



# REQUEST FOR PROPOSALS

## REVISION NO. 1

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**JUDICIAL COUNCIL OF CALIFORNIA**

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

**REVISED JUNE 10, 2015**

**PROPOSALS DUE:**  
**July 1, 2015**  
**NO LATER THAN 2:00 P.M.**  
**PACIFIC TIME**

## **1.0 BACKGROUND INFORMATION**

### **1.1 Judicial Council of California.**

The Judicial Council of California (“Judicial Council”), chaired by the Chief Justice of California, is the chief policy making agency of the California judicial system. The California Constitution directs the Judicial 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 Judicial Council also adopts rules for court administration, practice, and procedure, and performs other functions prescribed by law. Judicial Council staff assists both the Judicial Council and its chair in performing their duties.

### **1.2 RFP Purpose.**

The Judicial Council seeks proposals from qualified actuarial firms to review, compile data, value documentation, and prepare reports related to Other Post Employment Benefits (OPEB) reporting requirements. There are 58 superior courts in California employing approximately 20,000 people. The 58 courts range in size from 5 employees to over 5,000 employees. 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 Request for Proposal (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 estimated total cost associated with this RFP for the Initial Term only is between \$555,000.00 and \$640,000.00.

## **2.0 DESCRIPTION OF SERVICES AND DELIVERABLES**

The Judicial Council seeks the services of a person or entity with expertise in collecting the relevant data, completing actuarial valuations, and developing associated reports in conjunction with mandatory reporting of the OPEB liabilities of government entities.

### **2.1 RFP Objective.**

The Judicial Council intends to award one contract to a firm, assembled with a team of qualified professionals to cost effectively produce the required 2015-2016 GASB 43/45 compliance documentation and reports for each of the 58 superior courts. The valuation study, documentation and reports must be

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produced no later than **May 31, 2016**. The contract awarded from this RFP process will include two option periods in two-year increments. The Initial Term will accommodate the biennial valuation period for 2016-2017, and the two option periods will accommodate the biennial valuations for 2018-2019 and 2020-2021, for a total contract term not to exceed six years.

## 2.2 Contract Term.

2.2.1 The Initial Term of the Contract shall be for two (2) years with (2) two options to extend the term of the contract. Excluding allowable price changes set forth in paragraph 2.2.2, below, if the Judicial Council elects to extend the term of the contract, any agreed upon price adjustment (whether an increase or decrease) may not exceed the percentage change in the 12-month average of the Consumer Price Index (CPI), below.

[http://data.bls.gov/timeseries/CUUR0000SA0?output\\_view=pct\\_12mths](http://data.bls.gov/timeseries/CUUR0000SA0?output_view=pct_12mths)

Consumer Price Index - All Urban Consumers

12-Month Percent Change

Series Id: CUUR0000SA0

Not Seasonally Adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

2.2.2 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 Judicial Council.

**NOTE:** It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code.

## 2.3 GASB Compliance Status.

Four (4) prior OPEB actuarial studies of the trial courts were conducted dating back to 2007. According to the most recent actuarial study submitted to the Judicial Council in 2014, 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, as an

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independent entity, may have its own unique benefit package. A handful of superior courts offer no OPEB and others may offer more than one, depending upon provisions of applicable collective bargaining agreements.

2.4 Project Management.

The Judicial Council has designated a Project Manager to oversee the work to be performed by the selected firm. The Judicial Council Project Manager will be responsible for managing, scheduling, and coordinating all Judicial Council internal project related activities. The Judicial Council 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.

2.4.1 The selected firm will be required to designate a Project Manager that will be responsible for coordinating its team and interacting with the Judicial Council 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 Judicial Council 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:

2.4.2 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 Judicial Council Project Manager.

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

2.5 Technical tasks and deliverables

The selected firm will update existing actuarial valuations and provide reports for each of the fifty-eight (58) superior courts in accordance with GASB 43 and GASB 45 standards, and will include, but not be limited to the following:

- 2.5.1 The actuarial present value of total projected benefits.
- 2.5.2 Actuarial accrued liability.
- 2.5.3 Actuarial value of assets.
- 2.5.4 The unfunded actuarial accrued liability.
- 2.5.5 Normal Costs.
- 2.5.6 Annual required contribution of the employer(s) – as a level dollar amount and as a level percentage of covered payrolls.
- 2.5.7 Net OPEB obligation for each court disclosure under GASB Statement 45.
- 2.5.8 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.
- 2.5.9 The consultant will determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
- 2.5.10 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 Judicial Council 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 Judicial Council project management team.

