

AMENDMENT #4
to
MASTER SERVICES AGREEMENT #2017-02
OTHER POST EMPLOYMENT BENEFITS (OPEB) ACTUARIAL VALUATIONS

This AMENDMENT to the to **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** ("Amendment") is made and entered into as of the Effective Date stated herein, by and between the **NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**, a Texas non-profit corporation, hereinafter referred to as "**NCTCOG**", and **GABRIEL, ROEDER, SMITH & COMPANY**, hereinafter referred to as "**Service Provider**", (collectively, "the Parties").

WHEREAS, the Parties entered into a **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** on June 13, 2017, (the "Original Contract").

WHEREAS, Article VII of the Original Agreement allows for amendments to the Original Agreement.

WHEREAS, the Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 5.0%.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, each of NCTCOG and the Service Provider mutually covenant and agree as follows:

- The Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 5.0%.

Year	Fee Increase
2021	1.2%
2022	5.0%

- Amend the Original Contract to include the language on Appendix A, incorporated herein.

This Amendment binds and benefits both Parties and any successors or assigns. This document, including the Original Agreement, is the entire agreement between the Parties.

All other terms of the Original Contract remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment at Arlington, Tarrant County, Texas the 14 day of January, 2022 (the "Effective Date").

GABRIEL, ROEDER, SMITH & COMPANY




Signature

Daniel J White

Printed Name

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

DocuSigned by:


Signed

R. Michael Eastland
Executive Director

1/14/2022

APPENDIX A

REQUIRED 2 CFR 200 CLAUSES Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards (Contractor)

1. Equal Employment Opportunity. PROVIDER shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, or national origin. PROVIDER shall take affirmative actions to ensure that applicants are employed, and that employees are treated, during their employment, without regard to their race, religion, color, sex, sexual orientation, gender identity, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

2. Davis-Bacon Act. PROVIDER agrees to comply with all applicable provisions of 40 USC § 3141 –3148.

3. Contract Work Hours and Safety Standards. PROVIDER agrees to comply with all applicable provisions of 40 USC § 3701 – 3708 to the extent this agreement indicates any employment of mechanics or laborers.

4. Rights to Invention Made Under Contract or Agreement. PROVIDER agrees to comply with all applicable provisions of 37 CFR Part 401.

5. Clean Air Act, Federal Water Pollution Control Act, and Energy Policy Conservation Act.

PROVIDER agrees to comply with all applicable provisions of the Clean Air Act under 42 USC § 7401 – 7671, the Energy Federal Water Pollution Control Act 33 USC § 1251 – 1387, and the Energy Policy Conservation Act under 42 USC § 6201.

6. Debarment/Suspension. PROVIDER is prohibited from making any award or permitting any award at any tier to any party which is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, Debarment and Suspension. PROVIDER and its subcontractors shall comply with the special provision “Certification Requirements for Recipients of Grants and Cooperative Agreements Regarding Debarments and Suspensions”.

7. Restrictions on Lobbying. PROVIDER of these funds is prohibited from using monies for lobbying purposes; PROVIDER shall comply with the special provision “Restrictions on Lobbying”. PROVIDER shall include a statement of compliance with the Lobbying Certification and Disclosure of Lobbying Activities in applicable procurement solicitations. Lobbying Certification and Disclosure of Lobbying Activities shall be completed by subcontractors and included in subcontractor contracts, as applicable.

8. Procurement of Recovered Materials. PROVIDER agrees to comply with all applicable provisions of 2 CFR §200.322.

9. Domestic Preference. As appropriate and to the extent consistent with law, the PROVIDER should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). Consistent with §200.322, the

following items shall be defined as: "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

10. Anti-Israeli Boycott. By accepting this work order, PROVIDER hereby certifies the following:

1. PROVIDER's Company does not boycott Israel; and
2. PROVIDER's Company will not boycott Israel during the term of the contract.

The following definitions apply to this statute:

(1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

(2) "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

The Contractor or Subrecipient hereby certifies that it does comply with the requirements of 2 CFR 200 as stipulated above and required by the NCTCOG.

