



Request for Quote

For

ACTUARIAL SERVICES RELATED TO FIRE PERSONNEL

City of San Carlos
City of Redwood City

Point of Contact:

Rebecca Mendenhall, Administrative Services Director
City of San Carlos

**REQUEST FOR QUOTE (RFQ)
ACTUARIAL SERVICES FOR FIRE PERSONNEL**

1. INTRODUCTION

The City of San Carlos (CSC) and the City of Redwood City (RWC) are seeking proposals from qualified actuarial firms (Consultant) to provide professional services regarding the valuation of the unfunded liability associated with the pensions of fire personnel as it relates to the fire services agreement between the two agencies.

2. BACKGROUND

On June 24, 2013, CSC and RWC entered into a five-year Fire and Emergency Services Agreement (Agreement) where RWC would provide fire services in CSC. The Agreement includes fire suppression, incident command, fire administration and support, emergency medical Advanced Life Support (ALS) non-transport response, vehicle and technical rescue, training and personnel development, emergency management, assistance with and management of code enforcement, plan review, inspections, fire scene investigations and public education. The contract maintains minimum staffing levels for fire companies and provides for the same quick response times that Belmont-San Carlos Fire Department (BSCFD) had previously provided. The contract commenced on July 1, 2013, was renewed for an additional five-year period and now expires on June 30, 2023. On May 22, 2023 the City Councils of both agencies agreed to extend the term of the Agreement until December 31, 2023 to allow the agencies to negotiate a contract extension. Discussions are currently underway between the agencies.

The Agreement includes a provision where CSC will pay the actual cost of services associated with the service including any personnel staffing costs. Included in the personnel staffing costs is a portion of RWC's Unfunded Actuarial Accrued Liability (Unfunded Liabilities) associated with CalPERS pensions and Other Post-Employment Benefits (OPEB). Both CSC and RWC agreed to perform an actuarial study to inform CSC's payment of the actual cost of services in the next Agreement.

Both RWC and CSC recognize that a significant portion of the RWC unfunded liability is attributable to experience that predates the Agreement date of July 1, 2013. A portion of the accrued liabilities are attributable to RWC firefighters who have retired and are currently receiving benefit payments. In addition, the RWC Safety Plan includes police personnel (both active and retired) that are not a part of this agreement.

Both RWC and CSC also recognize that, although the BSCFD was disbanded, CSC separately continues to fund the Safety Plan associated with the former BSCFD pension plan. The money paid to BSCFD pension plan funds the retirement of former BSCFD Firefighters associated with their years of service with BSCFD.

CSC contracted for an actuarial study in May 2018 to estimate CSC's portion of RWC unfunded liability. That study determined that the portion CSC should be contributing toward the RWC unfunded liabilities was lower than the full cost of unfunded liabilities associated with RWC personnel. It is now time to revisit this analysis and determine what a fair cost would be for both agencies over the next five-ten years, recognizing both parties' intent that CSC should pay the actual cost of service associated with services being provided and recognizing that the division of unfunded liability between CSC and RWC becomes increasingly subjective over time and will be more difficult to quantify accurately compared to five years ago.

3. SCOPE OF SERVICES

The selected Consultant shall be responsible for the tasks listed below, including but not limited to:

- 1) Quantify actuarial accrued liability for the 12 BSCFD firefighters who are now employed with or recently retired from RWC.
- 2) Analyze CSC and RWC division of the payment and amortization of RWC unfunded pension liability associated with CalPERS pension and OPEB plans.
- 3) Recognizing both parties' intent that CSC should pay the actual cost of service associated with services being provided, recommend an approach for CSC and RWC to use in their next Agreement to fairly apportion unfunded pension and OPEB liabilities for the duration of the Agreement.

