



Request for City Council Committee Action from the Department of Finance

Date: January 15, 2009

To: Council Member Paul Ostrow, Chair, Ways and Means/Budget Committee

Subject: Actuarial Services Consultant Panel: Request to Enter into Contracts

Recommendation: Authorize the proper City officers to enter into contracts for the Actuarial Services Consultant Panel for a maximum amount not to exceed \$1 million with individual scopes of work issued under this contract not to exceed \$300,000 for the two-year period.

Previous Directives: RFP Request: Ways & Means/Budget Committee, November 17, 2008

Prepared by: Maren Anderson, Senior Financial Analyst, 612-673-2413 Approved by: Patrick Born, Director, Finance Department 612-673-3375, and Steven Bosacker, City Coordinator, 612-673-2032 Presenters in Committee: Lalonie Erickson-Baker, Mgr, Administrative Services, 673-2004

Reviews

- None

Financial Impact

No financial impact

Background/Supporting Information

The City established a Financial Services Consultant Panel effective January 1, 2008 through December 31, 2010 to support the needs of the Finance Department, its Development Finance Division, and their client department, Community Planning and Economic Development (CPED). The resulting consultant panel however, lacks members who are able to provide actuarial services. Actuaries are used by City departments to calculate pension expense and perform actuarial analysis.

The actuarial services panel will be for a two (2)-year contract term to expire on December 31, 2010, the same date as the financial services panel. Efforts will be made to include actuarial services in the next financial consultant panel RFP.

Panel consultants, depending on their particular expertise, may be asked to:

1. Perform actuarial analysis and make recommendations related to the City's closed pension funds, including estimating the City's payment liabilities and impacts of proposals on beneficiaries.
2. Other actuarial analysis, as deemed necessary.

The Financial Services Consultant Panel RFP was approved by the Permanent Review Committee ("PRC") on November 13, 2008.

The City received six proposals for service provision. The proposals were examined by a City panel and the Finance Department now requests authorization to enter into contracts with the following four companies:

1. Buck Consulting
2. Deloitte Consulting, LLP
3. Segal
4. BPS&M