SIGNATURE OF AUTHORIZED PERSON:

Daniel J White

NAME OF AUTHORIZED PERSON:

Daniel J White

NAME OF COMPANY:

Gabriel, Proctor, Smith & Company

DATE:

1/14/2022

PROHIBITED TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT CERTIFICATION

This Contract is subject to the Public Law 115-232, Section 889, and 2 Code of Federal Regulations (CFR) Part 200, including §200.216 and §200.471, for prohibition on certain telecommunications and video surveillance or equipment.

Public Law 115-232, Section 889, identifies that restricted telecommunications and video surveillance equipment or services (e.g. phones, internet, video surveillance, cloud servers) include the following:

- A) Telecommunications equipment that is produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliates of such entities).
- B) Video surveillance and telecommunications equipment produced by Hytera Communications Corporations, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliates of such entities).
- C) Telecommunications or video surveillance services used by such entities or using such equipment.
- D) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, Director of the National Intelligence, or the Director of the Federal Bureau of Investigation reasonably believes to be an entity owned or controlled by the government of a covered foreign country.

The entity identified below, through its authorized representative, hereby certifies that no funds under this Contract will be obligated or expended to procure or obtain telecommunication or video surveillance services or equipment or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as a critical technology as part of any system prohibited by 2 CFR §200.216 and §200.471, or applicable provisions in Public Law 115-232 Section 889.

The Contractor or Subrecipient hereby certifies that it does comply with the requirements of 2 CFR §200.216 and §200.471, or applicable regulations in Public Law 115-232 Section 889.

SIGNATURE OF AUTHORIZED PERSON:

Daniel J White

NAME OF AUTHORIZED PERSON:

Daniel J White

NAME OF COMPANY:

Gabriel, Roedel, Smith & Company

DATE:

1/14/2022

-OR-

Not Applicable

The Contractor or Subrecipient hereby certifies that it cannot comply with the requirements of 2 CFR §200.216 and §200.471, or applicable regulations in Public Law 115-232 Section 889.

SIGNATURE OF AUTHORIZED PERSON:

NAME OF AUTHORIZED PERSON:

NAME OF COMPANY:

DATE:

DISCRIMINATION AGAINST FIREARMS ENTITIES OR FIREARMS TRADE ASSOCIATIONS

This contract is subject to the Texas Local Government Code chapter 2274, Subtitle F, Title 10, prohibiting contracts with companies who discriminate against firearm and ammunition industries.

TLGC chapter 2274, Subtitle F, Title 10, identifies that “discrimination against a firearm entity or firearm trade association” includes the following:

- A) means, with respect to the entity or association, to:
 - I. refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; and
 - II. refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - III. terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association.

- B) An exception to this provision excludes the following:
 - I. contracts with a sole-source provider; or
 - II. the government entity does not receive bids from companies who can provide written verification.

The entity identified below, through its authorized representative, hereby certifies that they have no practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and that they will not discriminate during the term of the contract against a firearm entity or firearm trade association as prohibited by Chapter 2274, Subtitle F, Title 10 of the Texas Local Government Code.

The Contractor or Subrecipient hereby certifies that it does comply with the requirements of Chapter 2274, Subtitle F, Title 10.

SIGNATURE OF AUTHORIZED PERSON:

Daniel J White

NAME OF AUTHORIZED PERSON:

Daniel J White

NAME OF COMPANY:

Gabriel, Roeder, Smith & Company

DATE:

1/14/2022

-OR-

The Contractor or Subrecipient hereby certifies that it cannot comply with the requirements of Chapter 2274, Subtitle F, Title 10.

Not Applicable

SIGNATURE OF AUTHORIZED PERSON:

NAME OF AUTHORIZED PERSON:

NAME OF COMPANY:

DATE:

BOYCOTTING OF CERTAIN ENERGY COMPANIES

This contract is subject to the Texas Local Government Code chapter 809, Subtitle A, Title 8, prohibiting contracts with companies who boycott certain energy companies.

TLGC chapter Code chapter 809, Subtitle A, Title 8, identifies that “boycott energy company” means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:

- I. engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; and
- II. does business with a company described by paragraph (I).