4. SCHEDULE AND SUBMITTALS

The target dates are as follows:

Release of RFQ	August 9, 2023
Proposal due	August 30, 2023
Contract Award	TBD

5. PROPOSAL FORMAT AND CONTENT

The proposal shall be brief, precise, and shall not include unnecessary promotional material. The proposal should contain the following elements in the exact order and segmentation listed below:

1. *Cover Letter*. Describe your firm or team's interest and commitment in providing Consultant Services. The letter shall be signed by a person authorized to negotiate a contract.
2. *Team Experience and Understanding of Project & Objectives*. Describe the qualifications and experience of the team members expected to be assigned to this project. The description shall include previous experience with similar projects.
3. *Work Plan Approach and Schedule*. Discuss your firm's understanding of the scope of work to be performed and level of effort expected to be performed by each resource. Include an itemized table of estimated person hours by professional classification (or team member) to quantify the level of effort. Describe the timeline associated to prepare the final report.
4. *Rate Schedule*. The consultant shall provide the most current rate schedule that includes the rates of all applicable staff that may be assigned to this project.
5. *Other Relevant Information & Exceptions*. Provide additional relevant information that may be helpful in the selection process including any exceptions taken to the City's standard agreement.
6. *Cost*. The awarded firm shall be compensated based on all elements encompassed within RFQ. Price Sheet presented by the Proposer shall include price detail breakdown of all elements and tasks imperative to accomplish the services outlined in the Scope of Work.

6. EVALUATION AND SELECTION PROCESS

Qualifications will be screened, and the top candidates will be reviewed by a selection committee from both agencies. Both agencies will work together to select the firm to conduct the work. The qualifications for the top candidates will be verified and references will be checked. In reviewing the proposals, the committee will carefully weigh:

- Consultant's understanding of the scope and general approach to completing the work.
- Consultant's experience with contracts of similar complexity and magnitude.
- Qualifications of the staff assigned to this project.
- Demonstrated ability of the Consultant to perform high quality work, to control costs and to meet time schedules.
- Ability to work effectively with CSC and RWC staff.

All inquiries regarding the quote shall be directed to Rebecca Mendenhall, by email, at rmendenhall@cityofsancarlos.org. Proposers are encouraged to submit their quotes prior to **3:00 p.m. on Friday, August 25, 2023.**

7. SUBMITTAL GUIDELINES

Firms shall submit complete copies electronically by email to the Rebecca Mendenhall, at rmendenhall@cityofsancarlos.org. The contract will be between the City of San Carlos (City), serving as the administrator of the contract for both San Carlos and Redwood City, and the Consultant.

Additional Submittal Information

All costs incurred during proposal preparation or in any way associated with the Consultant's preparations, submission, presentation, or oral interview, if held, shall be the sole responsibility of the Consultant.

If awarded a contract, the Consultant shall maintain insurance coverage, including errors and omissions and worker's compensation, reflecting the minimum amounts and conditions specified by the City. Consultants are liable for all errors or omissions contained in their proposals.

By submitting a Proposal, Proposer represents that: (1) Proposer has thoroughly examined and become familiar with the Work required under this RFQ, (2) Proposer comprehends all conditions that may impact the Proposal, (3) Proposer has reviewed all addenda, and (3) Proposer is capable of providing the services necessary to perform the Work and/or meet the specifications outlined in this RFQ, in a manner that meets the objectives. Failure to examine the documents and inform itself shall be at the Proposers' own risk. A Proposer shall have no claim against the City based upon ignorance of or misunderstanding of the RFQ documents. Once the award has been made, failure of a Proposer to have read all the conditions, instructions and the Agreement shall not be caused to alter any term of the Agreement nor shall such failure provide valid grounds for a Proposer to withdraw its Proposal or to seek additional compensation.

All Proposals and prices set forth therein shall be deemed to include applicable taxes. The Proposer shall be appropriately licensed in accordance with the laws of the State of California for the work to be performed. The cost for any required licenses or permits shall be the responsibility of the successful Proposer. The successful Proposer is liable for any and all taxes due as a result of the contract.

Non-Obligation

The Cities of San Carlos and Redwood City retain sole discretion to evaluate proposals and may make an award to the Consultant the cities deem to have the most responsive proposal. Receipt of proposals in response to this RFQ does not obligate the cities in any way to engage any Consultant and the cities reserves the right to reject any or all proposals, wholly or in part, at any time, without penalty. The cities shall retain the right to abandon the proposal process at any time prior to the actual execution of a contract with a Consultant, and the cities shall bear no financial or other responsibility in the event of such abandonment. The cities reserve the right to negotiate all final terms and conditions of any agreements entered.