



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 7/10/2019

H29113 - Pension Actuarial Services- ORDINANCE

Agenda Item#:

### **Summary:**

ORDINANCE approving and authorizing a restatement and amendment to the pension actuarial services agreement between the City and **RETIREMENT HORIZONS INC.** for the Finance Department; providing a maximum contract amount; containing provisions relating to the subject; and declaring an emergency

### **Background:**

**S33-H29113 - Approve an ordinance authorizing a restatement and amendment to the pension actuarial services agreement between the City and Retirement Horizons, Inc. (RHI) for a maximum contract amount not to exceed \$362,132.39 for the Finance Department.**

### **Specific Explanation:**

The Finance Director and the Chief Procurement Officer recommend that City Council approve an ordinance authorizing a restatement and amendment to the pension actuarial services agreement between the City and Retirement Horizons, Inc. (RHI) for a maximum contract amount not to exceed \$362,132.39 for the Finance Department. The original agreement expired June 30, 2019; however, the City and RHI desire to enter into a restated and amended agreement, which fully incorporates the original agreement, to allow RHI to continue to perform additional services for the City under the same terms and conditions except as restated and amended in this agreement. The term of this restated and amended agreement is one year from the date of countersignature by the City Controller. The Finance Director and/or the Chief Procurement Officer may terminate this contract at any time upon thirty (30) days written notice to the contractor.

The scope of work requires RHI to annually perform actuarial consulting services related to the City's three retirement systems. These services include recurring as well as special actuarial consulting services. The following is a list of potential RHI services for the upcoming year.

- Annually recurring Risk Sharing Valuation Studies (RSVS) for the City's three retirement systems
- Actuarial review of any Experience Studies performed by HFRRF or HMEPS
- Actuarial consulting for the legal department associated with pension matters
- Updates to the RSVS Confidentiality Agreements with HMEPS, HPOPS and HFRRF
- Attendance at Meetings and Conferences requested by client
- Consulting on GASB Statement Nos. 67 and 68

Over the years, RHI has gained unique in-depth institutional knowledge of the pension challenges facing the City of Houston by performing independent actuarial audits, independent replication of actuarial valuations, and analysis of alternative actuarial assumptions and methods. In addition, RHI continues the study of possible plan design alternatives, actuarial analysis and consulting support for pension negotiations. RHI has developed a proprietary actuarial modeling system, and has gathered and input employee data necessary to complete many of the overall tasks.

Strategic Procurement Division will work with the Finance Department to develop and issue a new solicitation for pension actuarial services in order to have a new contract in place by the expiration of the term of this one-year contract.

### **M/WBE Subcontracting:**

Zero Percentage Goal document approved by the Office of Business Opportunity.

### **Pay or Play Program:**


The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor will provide health benefits to eligible employees in compliance with City policy.

### **Hire Houston First:**

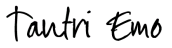
This procurement is exempt from the City's Hire Houston First Ordinance. Bids/Proposals were not solicited because the department is utilizing a sole source contractor.

### **Fiscal Note:**

Funding for this item is included in the FY 2020 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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**Jerry Adams, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

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**Department Approval Authority**

Estimated Spending Authority			
DEPARTMENT	FY2020	OUT YEARS	TOTAL
General Government	\$300,000.00	\$62,132.39	\$362,132.39

**Amount of Funding:**

**\$362,132.39** - General Fund (1000)

**Contact Information:**

Contact	Department/Division Phone	
Candice Gambrell, Deputy Asst. Director	FIN/SPD	3-9129
Conley Jackson, Sr. Proc. Spec.	FIN/SPD	3-8733
Melissa Dubowski, Asst. Director	FIN	3-9101

**ATTACHMENTS:**

Description	Type
Cover sheet	Signed Cover sheet
Affidavit of Ownership	Backup Material
Fair Campaign	Backup Material
Form B	Backup Material
Taxes	Backup Material
MWBE	Backup Material
Sole Source Justification	Backup Material
Signed Certification of Funds - Revised 07.24.2019	Financial Information
backup info	Backup Material