The entity identified below, through its authorized representative, hereby certifies that they do not boycott energy companies, and that they will not boycott energy companies during the term of the contract as prohibited by Chapter 809, Subtitle A, Title 8 of the Texas Local Government Code.

The Contractor or Subrecipient hereby certifies that it does comply with the requirements of Chapter 809, Subtitle A, Title 8.

SIGNATURE OF AUTHORIZED PERSON:

David J White

NAME OF AUTHORIZED PERSON:

David J White

NAME OF COMPANY:

Gabriel, Roedel, Smith & Company

DATE:

1/14/2022

-OR-

The Contractor or Subrecipient hereby certifies that it cannot comply with the requirements of Chapter 809, Subtitle A, Title 8.

SIGNATURE OF AUTHORIZED PERSON:

Not Applicable

NAME OF AUTHORIZED PERSON:

NAME OF COMPANY:

DATE:

AMENDMENT #3
to
MASTER SERVICES AGREEMENT #2017-02
For
OTHER POST EMPLOYMENT BENEFITS (OPEB) ACTUARIAL VALUATIONS

This AMENDMENT to the to **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** (“Amendment”) is made and entered into as of the Effective Date stated herein, by and between the **NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**, a Texas non-profit corporation, hereinafter referred to as “NCTCOG”, and **GABRIEL, ROEDER, SMITH & COMPANY**, hereinafter referred to as “Service Provider”, (collectively, “the Parties”).

WHEREAS, the Parties entered into a **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** on June 13, 2017, (the “Original Contract”).

WHEREAS, Article VII of the Original Agreement allows for amendments to the Original Agreement.

WHEREAS, the Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 1.2%.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, each of NCTCOG and the Service Provider mutually covenant and agree as follows:

The Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 1.2%.

Year	Fee Increase
2020	2.1%
2021	1.2%

This Amendment binds and benefits both Parties and any successors or assigns. This document, including the Original Agreement, is the entire agreement between the Parties.

All other terms of the Original Contract remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment at Arlington, Tarrant County, Texas the 7th day of Jan, 2021 (the “Effective Date”).

GABRIEL, ROEDER, SMITH & COMPANY



Signature

Mark Randall

Printed Name

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

DocuSigned by:
 1/7/2021
A4E72G1DEF0F426...
SIGNED

R. Michael Eastland
Executive Director

AMENDMENT #2
to
MASTER SERVICES AGREEMENT #2017-02
For
OTHER POST EMPLOYMENT BENEFITS (OPEB) ACTUARIAL VALUATIONS

This AMENDMENT to the to **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** ("Amendment") is made and entered into as of the Effective Date stated herein, by and between the **NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**, a Texas non-profit corporation, hereinafter referred to as "NCTCOG", and **GABRIEL, ROEDER, SMITH & COMPANY**, hereinafter referred to as "Service Provider", (collectively, "the Parties").

WHEREAS, the Parties entered into a **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** on June 13, 2017, (the "Original Contract").

WHEREAS, Article VII of the Original Agreement allows for amendments to the Original Agreement.

WHEREAS, the Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 2.1%.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, each of NCTCOG and the Service Provider mutually covenant and agree as follows:

The Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 2.1%.

Year	Fee Increase
2019	2.2%
2020	2.1

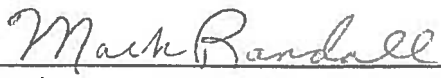
This Amendment binds and benefits both Parties and any successors or assigns. This document, including the Original Agreement, is the entire agreement between the Parties.

All other terms of the Original Contract remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment at Arlington, Tarrant County, Texas the 21st day of January, 2020 (the "Effective Date").

GABRIEL, ROEDER, SMITH & COMPANY

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS



Signature



Signed

Mark Randall

Printed Name

R. Michael Eastland
Executive Director

Master Agreement
Between North Central Texas Council of Governments and
Gabriel, Roeder, Smith & Company for GASB 74/75 Valuations

This Contract (“Contract”) is made and entered into as of the 13th day of June 2017, by and between Gabriel, Roeder, Smith & Co. (“GRS”) a private corporation with offices located at 5605 N. MacArthur Blvd., Suite 870 Irving, TX 75038 and North Central Texas Council of Governments (NCTCOG), a Texas political subdivision and non-profit corporation with offices at 616 Six Flags Drive, Center Point Two, Arlington, Texas 76011.

