

**JUDICIAL COUNCIL OF CALIFORNIA  
ADMINISTRATIVE OFFICE OF THE COURTS**

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# REQUEST FOR PROPOSALS

**RFP# FIN MM 0412-NN**

**REGARDING:  
Actuarial Services for  
GASB 43/45 Compliance**

**PROPOSALS DUE: *May 25, 2012*  
NO LATER THAN *1:00* P.M. PACIFIC TIME**



## **INTRODUCTION**

The Judicial Council of California, Administrative Office of the Courts, seeks proposals from qualified actuarial firms to review, compile data, and value documentation related to Other Post Employment Benefits (OPEB). The purpose of this project is to comply with Governmental Accounting Standards Board (GASB) Statements 43 and 45, as applicable to the 58 Superior Courts. The documentation produced from this RFP will be incorporated into the State of California's Comprehensive Annual Financial Report (CAFR) which includes General Purpose Financial Statements, Note Disclosures, and Required Supplementary Information. The most recent contract for these services totaled \$490,000 to complete the biennial valuation for 2009/2010 for the 58 Superior Courts. That 2009/2010 contract \ established baseline data and methods to complete the work described in this RFP.

### **1.0 BACKGROUND INFORMATION**

1.1 Judicial Council of California – Administrative Office of the Courts. The Judicial Council of California (Council), chaired by the Chief Justice of California, is the chief policy making agency of the California judicial system. The California Constitution directs the Council to improve the administration of justice by surveying judicial business, recommending improvements to the courts, and making recommendations annually to the Governor and the Legislature. The Council also adopts rules for court administration, practice, and procedure, and performs other functions prescribed by law. The Administrative Office of the Courts (AOC) is the staff agency for the council and assists both the Council and its chair in performing their duties.

There are fifty-eight Superior Courts in California employing over 21,000 people. The fifty-eight courts range in size from five (5) employees to over 5,600 employees.

1.2 RFP Objective. The AOC intends to award one contract to a firm, assembled with a team of qualified professionals to cost effectively produce the required 2011/2012 GASB 43/45 compliance documentation and reports for all 58 California Superior Courts. The valuation study, documentation and reports must be produced no later than **October 15, 2012**. The contract awarded from this RFP process will include two option periods in two-year increments to accommodate subsequent biennial valuation (2013/14 and 2015/16) requirements for a total contract term not to exceed five years.

1.3 Website. For additional information about this solicitation, including electronic copies of the solicitation documents, see the California Courts Website located at [www.courts.ca.gov/rfps.htm](http://www.courts.ca.gov/rfps.htm).

1.4 **GASB Compliance Status:**

Two (2) prior OPEB actuarial studies of the trial courts were conducted in 2007 and 2009. According to the actuarial study submitted to the AOC in January 2011, as of 2009/10, all 58 trial courts have complied with the requirements of GASB 43/45

Post-employment benefits may be provided through a county retirement system, CalPERS, or directly through other benefit providers. Each Superior Court, because it is an independent entity, has its own unique benefit package. The 2009/2010 Valuation Report showed that five (5) Superior Courts offer no OPEB and others may offer more than one, depending upon provisions of applicable collective bargaining agreements.

**2.0 TIMELINE FOR THIS RFP**

2.1 The AOC has developed the following list of key events related to this RFP. All dates are subject to change at the discretion of the AOC.

<b>KEY EVENTS</b>	<b>SCHEDULE</b>
RFP Issued	<b>May 1, 2012</b>
<b>Pre-proposal Conference (Mandatory)</b>	<b>May 8, 2012, 10:00 a.m. Location/Room To be Determined</b>
Deadline For Questions to <a href="mailto:solicitations@jud.ca.gov">solicitations@jud.ca.gov</a>	<b>1:00 p.m. May 15, 2012</b>
Questions and Answers Posted	<b>May 18, 2012</b>
<b>Proposal Due Date</b>	<b>May 25, 2012 1:00 p.m. Pacific Time</b>
Evaluation of Proposals (estimated)	<b>May 30 – June 1, 2012</b>
Potential Proposer Interviews (estimated)	<b>June 8, 2012</b>
Notice of Intent to Award (estimated)	<b>June 12, 2012</b>
Contract Negotiations and Execution (estimated)	<b>June 19 , 2012</b>
Contract Start Date (estimated)	<b>June 20, 2012</b>
Contract End Date (estimated)	<b>May 31, 2012</b>

**3.0 COMMUNICATIONS**

All communications with the AOC regarding this RFP, including submittal of questions pertaining to these solicitation documents, must be made through the AOC’s Solicitation

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Mailbox ([solicitations@jud.ca.gov](mailto:solicitations@jud.ca.gov)) All e-mail communication sent to the Solicitation Mailbox must contain the RFP title and number in the subject line.