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- 2.5.11 Each superior court plan and report must be presented to the Judicial Council.
- 2.5.12 Manage collection of updated data for each of the 58 superior courts through its designated GASB 43/45 OPEB Court Liaison.
- 2.5.13 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.
- 2.5.14 Analyze relevant data to assess any inconsistencies and make recommendations for enhancing data quality.

**2.5.15 Estimated Deliverables and Due Dates**

<b>DELIVERABLES</b>	<b>DUE DATES</b>
Project kick-off meeting and development of a draft Project Management Plan.	August 2015
Final Project Management Plan	September 2015
Weekly Project Status Reports	Weekly
Valuation and review of draft Reports for each court.	On a flow basis
Submission of final Reports accompanied by data base and support documentation files.	May 2016
Process improvement and recommendations for next GASB 43/45 compliance cycle.	August 2016

**3.0 TIMELINE FOR THIS RFP**

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

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EVENT	DATE
RFP issued	May 11, 2015
Deadline for questions	May 22, 2015 by 2:00 p.m. (Pacific Time)
Questions and answers posted <i>(estimate only)</i>	June 1, 2015 by 2:00 p.m. (Pacific Time)
Latest date and time proposal may be submitted	July 1, 2015 by 2:00 p.m. (Pacific Time)
Evaluation of proposals <i>(estimate only)</i>	July 9-10, 2015
Anticipated interview dates <i>(estimate only)</i>	July 16-17, 2015
Notice of Intent to Award <i>(estimate only)</i>	July 24, 2015
Negotiations and execution of contract <i>(estimate only)</i>	July 24, 2015 – August 1, 2015
Contract start date <i>(estimate only)</i>	August 1, 2015
Contract end date <i>(estimate only)</i>	July 31, 2017

#### 4.0 RFP ATTACHMENTS

The following attachments are included as part of this RFP:

ATTACHMENT	DESCRIPTION
Attachment 1: Administrative Rules Governing RFPs (Non-IT Services)	These rules govern this solicitation.
Attachment 2: Judicial Council Standard Terms and Conditions	If selected, the person or entity submitting a proposal (the “Proposer”) must the Standard Form agreement
Attachment 3: Proposer’s Acceptance of Terms and Conditions	On this form, the Proposer must indicate acceptance of the Terms and Conditions or identify exceptions to the Terms and Conditions.
Attachment 4: General Certifications Form	The Proposer must complete the General Certifications Form and submit the completed form with its proposal.

Attachment 5: Darfur Contracting Act Certification	The Proposer must complete the Darfur Contracting Act Certification and submit the completed certification with its proposal.
Attachment 6: Payee Data Record Form	This form contains information the Judicial Council requires in order to process payments and must be submitted with the proposal.
Attachment 7: Iran Contracting Act Certification	The Proposer must complete the Iran Contracting Act Certification and submit the completed certification with its proposal.

## 5.0 SUBMISSIONS OF PROPOSALS

5.1 Proposals should provide straightforward, concise information that satisfies the requirements of the “Proposal Contents” section below. 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, and completeness and clarity of content.

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

The Proposer must submit **one (1) original and three (3) copies** of the **technical proposal** and **one (1) original and three (3) copies** of the **cost proposal**. The original must be signed by an authorized representative of the Proposer. The original technical proposal and the original cost proposal (and the copies thereof) must be submitted to the Judicial Council in a single sealed envelope, separate from each other. The Proposer must write the RFP title and number on the outside of the sealed envelope.

5.3 The Proposer must submit an electronic version of the entire proposal on CD-ROM or USB memory stick/flash drive. The files contained on the CD-ROM should be in unprotected PDF, Word, or Excel formats.

5.4 Proposals must be delivered by the date and time listed on the coversheet of this RFP to:

**Judicial Council of California**  
**455 Golden Gate Avenue, 6th Floor**  
**San Francisco, CA 94102-3688**  
**Attention: Nadine McFadden**  
**RFP No: FIN-201505-ML**

5.5 Late proposals will not be accepted.



- 5.6 Only written proposals will be accepted. Proposals must be sent by registered or certified mail, courier service (e.g. FedEx), or delivered by hand. Proposals may not be transmitted by fax or email.

