



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 10, 2017
Action Item for the City Council Meeting of January 17, 2017

DATE: January 10, 2017

TO: Margie C. Rose, City Manager

FROM: Steve Viera, Interim Director of Human Resources
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| Actuarial Services Service Agreement Amendment |
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CAPTION:

Motion authorizing the City Manager or designee to amend a service agreement with Foster & Foster Actuaries and Consultants of Ft. Meyers, Florida to provide professional actuarial services for the Human Resources Department for a total amount not to exceed \$34,500.00 of which \$7,666.67 is required in FY 2016-2017. The agreement is established for a three year period and includes an option to extend for one additional two year period, subject to the approval of the City Manager or designee.

PURPOSE:

Approval to amend the current service agreement with Foster & Foster for Actuarial Services for Financial Services to include Actuarial Services for the Human Resources Department.

BACKGROUND AND FINDINGS:

In June 2016, the City's Finance Department began the process of creating a Request for Proposal (RFP) for Actuarial Services for Financial Services Event No. 136. With the assistance of the City's Chief Accountant for Financial Services and the Buyer of the City's Purchasing Division, the RFP was advertised and issued on July 8, 2016. The RFP was advertised, issued and posted on the City's Supplier Portal.

An evaluation team comprised of Financial Services and Human Resources staff members reviewed the proposals and scored each according to the criteria below.

Proposals were evaluated across two major criteria: technical proposal and price. The team evaluated four proposals based on the following criteria and weighting scale:

Technical Proposal – 90%
Price – 10%

The team held an evaluation meeting on July 29, 2016. Through the evaluation process a determination was made that Foster & Foster Actuaries and Consultants would provide the best value to the City based on their technical proposal and pricing.

Foster & Foster's Actuaries and Consultants fees were lower than the threshold requirement of Council approval at that time and a recommendation was made to award the service agreement commencing on September 1, 2016 under Service Agreement 824. The term of the service agreement is for 36 months with an option to extend for an additional 24 month period.

The total estimated cost for the actuarial services for Financial Services for the initial term of the contract is \$25,300.00.

This service will be used by Financial Services for actuarial services related to Governmental Accounting Standards Board (GASB) Statement Nos. 45 and 75 Accounting and financial reporting by employees for post-employment benefits other than pensions.

In October 2016, the Human Resources Department identified a need of Actuarial Services. After weighing the options for procuring new services or amending the current contract with Foster & Foster's Actuaries and Consultants to include actuarial services for the Human Resources Department, a decision was made to amend the newly awarded contract to include the Human Resources piece. Foster & Foster Actuaries and Consultants provided a quote for services of \$11,500.00 per year which was less expensive than what the Human Resources Department had been paying for these services under their expiring contract. Services will be effective upon City Council approval and an issuance of a notice to proceed and through the end date of the original service agreement.

This service will be used by the Human Resources Department for actuarial services related to general consultation services for all insurance plans administered by the City. Foster & Foster Actuaries and Consultants will provide actuarial consultation and advisory services on any technical, policy or administrative issues and will provide an annual review of self-insured health and pharmacy benefit plans.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

N/A

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures along with the State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

N/A

DEPARTMENTAL CLEARANCES:

Human Resources

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

| Fiscal Year: 2016-2017 | Current Year | Future Years | TOTALS |
|-----------------------------------|---------------------|---------------------|---------------|
| Line Item Budget | \$28,000.00 | \$26,833.33 | \$54,8333.33 |
| Encumbered / Expended Amount | \$0.00 | \$0.00 | \$0.00 |
| This item | \$7,666.67 | \$26,833.33 | \$34,500.00 |
| BALANCE | \$20,333.33 | \$0 | \$20,333.33 |

Fund(s): Other Employee

Comments: The initial contract term total is \$34,500, of which \$7,666.67 is funded in FY2016-2017. The total contract expenditure for the Human Resources Department will be up to \$57,500 if all option years are executed.

RECOMMENDATION:

Staff recommends approval of the motion.

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 2