#### 4.0 RFP ATTACHMENTS

In addition to a proposal submission, proposers must review and submit the following completed attachments which are included as part of this RFP:

ATTACHMENTS	DESCRIPTION
Attachment 1: Administrative Rules Governing RFPs (Non-IT Services)	These rules govern this solicitation.
Attachment 2: AOC Standard Terms and Conditions	If selected, the person or entity submitting a proposal (the “Proposer”) must sign the AOC Standard Agreement Terms and Conditions in substantially the form provided.
Attachment 3: Proposer’s Acceptance of Terms and Conditions	If exceptions are identified, then proposers must submit (i) a red-lined version of Attachment 2 – Standard Agreement Terms and Conditions that clearly track proposed changes to this attachment, (ii) written documentation to substantiate each such proposed change and (iii) written explanation to indicate how each proposed change will benefit the AOC.  <b>Note: A material exception to a Minimum Term will render a proposal non-responsive.</b>
Attachment 4: Payee Data Record Form	This form contains information the AOC requires in order to process payments.
Attachment 5: Conflict of interest	Proposer must complete this form and submit with proposal.
Attachment 6: Darfur Contracting Act Certification	Proposer must complete the Darfur Contracting Act Certification and submit the completed certification with its proposal.

#### 5.0 DESCRIPTION OF SERVICES

5.1 Process for delivery of Services: In recognition that the AOC has completed two prior studies and valuations to support the State Controller’s documentation requirements for GASB 43/45 compliance, the AOC anticipates that the firm selected for contract award will utilize existing documentation as a base for

completing its work. All existing actuarial valuation reports for each county will be made available to the selected firm, as well as templates used for prior periods.

Detailed data input templates (in Microsoft Excel) for each Superior Court will be used to generate summary census data as illustrated in the following table:

<b>Participant # Descriptions</b>	<b>Current Period (2012)</b>	<b>Prior Period (2009)</b>	<b>Base Period (2007)</b>
Retirees			
Retiree Spouses			
Vested Separated Retirees			
Active Employees			
Average Age			
Average Service			

5.1.2. Project Management

The AOC has designated a Project Manager to oversee the work to be performed by the selected firm. The AOC Project Manager will be responsible for managing, scheduling, and coordinating all AOC internal project related activities. The AOC Project Manager will also provide access to all existing valuation data and reports for related prior year studies and reports. A list of *Superior Court GASB 45 Liaisons* will be made available to the selected firm to gather and facilitate data sources such as Superior Court Finance/Human Resources staff, pension plan administrators, pension plan actuaries, health plan administrators, memoranda of understandings, benefit communication materials and collective bargaining agreements.

The selected firm will be required to designate a Project Manager that will be responsible for coordinating its team and interacting with the AOC in order to complete the work required in this RFP. The selected firm's Project Manager will have day-day responsibility for meeting the contract/RFP objectives and completing the project on time and within budget with sufficient quality control. The selected firm's Project Manager shall schedule a project kick-off meeting with the AOC Project Manager and key personnel. The selected firm's Project Manager will also conduct weekly meetings, and submit weekly written project status reports.

The selected firm will further be required to perform and deliver the following:

5.1.3 Provide a detailed project management plan that refines the project management plan included in its RFP submission. The detailed project management plan will be subject to approval by the AOC Project Manager.

5.1.4 Communicate with the AOC Project Manager via e-mail, telephone or in person, via weekly meetings as mutually agreed.