## **6.0 PROPOSAL CONTENTS**

### 6.1 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.

- 6.1.1 The Proposer's name, address, telephone and fax numbers, and federal tax identification number. Note that if the Proposer is a sole proprietor using his or her social security number, the social security number will be required before finalizing a contract.
- 6.1.2 Name, title, address, telephone number, and email address of the individual who will act as the Proposer's designated representative for purposes of this RFP.
- 6.1.3 For each key staff member: 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.
- 6.1.4 Names, addresses, and telephone numbers of a minimum of ~~five~~<sup>three</sup> (3) 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 Judicial Council will check references listed by the Proposer.
- 6.1.5 Proposed method to complete the work.
- 6.1.5.1 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.

6.1.5.2 Process necessary to address the project objectives including updates due to changes in compliance requirements. (GASB 43 and 45.

6.1.5.3 Data collection methodologies, reporting system, quality assurance and timeline.

6.1.5.4 Project team available and committed to meet the deliver deadline.

6.1.6 Acceptance of the Terms and Conditions.

6.1.6.1 On the Proposer's Acceptance of the Terms and Conditions (Attachment 3), the Proposer must check the appropriate box and sign the form. If the Proposer marks the second box, it must provide the required additional materials. An "exception" includes any addition, deletion, or other modification.

6.1.6.2 If exceptions are identified, the Proposer must also submit (i) a red-lined version of the Terms and Conditions (Attachment 2) that implements all proposed changes, and (ii) a written explanation or rationale for each exception and/or proposed change.

6.1.7 Certifications, Attachments, and other requirements.

6.1.7.1 The Proposer must complete the General Certifications Form (Attachment 4) and submit the completed form with its proposal.

6.1.7.2 The Proposer must complete the Darfur Contracting Act Certification (Attachment 5) and submit the completed certification with its proposal.

6.1.7.3 The Proposer must complete the Payee Data Record Form (Attachment 6) and submit the completed certification with its proposal.

6.1.7.4 The Proposer must complete the Iran Contracting Act Certification (Attachment 7) and submit the completed certification with its proposal.

6.1.7.5 If Contractor is a California corporation, limited liability company (“LLC”), limited partnership (“LP”), or limited liability partnership (“LLP”), proof that Contractor is in good standing in California. If Contractor is a foreign corporation, LLC, LP, or LLP, and Contractor conducts or will conduct (if awarded the contract) intrastate business in California, proof that Contractor is qualified to do business and in good standing in California. If Contractor is a foreign corporation, LLC, LP, or LLP, and Contractor does not (and will not if awarded the contract) conduct intrastate business in California, proof that Contractor is in good standing in its home jurisdiction.

6.2 Cost Proposal.

The following information must be included in the cost proposal for the Initial Term.

6.2.1 A detailed line item budget showing total cost of the proposed services.

6.2.2 A full explanation of all budget line items in a narrative entitled “Budget Justification.”

6.2.3 A “not to exceed” subtotal for all work, a “not to exceed” subtotal for all expenses, and a “not to exceed” total payable under the contract, if awarded.

6.2.4 Proposed Key Personnel, Hourly Rates, Estimated Hours, Not to Exceed Amounts for each Deliverable outlined in Tables 1, 2, 3, and 4 below, excluding Expenses.

**Table 1: Deliverables for ALL 58 Courts**

<b>Del. #</b>	<b>Deliverables For ALL 58 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>
1	Project kick-off meeting and development of a draft Project Management Plan.				
2	Final Project Management Plan.				

**Table 2: Deliverables for Small Courts**

<b>Del. #</b>	<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>
3	Weekly Project Status Reports which shall be invoiced monthly.				
4	Valuation and review of draft Reports for all of the 32 courts.				
5	Submission of final reports accompanied by data base and support documentation files.				
6	Process improvement and recommendations for next GASB 43/45 compliance cycle.				
	<b>Total Not to Exceed Amount</b>				

**Table 3: Deliverables for Medium Courts**

<b>Del. #</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>
3	Weekly Project Status Reports which shall be invoiced monthly.				
4	Valuation and review of draft Reports for all of the 17 courts				
5	Submission of final reports accompanied by data base and support documentation files.				
6	Process improvement				

