



AGENDA REPORT

Finance Department

DATE:	May 17, 2022
TO:	Mayor Butt and Members of the City Council
FROM:	Delmy Cuellar, Acting Director of Finance
Subject:	Contract with Van Iwaarden Associates for Actuarial Services
FINANCIAL IMPACT:	The contract amount will be funded by the Finance Budget in the total amount of \$64,500 with \$14,500 allocated in fiscal year 2021-2022 and \$50,000 in fiscal year 2022-2023 (Account String: 01175715-400201)
PREVIOUS COUNCIL ACTION:	06/15/2021 – Approved Original Contract
STATEMENT OF THE ISSUE:	City staff is seeking approval to amend its contract with Van Iwaarden Associates for actuarial services relating to retiree healthcare plan and pension management. Services include preparing actuarial valuation reports for the Police and Firemen's Pension Plan, the General Pension Plan, the Garfield Pension Plan, and the Other Post-Employment Benefits (OPEB) plans.
RECOMMENDED ACTION:	APPROVE the second amendment to the contract with Van Iwaarden Associates for actuarial services necessary for retiree healthcare plan and pension fund management, increasing the contract amount by \$64,500, for a total amount not to exceed \$98,500, and extending the contract term through June 30, 2023 – Finance Department (Delmy Cuellar 510-620-6740).

DISCUSSION:

The City of Richmond is required to complete an actuarial valuation report on a biennial basis for the Police and Firemen's Pension Plan, the General Pension Plan, the Garfield Pension Plan, and the two OPEB Plans (City and RPOA).

In the summer of 2020, staff issued a Request for Proposals (RFP) to solicit actuarial firms that best served the public sector pension clients in the State of California. Proposals were received from Van Iwaarden Associates, Lauterbach & Amen, LLP, Jefferson Solutions, Inc., and Nyhart. These responses were reviewed by a panel made up of City staff from the Finance Department. After reviewing the four responses and comparing them to the requirements identified in the RFP, the panel selected Nyhart and Van Iwaarden Associates as the most responsive. These firms were then invited to participate in the interview process. The same review panel interviewed representatives from the two firms, with questions focusing on the proposed budget, experience working with governmental agencies, and overall history of the firms.

Van Iwaarden Associates was selected based on their overall experience, as well as their specific experience regarding the City's specific needs.

Upon considering all aspects of the criteria mentioned above, a contract with Van Iwaarden Associates in the amount of \$26,000, for the period from July 1, 2021, to June 30, 2022, with two (2) one-year extensions was approved June 15, 2021. The First contract amendment was subsequently made to increase the contract payment limit amount by \$8,000.

City staff would like to exercise the option to extend the contract term by one year with Van Iwaarden Associates based on satisfactory performance. The contract term will be extended to June 30, 2023. Van Iwaarden Associates will be providing the City with the required valuation reports for the fiscal year ending June 30, 2022, that comply with the Governmental Accounting Standards Board (GASB) No. 68 and No. 75. Also, Van Iwaarden Associates will be providing the City with supplemental analysis and funding reports related to Pensions and Other Post-Employment Benefits.

DOCUMENTS ATTACHED:

Attachment 1 – Original Contract
Attachment 2 – Contract Amendment No. 1
Attachment 3 – Contract Amendment No. 2