



## Legislation Text

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**File #:** 20-1763, **Version:** 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** October 13, 2020

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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### **SUBJECT**

Authorize a five-year consultant service contract for actuarial services of other post-employment benefits plans for the City Controller's Office - Holmes Murphy & Associates, LLC, most advantageous proposer of nine - Not to exceed \$275,000 - Financing: General Fund (subject to annual appropriations)

### **BACKGROUND**

This action does not encumber funds; the purpose of a consultant service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This consulting service contract provides the City with actuarial consulting services for Other Post-employment Benefits (OPEB) covering the determination of actuarial liabilities for retiree medical, pharmacy, dental, and vision coverage. An actuarial firm must determine the City's obligation for OPEB in compliance with the Governmental Accounting Standards Board (GASB) Statement 75. GASB 75 liabilities are reported annually in the City's Comprehensive Annual Financial Report. Actuarial services for a five-year term include October 1, 2020 - September 30, 2025 for GASB 75 annual valuations for fiscal years 2020 through 2024 and ad-hoc consulting services as needed to manage the OPEB liability including review of plan design and forecasting. The contract covers determining OPEB liabilities for approximately 10,000 retirees and future eligible active employees.

A six-member committee from the following departments reviewed and evaluated the qualifications:

- City Controller's Office (1)
- Department of Human Resources (1)
- Fire-Rescue Department (1)
- Police Department (1)
- The Office of Economic Development Business Workforce and Inclusion Division (1)\*
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the cost and the Office of Economic Development Business Workforce and Inclusion Division only evaluated the Business Inclusion and Development Policy.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

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|---|-----------|
| • Capability and expertise                  | 30 points |
| • Cost                                      | 30 points |
| • Overall approach and methodology          | 25 points |
| • Business Inclusion and Development Policy | 15 points |

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors. Additionally, in an effort to secure more competition, the Office of Economic Development Business Workforce and Inclusion Division sent notifications to chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$11.71; the selected vendor meets this requirement.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

This item has no prior action.

### **FISCAL INFORMATION**

Fund	FY 2021	FY 2022	Future Years
General Fund	\$55,000.00	\$55,000.00	\$165,000.00

### **M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$275,000.00	Other Services	23.80%	15.00%	\$41,250.00
• This contract does not meet the M/WBE goal, but complies with good faith efforts.				
• Holmes Murphy & Associates, LLC - Local; Workforce - 25.08% Local				

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Request for Competitive Sealed Proposal	<ul style="list-style-type: none"> <li>• Utilized for high technology procurements, insurance procurements, and other goods and services</li> <li>• Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications</li> <li>• Always involves a team evaluation</li> <li>• Allows for negotiation on contract terms, including price</li> </ul>
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The Office of Procurement Services received the following proposals from solicitation number BKZ20-00013317. We opened them on July 17, 2020. This consultant service contract is being awarded in its entirety to the most advantageous proposer.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>	<b><u>Amount</u></b>
*Holmes Murphy & Associates, LLC	12712 Park Central Dr. Suite 100 Dallas, TX 75251	81.39	\$275,000.00
Gallagher Benefit Services Inc.	12750 Merit Dr. Suite 1000 Dallas, TX 75251	77.09	\$197,000.00
Gabriel, Roeder, Smith & Company	5605 MacArthur Blvd. Suite 870 Irving, TX 75038	72.28	\$287,500.00
Milliman, Inc.	10000 North Central Expy. Dallas, TX 75231	70.37	\$325,000.00
Foster & Foster, Inc.	184 Shuman Blvd. Suite 305 Naperville, IL 60563	63.25	\$348,300.00
Rudd and Wisdom, Inc.	9500 Arboretum Blvd. Suite 200 Austin, TX 78759	61.24	\$393,000.00
Aon Consulting, Inc.	3550 Lenox Rd. NE Suite 1700 Atlanta, GA 30326	57.66	\$314,625.00

Precision Actuarial, Inc.	562A Filbert St. Suite 4 San Francisco, CA 94133	51.50	\$180,000.00
Lauterbach & Amen, LLP	668 North River Rd. Naperville, IL 60563	49.99	\$237,500.00

**OWNER****Holmes Murphy & Associates, LLC**

Dan Keough, Chief Executive Officer  
Den Bishop, President