5.2 Technical tasks and deliverables

The selected firm will update existing actuarial valuations and provide reports for each of the 58 Superior Courts in accordance with GASB 43 and GASB 45 standards, and will include, but not be limited to the following:

5.2.1 The actuarial present value of total projected benefits.

5.2.2 Actuarial accrued liability.

5.2.3 Actuarial value of assets.

5.2.4 The unfunded actuarial accrued liability.

5.2.5 Normal Costs.

5.2.6 Annual required contribution of the employer(s) – as a level dollar amount and as a level percentage of covered payrolls.

5.2.7 Net OPEB obligation for each court disclosure under GASB Statement 45.

5.2.8 The consultant will prepare the annual gain/loss analysis to determine reasons for changes in the unfunded actuarial accrued liability, whenever a prior actuarial valuation is available to support this.

5.2.9 The consultant will determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.

5.2.10 The consultant will provide comprehensive reports and executive summaries, by plan, discussing assumptions, data utilized, and results. The executive summary should be clear and non-technical. The report should provide the AOC and the State Controller’s Office sufficient information, in accordance with GASB 43/45, to prepare the Superior Courts portion of the State’s Comprehensive Annual Financial Report, which includes General Purpose Financial Statements, Note Disclosures, and Required Supplementary Information. The consultant will review a draft of the report with the AOC project management team.

5.2.11 Each Superior Court plan and report must be presented to the AOC.

5.3 Manage collection of updated data for each of the 58 Superior Courts through its designated GASB 43/45 OPEB Court Liaison.

5.4 As appropriate, the selected firm will review and update plan documents and design, based upon changes in law, rules and regulations. The selected firm will also make recommendations for formalizing informal plans.

5.5 Analyze relevant data to assess any inconsistencies and make recommendations for enhancing data quality.

5.6 Proposed Deliverables and Due Dates

DELIVERABLES	DUE DATES
Project kick-off meeting and development of a draft Project Management Plan.	June 27, 2012
Final Project Management Plan	July 9, 1012
Weekly Project Status Reports	Weekly
Valuation and review of draft Reports for each court.	September 15, 2012
Submission of final Reports accompanied by data base and support documentation files	October 1, 2012

Process improvement and recommendations for next GASB 43/45 compliance cycle	October 15, 2012
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## 6.0 PRE-PROPOSAL CONFERENCE

The AOC will hold a **mandatory** pre-proposal conference on **May 8, 2012, 10:00 a.m.** The location for the pre-proposal conference will be sent out via the Solicitations Mailbox at [solicitations@jud.ca.gov](mailto:solicitations@jud.ca.gov).

It is important that interested proposers thoroughly review the RFP and all attachments prior to the pre-proposal conference to raise any issues or questions that may be of concern. Additional and clarifying information may be presented at the pre-proposal conference. Each Proposer must have a representative sign-in at the pre-proposal conference, as the attendance list will be used to ascertain compliance with this requirement.

## 7.0 SUBMISSION OF PROPOSALS

7.1 Proposals should provide straightforward, concise information that satisfies the requirements of Section 8 (“Proposal Contents”). Expensive bindings, color displays, and the like are not necessary or desired. Emphasis should be placed on conformity to the RFP’s instructions and requirements; completeness and clarity of content.

7.2 The Proposer must submit its proposal in two parts, the technical proposal and the cost proposal.

7.2.1 The Proposer must submit **one (1) original and five (5) copies** of the technical proposal.

7.2.2 The Proposer must submit **one (1) original and five (5) copies** of the cost proposal.

7.2.3 Each original must be signed by an authorized representative of the Proposer.

7.2.4 To allow the quality of the proposals to be evaluated separate from the fees, each part of the two-part proposal submission must be in a separate sealed envelope that is labeled on the outside with the RFP title and number.



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7.2.5 The Proposer must submit an electronic version of the entire proposal on CD-ROM. The files contained on the CD-ROM should be in unprotected PDF, Word, or Excel formats.

**\*Note: A material exception to a Minimum Term will render a proposal non-responsive.**

7.4 Only written proposals will be accepted. Proposals must be submitted by registered or certified mail, courier service (e.g. FedEx) or delivered by hand to the following address:

Judicial Council of California  
Administrative Office of the Courts  
Finance Division – Business Services Unit  
Attn: Nadine McFadden, **RFP FIN MM 0412-NN**  
455 Golden Gate Avenue, 7th Floor  
San Francisco, CA 94102-3688

7.5 Proposals must be delivered by the date and time listed on the coversheet of this RFP. Late, e-mailed and faxed proposals will not be accepted.

