



CITY OF ALLENTOWN

No. 6

RESOLUTION

R - 2021

Introduced by the Administration on January 20, 2021

Authorization for Contract for Cheiron, Inc., in the amount of \$206,000.00. In 2020 the City published a solicitation in order to obtain proposals for OPEB valuation and actuarial valuation services for its three (3) City administered pension plans; Officers & Employees, Firemen, and Police, for the years 2020-2024.

Resolved by the Council of the City of Allentown, That

WHEREAS, Article 130.16 of the City's Administrative Code requires City Council approval by Resolution for the award of contracts or engagement of professional services.

WHEREAS, it is the desire of the City of Allentown to enter into an agreement with the aforementioned Contractor, for the use and purpose indicated in supporting the Recommendation of Award of Bid:

1. Name of Contractor/Consultant: Cheiron, Inc.
2. Project or Contract Reference: RFP NO. 2020-22 ACTUARIAL VALUATION SERVICES
3. Description of Service(s): 2020 the City published a solicitation in order to obtain proposals for OPEB valuation and actuarial valuation services for its three (3) City administered pension plans; Officers & Employees, Firemen, and Police, for the years 2020-2024.

NOW, THEREFORE, BE IT RESOLVE, on this the 20th day of January, 2021, that the Council of the City of Allentown, hereby authorizes the Mayor and/or such other City officials as deemed appropriate by the City Solicitor, to sign and execute a Contract or Amendment and such other agreements and documents as are deemed by the City Solicitor to be necessary and/or related thereto, with the above named contractor/consultant, for the project identified.



CITY OF ALLENTOWN
Request for Approval and Recommendation of Award

SUBJECT: Request for Contract Award and Approval by City Council Pursuant to City Ordinance, Article 130.16

Project or Contract Reference: RFP NO. 2020-22 ACTUARIAL VALUATION SERVICES

TO: City Council, City Clerk, and Council Solicitor

FROM: Jessica Baraket, Department Head

DATE: December 22, 2020

Pursuant to City Ordinances, Article 130.16, this Recommendation of Award is before City Council for its approval and award of the contract.

- Check Type of Contract or Change:

X The contract is for over \$40,000 and required to be competitively bid under the City Code. We have advertised the above referenced project and received qualified bids/proposals.

The engagement of professional services. We have received and reviewed a proposal or proposals for professional services in connection with above referenced project or requirement for professional services.

- The contract appropriation or price increase **is** included in this year's budget
- List the Vendor's name, address and proposed sum, of any and all **alternate** quotes/received, if any.

Aon Consulting, Inc., 200 E. Randolph Street, Chicago, IL, 60601
Bolton Partners, Inc., 325 Sentry Parkway, Blue Bell, PA 19422
Conrad Siegel, 501 Corporate Circle, Harrisburg, PA 17110
Findley, 2591 Wexford-Bayne Road, Sewickley, PA 15143
Foster and Foster Consulting Actuaries, Inc., 13420 Parker Commons Blvd., Ft. Myers, FL 33912
Korn Ferry, 1650 Arch Street, Philadelphia, PA 19103

- List the name and address of the **recommended** Contractor/Vendor, include the following:

Cheiron, Inc., 8300 Greensboro Drive, McLean, VA 22102

Contract Consideration:

	2021 evaluation of 2020	2022 evaluation of 2021	2023 evaluation of 2022	2024 evaluation of 2023	2025 evaluation of 2024	Total
O&E	\$6,000	\$1,000	\$6,000	\$1,000	\$6,000	\$20,000
Police Pension	\$11,000	\$2,500	\$11,500	\$2,500	\$12,000	\$39,500
Fireman Pension	\$11,000	\$2,500	\$11,500	\$2,500	\$12,000	\$39,500
GASB 67/68	\$	\$7,000	\$7,500	\$8,000	\$8,500	\$31,000
Act 205 Forms	\$5,000	\$	\$5,500	\$	\$6,000	\$16,500
OPEB	\$9,000	\$15,000	\$9,500	\$16,000	\$10,000	\$59,500
Total	\$42,000	\$28,000	\$51,500	\$30,000	\$54,500	\$206,000
<p>Special Project and Non-Retainer fees- for services outside of the stated requirements for 2020 hourly rates are as follows:</p> <p>*In subsequent years, the hourly rates are expected to increase approximately 2% to 5% per year:</p>						
Principal Consulting Actuaries			\$372-\$510			
Consulting Actuaries			\$285-\$450			
Associate Actuaries			\$190-\$295			
Senior Actuaries			\$180-\$225			
Actuarial Analyst			\$150-\$195			
Administrative Staff			\$106-\$116			

Funding Source: 800-00-5200-0000-00- \$41,400.00

801-00-5200-0000-00 - \$82,300.00

802-00-5200-0000-00- \$82,300.00

- Description of project or scope of services to be provided:

On or about October 6, 2020 the City published a solicitation in order to obtain proposals for its three (3) City administered pension plans; Officers & Employees, Firemen, and Police, for the years 2020-2024. On November 30, 2020, a public opening was held for the which seven (7) proposals were received. The technical evaluation was held on December 7, 2020, after the initial discussion, the committee members scored accordingly based on the following: Ability to meet RFP Requirements (90 Points), Prior Experience/Team Member Qualifications (15 Points). Cheiron had received the highest score. On December 9, 2020, the cost proposals were opened and distributed to all committee members. The cost evaluation committee meeting occurred on December 14, 2020, it was discussed that the vendors had a varying range of costs. After scoring, it was determined that the Committee did not want to proceed with oral interviews and based upon the final total scores recommended award to Cheiron.

- Contract Term:

The Contract term shall commence on January 1, 2021 and shall cease December 31, 2025.

List any renewal term options and duration of each renewal, if any:

Upon mutual written agreement the contract term can be extended for three (3) additional one (1) year terms

- Maximum dollar value of all renewals provided for beyond the original term as if all renewals were exercised:

The contract sum increase shall not exceed two (2%) per contract year.

A vote of final approval is requested of the members of Council and by passing the accompanying resolution, this Contract will be deemed approved and awarded.

By: Jessica Baraket, Department Head

Copies To: Mayor
Director of Finance
Purchasing
Controller

Attachment: proposed resolution