Purpose. This Agreement defines the terms and conditions for the agreement between NCTCOG and GRS to provide actuarial consulting services on behalf of participants in the program (the “Clients”) hereinafter referred to as “Project”. The project will involve actuarial reviews and other services that will be governed by the Request for Proposal issued by NCTCOG on January 4, 2017 and GRS’s response to that proposal, as well as the modifications made to the initial terms as set forth in this agreement.

Scope of Duties.

NCTCOG Obligations.

- a. NCTCOG serves as a facilitator with respect to the original RFP and award process in 2017. The primary contractual relationship is between GRS and the Client (Contracting Government).

GRS Obligations.

- a. GRS will enter into a separate service agreement with the Client for actuarial consulting services. The services to be performed for each Client will be included in the client-specific agreement.
- b. GRS will be required to track and report to NCTCOG on activities relating to the Master Contract. The Contractor will be required to provide management reports to NCTCOG on a quarterly basis with the submission of the administrative fee. Examples of management reports include, but are not limited to: Participating Entity’s name; pricing option chosen; total fee charged

Payment Clause. The administrative fee will be remitted by the Contractor to NCTCOG on a quarterly basis, along with required quarterly reporting. The remuneration fee for this program will be 2% on sales.

Termination. Either party reserves the right to terminate this Agreement in whole or in part for any reason upon 30 days notice.

Notice. Notice from one Party to another Party regarding this Agreement shall be in writing and shall be delivered to the addresses shown below:

If to NCTCOG: North Central Texas Council of Governments
Attn: Monte Mercer, Deputy Executive Director
616 Six Flags Drive
P. O. Box 5888
Arlington, Texas 76005-5888

If to GRS
Gabriel Roeder Smith & Company
Attn: Mark Randall
Vice President
5605 N. MacArthur Blvd., Suite 870
Irving, TX 75038-2631

The above contact information may be modified without requiring an amendment to the Agreement.

Term. The terms of this Agreement shall take effect on June 30, 2017 and remain in effect until June 30, 2023 or until the Agreement is terminated as provided herein whichever is the earlier to occur.

At the end of the initial six (6) year contract, and at the discretion of NCTCOG, the Master Contract may be extended with two (2), two (2) year renewals. The total term of the Master Contract shall not exceed ten (10) years. This will allow for a minimum of three (3) valuations if a government chooses biennial valuations. Any extension beyond the initial six (6) year period will be subject to NCTCOG approval.

Amendment. This Agreement may be amended only by a written amendment executed by both Parties, except that any alterations, additions, or deletions to the terms of this Agreement which are required by changes in Federal and State law or regulations or required by the funding source are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

Dispute Resolution. The parties to this Agreement agree to the extent possible and not in contravention of any applicable State or Federal law or procedure established for dispute resolution, to attempt to resolve any dispute between them regarding this Agreement informally through voluntary mediation, arbitration or any other local dispute mediation process, including but not limited to the dispute resolution policies of North Central Texas Council of Governments, before resorting to litigation.

Indemnification. To the maximum extent allowed by law, GRS covenants and agrees to indemnify and hold harmless and defend and does hereby indemnify, hold harmless and defend North Central Texas Council of Governments, its officers and employees, from and against any and all suits or claims for damages or injuries, including death, to persons or property, whether real or asserted, arising out of GRS's failure to comply with terms of this Agreement and/or any gross negligent act or omission on the part of GRS, its officers, agents, servants, employees, or subcontractors and GRS does hereby assume all liability for injuries, claims, expenses, costs incurred, including reasonable attorney fees and costs of litigation or suits for damages to persons, property or whatever kind or character, whether real or asserted, occurring during or arising out of the failure to comply with the terms of this Agreement and/or as a result of any gross negligent act or omission on the part of GRS, its officers, agents, servants, employees, or subcontractors.