## **8.0 PROPOSAL CONTENTS**

8.1 Technical Proposal. The following information must be included in the technical proposal. A proposal lacking any of the following information may be deemed non-responsive.

8.1.1 Proposer's name, mailing address, telephone, e-mail address, fax number, and website, if applicable. A federal tax identification number must be provided and if Proposer is a sole proprietor using his or her social security number, the social security number will be required before finalizing a contract. If a corporation, provide proof of good standing and qualified to conduct business within the State of California.

8.1.2 Name, title, address, telephone number, and email address of the individual who will act as Proposer's designated representative (authorized to bind the entity in contract) for purposes of this RFP who is authorized to contractually bind the firm.

8.1.3 For each key staff member who will be assigned to work on the contract, a resume describing the individual's background and experience, as well as the individual's ability and experience in conducting the proposed

activities. At the minimum, the project manager, supervising actuary and other assigned actuaries must be identified along with their roles as proposed in performing the work required in this RFP. An organization chart should be included as the first page of this proposal section.

- 8.1.4 A general description of the proposer's business, including size, number of employees, number of credentialed actuaries, primary business, other business services offered and any contemplated changes in ownership structure of the firm. (If a joint venture is proposed, then the proposed joint venture agreement must be included in detail with the proposal showing structure, ownership control, management and one contract liaison, organization chart, roles, responsibilities and etc.)
- 8.1.5 Names, addresses, e-mail address, fax and telephone numbers of a minimum of five (5) clients for whom the Proposer has conducted similar services. The scope or work, dates, supervising actuaries and contract dollar amount should be included for each client reference. Provide a sample of at least three (3) OPEB GASB 43/45 Reports completed out of the aforementioned five (5) clients. The AOC may check references listed by Proposer.
- 8.1.6 Overall work plan with detailed tasks, milestones, assignment of personnel, deliverables and time estimates for completion of all work required. The work plan must identify any changes in compliance requirements under GASB Statements 43 and 45.
- 8.1.7 Proposed method to complete the work.
- 8.1.8 Process necessary to address the project objectives including updates due to changes in compliance requirements. (GASB 43 and 45)
- 8.1.9 Data collection methodologies, reporting system, quality assurance and timeline.
- 8.1.10 Project team available and committed to meet the deliver deadline.

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8.2 Cost Proposal.

For performing the Work of this Agreement, as set forth in Attachment 2 Standard Agreement Terms and Conditions, Exhibit A Scope of Work, the AOC shall compensate the Proposer at the rate(s) set forth in the Table, below.

<b>Deliverables For 32 Small Courts</b>	<b>Key Personnel</b> (Names and Titles for key personnel)	<b>Hourly Rate</b>	<b>Estimated Hours</b>	<b>Not to Exceed Amount</b>
Project kick-off meeting and development of a draft Project Management Plan				
Final Project Management Plan				
Weekly Project Status Reports				
Valuation and review of draft Reports for each of the 58 courts				
Submission of final Reports accompanied by data base and support documentation files				
Process improvement and recommendations for next GASB 43/45 compliance cycle				
<b>Total Not to Exceed Amount</b>				

<b>Deliverables For 17 Medium Courts</b>	<b>Key Personnel</b> (Names and Titles for key personnel)	<b>Hourly Rate</b>	<b>Estimated Hours</b>	<b>Not to Exceed Amount</b>
Project kick-off meeting and development of a draft Project Management Plan				
Final Project Management Plan				
Weekly Project Status Reports				
Valuation and review of draft Reports for each of the 58 courts				
Submission of final Reports accompanied by data base and				

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support documentation files				
Process improvement and recommendations for next GASB 43/45 compliance cycle				
<b>Total Not to Exceed Amount</b>				