Del. #	Deliverables For 17 Medium Courts	Key Personnel (Names and Titles for key personnel)	Hourly Rate	Estimated Hours	Not to Exceed Amount
	and recommendations for next GASB 43/45 compliance cycle				
	<b>Total Not to Exceed Amount</b>				

**Table 4: Deliverables for Large Courts**

Del. #	Deliverables For 9 Large Courts	Key Personnel (Names and Titles for key personnel)	Hourly Rate	Estimated Hours	Not to Exceed Amount
3	Weekly Project Status Reports which shall be invoiced monthly				
4	Valuation and review of draft Reports for all of the 9 courts.				
5	Submission of final reports accompanied by data base and support documentation files.				
6	Process improvement and recommendations for next GASB 43/45 compliance cycle.				
	<b>Total Not to Exceed Amount</b>				

**7.0 OFFER PERIOD**

A Proposer's proposal is an irrevocable offer for one-hundred twenty (120) days following the proposal due date. In the event a final contract has not been awarded within this period, the Judicial Council reserves the right to negotiate extensions to this period.

## 8.0 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 Judicial Council 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.

**Although some categories are weighted more than others, all are considered necessary, and a proposal must be technically acceptable in each area to be eligible for award.**

If a contract will be awarded, the Judicial Council will post intent to award notice at <http://www.courts.ca.gov/rfps.htm>.

**The evaluation categories, maximum possible points for each category, and evaluation criteria for each category are set forth below:**

CRITERION	POSSIBLE POINTS	REFERENCED RFP SECTIONS
Completed Attachment 4: General Certification Form	Pass/Fail	Section 6.1.7.1
Completed Attachment 5: Darfur Contracting Act Certification	Pass/Fail	Section 6.1.7.2
Completed Attachment 7: Iran Contracting Act Certification	Pass/Fail	Section 6.1.7.4
Quality of work plan submitted (resources, timeline, clarity, organization and thoroughness)	30	Section 6.1.5
Experience on similar assignments (related to RFP scope and references)	15	Section 6.1.4
Cost (reasonableness, competitive, clear and well documented)	30	Section 6.2
Credentials of staff assigned to the project relative to scope of work requirements; education, training and experience	15	Section 6.1.3
Acceptance of the Terms and Conditions and responsiveness to the RFP requirements (e.g. the inclusion of all indicated Attachments)	10	Section 6.1.6

## **9.0 INTERVIEWS**

The Judicial Council 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 Judicial Council's San Francisco offices. The Judicial Council will not reimburse Proposers for any costs incurred in traveling to or from the interview location. The Judicial Council will notify eligible Proposers regarding interview arrangements.

## **10.0 CONFIDENTIAL OR PROPRIETARY INFORMATION**

**PROPOSALS ARE SUBJECT TO DISCLOSURE PURSUANT TO APPLICABLE PROVISIONS OF THE CALIFORNIA PUBLIC CONTRACT CODE AND RULE 10.500 OF THE CALIFORNIA RULES OF COURT.** The Judicial Council will not disclose (i) social security numbers, or (ii) balance sheets or income statements submitted by a Proposer that is not a publicly-traded corporation. All other information in proposals will be disclosed in response to applicable public records requests. Such disclosure will be made regardless of whether the proposal (or portions thereof) is marked "confidential," "proprietary," or otherwise, and regardless of any statement in the proposal (a) purporting to limit the Judicial Council's right to disclose information in the proposal, or (b) requiring the Judicial Council to inform or obtain the consent of the Proposer prior to the disclosure of the proposal (or portions thereof). Any proposal that is password protected, or contains portions that are password protected, may be rejected. Proposers are accordingly cautioned not to include confidential, proprietary, or privileged information in proposals.

## **11.0 DISABLED VETERAN BUSINESS ENTERPRISE INCENTIVE**

The Judicial Council has waived the DVBE incentive in this solicitation.

## **12.0 PROTESTS**

Any protests will be handled in accordance with Chapter 7 of the Judicial Branch Contracting 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 Judicial Council to receive a solicitation specifications protest is the proposal due date. Protests must be sent to:

**Judicial Council of California  
455 Golden Gate Avenue, 6th Floor  
San Francisco, CA 94102-3688  
Attention: Nadine McFadden  
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