number 4611, and is maintained and governed by Article 3 and 4 of Chapter 3 of the Municipal Code of the City of Fresno but not under the control of the City Council. The System is a single employer public employee retirement system that includes all full time sworn fire, police and airport safety personnel. Effective August 27, 1990, the City added the Fire and Police Second Tier for all full time sworn fire, police and airport safety personnel hired on or after that date (and closed the Fire and Police First Tier to new entrants). Total participants of the System were comprised of the following, as of June 30, 2009 and 2008:

REQUEST FOR PROPOSAL
PENSION ADMINISTRATION SYSTEM CONSULTING SERVICES

	2009	2008
Active Members:		
Vested	859	783
Non-vested	<u>313</u>	<u>399</u>
	<u>1,172</u>	<u>1,182</u>
Retirees and Beneficiaries of Deceased		
Retirees, Currently Receiving Benefits	865	854
Inactive Vested Members	<u>67</u>	<u>67</u>
	<u>932</u>	<u>921</u>
Totals	2,104	2,103

Pension benefits are based upon a combination of age, years of service, monthly salary and the option selected by the participant. Death and disability benefits are additionally based upon whether the disability was service connected and whether the death occurred before or after retirement. Members' contributions, including interest, are 100 percent vested at all times. Employer contributions do not become vested until completion of 10 years of credited service under the First Tier and five years of credited service under the Second Tier when they become 100 percent vested, but are not payable until the member attains the age of 50 under both tiers. Contributions are made by the members and the employer at rates recommended by the System's actuary and adopted by the Retirement Board. Cost-of-living increases for the First Tier retirees are determined by the increases attached to ranks of active safety employees for those having retired under the rank-average option. For those retired under the 3-year average, cost-of-living is based on the percentage of change in the weighted mean average monthly compensation attached to all ranks of members, as compared with the prior fiscal year and limited to a maximum of 5 percent per year.

Cost-of-living (COL) increases for the Second Tier retirees will be determined by the change in Consumer Price Index with a maximum of 3 percent per year. Provisions for the COL increases are outlined in the City of Fresno Municipal Code and changes may be made only by code amendment.

Reporting Entity

The Retirement Systems, with their own governing boards, are independent governmental entities separate and distinct from the City of Fresno. The System's annual financial statements are included in the City of Fresno Annual Financial Report as a pension trust fund.