

# Memorandum



DATE May 9, 2008

TO Members of the Finance, Audit & Accountability Committee  
Chair Mitchell Rasansky, Vice Chair Jerry Allen, Mayor Pro Tem Dr. Elba Garcia,  
Vonciel Jones Hill, Angela Hunt, Ron Natinsky and David Neumann

SUBJECT Pension Funds - Actuarial Audit Project – Vendor Recommendation

The attached Pension Funds - Actuarial Audit Project - Vendor Recommendation briefing is scheduled to be briefed at your May 12, 2008 Committee meeting.

Should you require additional information, please let me know.

A handwritten signature in black ink, appearing to read 'D. Cook'.

David Cook  
Chief Financial Officer

## Attachment

Cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Tom Perkins, Jr., City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Judge Jay Robinson  
Ryan S. Evans, First Assistant City Manager  
David O. Brown, Interim Assistant City Manager  
Ramon Miguez, P.E., Assistant City Manager  
Jill A Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jeanne Chipperfield, Interim Director, Office of Financial Services  
Chandra Marshall-Henson, Assistant to the City Manager  
Ade Williams, Director of Business Development and Procurement Services  
Michael Frosch, Assistant Director, Business Development and Procurement Services

# **Pension Funds - Actuarial Audit Project – Vendor Recommendation**

Briefing to the Finance, Audit and Accountability Committee  
May 12, 2008



# Purpose of Briefing

- To inform the Finance, Audit and Accountability Committee about the recent procurement process to recommend award of the Actuarial Valuation Audit of the City's pension funds to conform to Texas Government Code Section 802.1012

# Background

- The City of Dallas has three pension funds:
  - Employees' Retirement Fund
  - Dallas Police and Fire Pension System
  - Dallas Police and Fire Pension System – Supplemental Plan
- House Bill 2664 was enacted in 2007 and requires the City to engage an independent actuary to audit valuations of its pension systems every 5 years

# Procurement Activity

- The Request for Proposal (RFP) was advertised February 28, and March 6, 2008
- As part of our vendor notification process, 40 electronic notices were sent by the City's web-based procurement system
- Additionally, notifications were sent by BDPS ResourceLINK Team (RLT) to 25 chambers of commerce, and 2 advocacy groups (i.e. DFW Minority Business Council and Women's Business Council-Southwest)

## Procurement Activity (continued)

- A pre-proposal conference was held March 11, 2008
  - 2 companies were represented
    - Deloitte Consulting, LLP
    - Milliman, Inc.
- In order to attract more vendor participation, BDPS extended the proposal due date from March 19<sup>th</sup> to March 26, 2008
- March 26, 2008 - Proposal closed

## Procurement Activity (continued)

- March 26, 2008 - BDPS received three proposals:
  - PricewaterhouseCoopers, LLP
  - Deloitte Consulting, LLP
  - Milliman, Inc.
- April 22, 2008 - BDPS received Evaluation Committee Scoring Sheets
- April 23, 2008 - BDPS requested Best & Final offer from Proposer

# Evaluation Team and Criteria

- The evaluation team consisted of the following:
  - Chief Financial Officer
  - Human Resources Director
  - Managing Director & Actuary with AON Global Risk Consultant
- The proposals were evaluated on the following criteria:
  - 30% cost
  - 30% work plan
  - 40% qualifications and references



# Total Criteria Scoring Each Category & Average Score

Total All Categories	Deloitte Consulting, LLP	Milliman, Inc.	Pricewaterhouse Coopers
Cost (30 Max)	30.00	15.98	10.83
Work Plan (30 Max)	24.34	27.66	25.00
Qualification & Reference (40 Max)	30.66	35.34	28.33
Total Average Score	85.00	78.98	64.16

# Analysis & Recommendation

- The proposers were ranked with Deloitte Consulting, LLP receiving the highest score

<u>Vendor</u>	<u>Score</u>	<u>Price</u>
Deloitte Consulting, LLP	85.00	\$32,500.00
Milliman, Inc.	78.98	\$61,000.00
PricewaterhouseCoopers, LLP	64.16	\$90,000.00

# Briefing Conclusion

- Secure Finance, Audit and Accountability Committee recommendation for the action item placed on the May 14, 2008 Council agenda
  - Award a professional service contract, in the amount of \$32,500, to Deloitte Consulting, LLP