Force Majeure. It is expressly understood and agreed by the Parties to this Agreement that, if the performance of any provision of this Agreement is delayed by force majeure, defined as reason of war, civil commotion, act of God, governmental restriction, regulation or interference, fire, explosion, hurricane, flood, failure of transportation, court injunction, or any circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated herein, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the period of time applicable to such requirement shall be extended for a period of time equal to the period of time such Party was delayed. Each Party must inform the other in writing within reasonable time of the existence of such force majeure.

Severability. In the event any one or more of the provisions contained in this Agreement shall be for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) hereof, and this Agreement shall be revised so as to cure such invalid, illegal, or unenforceable provision(s) to carry out as near as possible the original intents of the Parties.

Assignment. This Contract may not be assigned by either Party without the prior written consent of the other Party.

Governing Law and Venue. This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Contract shall be in Tarrant County, Texas.

Conflict of Interest. During the term of this Contract, and all extensions hereto and for a period of one (1) year thereafter, neither party, shall, without the prior written consent of the other, directly or indirectly, whether for its own account or with any other persons or entity whatsoever, employ, solicit to employ or endeavor to entice away any person who is employed by the other party.

Whole Agreement. This Agreement and any attachments/addendums, as provided herein, constitute the complete agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

Contractual Relationship. It is understood and agreed that the relationship described in this Agreement between the Parties is contractual in nature and is not to be construed to create a partnership or joint venture or agency relationship between the parties. Neither Party be liable for any debts incurred by the other Party in the conduct of such other Party's business or functions.

Gabriel, Roeder, Smith, & Co.



Signature of Authorized Official

Mark R. Randall

Typed Name of Authorized Official

June 8, 2017

Date

North Central Texas Council of Governments



Signature of Authorized Official

Mike Eastland

Typed Name of Authorized Official

6/13/17

Date

ATTACHMENT A SCOPE OF SERVICES

A. Introduction

Texas cities have several unique characteristics that will directly impact the performance of the OPEB valuations. The most significant of these characteristics are:

- Widespread diversity due to Texas' size, creating differences in geographic location, nature of the local and regional economy, rural vs. suburban vs. urban, proximity to the border etc.
- State law requiring all municipalities with populations exceeding 25,000 (75,000 for counties) to allow retirees to remain on that government's health plan, but allowing the government the discretion as to what rate to charge up to the full cost of the coverage (i.e. age based rates for retiree coverage is permitted).
- Weak union environment. Municipal employees in Texas are generally not unionized and as a result, most OPEB exists without benefit of formal collective bargaining agreements or established plans with related plan documents.
- Statewide retirement systems that serves the vast majority of Texas cities (TMRS) and Texas counties or districts (TCDRS).
- Rapid growth in urban areas beginning in the 1960's resulting in some governments that have grown rapidly in the past that are now built out, others that have grown rapidly for a decade or more and will continue to grow, others whose growth is just beginning, still others who are growing only slightly and some governments (particularly in rural areas) that may be losing population. Ratios of retirees to actives will vary significantly among participating entities.

Although NCTCOG serves a 16 county region in north central Texas, it is common in Texas for a Council of Government to offer a unique program or service to jurisdictions statewide. This RFP is designed to provide Texas local governments a state-wide alternative to contracting with actuaries individually. NCTCOG believes that this approach offers several advantages to both local governments and to actuaries that will ultimately lead to better actuarial information that participating entities can use in reporting and managing their OPEB.

This RFP will occasionally mention terms or even specific paragraphs of GASB Statement Nos. 74 "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" and 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". Unless otherwise stated, it is the intention of this RFP to use terminology in a manner consistent with these pronouncements. Due to the large number of governments in Texas that administer their OPEB in the form of informal programs vs. formal legally separate plans, this RFP refers to the informal arrangements as "programs" and the formal arrangements as "plans". GASB does not make this distinction in their pronouncements, referring to either arrangement as a "Plan".

B. General Criteria for Basic Services

Coordination of basic services will be by phone or electronic communications to include a first meeting prior to the initiation of the study and the second to present the finding of the draft report.