<b>Deliverables For 9 Large Courts</b>	<b>Key Personnel</b> (Names and Titles for key personnel)	<b>Hourly Rate</b>	<b>Estimated Hours</b>	<b>Not to Exceed Amount</b>
Project kick-off meeting and development of a draft Project Management Plan				
Final Project Management Plan				
Weekly Project Status Reports				
Valuation and review of draft Reports for each of the 58 courts				
Submission of final Reports accompanied by data base and support documentation files				
Process improvement and recommendations for next GASB 43/45 compliance cycle				
<b>Total Not to Exceed Amount</b>				

The initial Contract Term shall be for one (1) year with two (2) options to extend the Term. If the AOC elects to extend the Term of the Contract, any agreed upon price adjustment (whether an increase or decrease) may not exceed during any option period the previous twelve (12) months change in the San Francisco Bay Area Consumer Price Index as published by the U.S. Bureau of Labor Statistics.

Fees may be negotiated depending on changes in GASB 43/45 requirements, fluctuation in scope of work due to decline/increases in number of courts, changes in number of employees beyond 15% range of current number and other material factors as determined by the AOC.

**9.0 OFFER PERIOD**

A Proposer's proposal is an irrevocable offer for ninety (90) days following the proposal due date. In the event a final contract has not been awarded within this ninety (90) day

period, the AOC reserves the right to negotiate extensions to this period. The AOC may release all offers upon issuance of a Notice of Contract Award, (See RFP Section 2.0 Title for this RFP)

### **10.0 EVALUATION OF PROPOSALS**

At the time proposals are opened, each proposal will be checked for the presence or absence of the required proposal contents.

The AOC will evaluate the proposals on a 100 point scale using the criteria set forth in the table below. Award, if made, will be to the highest scored proposal.

<b>CRITERION</b>	<b>MAXIMUM NUMBER OF POINTS</b>
Quality of work plan submitted (resources, timeline, clarity, organization and thoroughness)	<b>30</b>
Experience on similar assignments (related to RFP scope and references)	<b>15</b>
Cost (reasonableness, competitive, clear and well documented)	<b>30</b>
Credentials of staff assigned to the project relative to scope of work requirements; education, training and experience	<b>15</b>
Acceptance of the Terms and Conditions and responsiveness to the RFP requirements (e.g. the inclusion of all indicated Attachments)	<b>10</b>

### **11.0 INTERVIEWS**

The AOC may conduct interviews with Proposers to clarify aspects set forth in their proposals or to assist in finalizing the ranking of top-ranked proposals. The interviews may be conducted in person or by phone. If conducted in person, interviews will likely be held at the AOC's offices in San Francisco. The AOC will not reimburse Proposers for any costs incurred in traveling to or from the interview location. The AOC will notify eligible Proposers regarding interview arrangements.

### **12.0 CONFIDENTIAL OR PROPRIETARY INFORMATION**

One copy of each proposal will be retained by the AOC for official files and will become a public record. California judicial branch entities are subject to rule 10.500 of the California Rule of Court, which governs public access to judicial administrative records (see [www.courtinfo.ca.gov/cms/rules/index.cfm?title=ten&linkid=rule10\\_500](http://www.courtinfo.ca.gov/cms/rules/index.cfm?title=ten&linkid=rule10_500)).

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If information submitted in a proposal contains material noted or marked as confidential and/or proprietary that, in the AOC's sole opinion, meets the disclosure exemption requirements of Rule 10.500, then that information will not be disclosed upon a request for access to such records. If the AOC finds or reasonably believes that the material so marked is **not** exempt from disclosure, the AOC will disclose the information regardless of the marking or notation seeking confidential treatment.

### **13.0 DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION GOALS**

The AOC has waived the inclusion of DVBE participation in this solicitation.

### **14.0 PROTESTS**

Any protests will be handled in accordance with Chapter 7 of the Judicial Branch Contract Manual (see [www.courts.ca.gov/documents/jbcl-manual.pdf](http://www.courts.ca.gov/documents/jbcl-manual.pdf)). Failure of a Proposer to comply with the protest procedures set forth in that chapter will render a protest inadequate and non-responsive, and will result in rejection of the protest. The deadline for the AOC to receive a solicitation specifications protest the time and due date for submission of proposals. Protests should be sent to:

AOC – Business Services Unit  
ATTN: Protest Hearing Officer, RFP #FIN MM 0412-NN  
455 Golden Gate Avenue, Seventh Floor  
San Francisco, CA 94102-3688