The Actuary will use the same assumptions used by that government's pension plan (typically TMRS or TCDRS) wherever practical and on a consistent basis for all participating entities. When a government has more than one pension plan but only one OPEB plan or program, the actuary will need to apply professional judgment in determining the most appropriate assumptions. The actuary will also be

expected to consider reciprocity provisions existing in the pension plan including the total years of credit with the plan not just the employer for determining expected retirement age.

A. General Criteria for Optional Services

Optional services are not stand alone. It is presumed that the basic services have also been contracted for and that the actuary already has census data and related plan documentation on file. Additional charges may be assessed if the work requires the adding of significant amounts of census data or other information to the actuary's data base.

B. Actuarial Services-OPEB Plans (GASB Statement No. 74)

The scope of this RFP is for single employer plans only. Multi-employer Cost-sharing and agent plans are specifically excluded. In the case of a single employer plan in which the primary government and its component units are required to use cost-sharing methodology to determine proportionate shares, the actuary's primary responsibility will be for performing the valuation for the single employer plan.

Unlike pensions, the majority of governments establishing OPEB plans have retained the control over the governance of the plan while meeting the criteria of Statement No. 74, paragraph 3 to qualify as an irrevocable OPEB trust. In this regard, the actuary's contact for the employer and the plan will be the same person with the employer having the responsibility for providing the actuary all documentation and census data necessary for performing the valuation. The focus of GASB Statement Nos. 74 & 75 is on the employer's reporting obligation with Plan reporting of actuarial amounts consisting primarily of disclosures rather than incorporation of the actuarial amounts into the financial statements themselves. As the required disclosure information for plan reporting is a sub-set of the information required for the employer, no new or separate valuation is required for the plan vs. the employer.

The primary purpose of the valuation is to generate actuarial amounts that will be incorporated into the plan and the government's financial statements. Accordingly, the actuary should consider its intended user (as defined by ASOP 41, Actuarial Communications) to be both the government (the actuary's principal) and the general public. The valuation and related disclosures should be prepared with that end use in mind.

Basic services for the plan can be performed annually or biennially. Biennial valuations will be priced to include one roll forward to the measurement date and related reporting package. Any more than one roll forward per biennial period will be priced as an optional service. The minimum criteria for a roll-forward is defined below. Basic Services will include:

- In the year of implementation, GRS and the employer will determine the ideal measurement date/plan fiscal year end. These two dates will normally be the same to facilitate reporting and avoiding unnecessary roll-forwards. This may also require changing the fiscal year end of the plan.
- Performance of an actuarial valuation conforming to all the requirements of GASB Statement Nos. 74 par. 39-54 and 75 par. 27-44, related implementation guides and any successor statements and all applicable current or successor actuarial standards of practice (ASOPs).
- Preparation of an employer reporting package that includes all actuarial amounts including Total OPEB liability, Fiduciary Net Position, Net OPEB liability, Pension Expense, Schedule of remaining unamortized deferred inflows and outflows of resources, All required actuarial note disclosures and Required Supplementary Information (RSI). Investment related disclosures will be the responsibility of the plan administrator.

- Included in the reporting package will be an actuarial certification that conforms with the requirement of ASOP 41, “Actuarial Communications” other applicable ASOPs and any successor ASOPs. Although ASOP 41 permits actuaries to make disclosures required by the various ASOPs (such as disclosure of key assumptions required by ASOP 35) through multiple actuarial communications, for purposes of this contract all required actuarial communications will be included in the actuarial certification or as an attachment to the actuarial certification.
- Included in the key assumptions mentioned in the bullet point above, the actuary will provide rationale for any key OPEB specific assumptions including participation and healthcare trend rate.
- The actuary should anticipate (particularly in the year of implementation) auditor inquiries. In addition to adherence to ASOP 21, *Responding to or Assisting Auditors or Examiners in Connection with Financial Audits, Financial Reviews, and Financial Examinations*, the “responding actuary” (as defined by ASOP 21) who is not also the responsible actuary (as defined by ASOP 41), must disclose that fact to the inquiring auditor and the responding actuary must be sufficiently experienced and have access to the necessary documentation and valuation data for an appropriate response.

E. Optional Services for the Plan will include:

1. As discussed above, biennial valuations include one update to the measurement date. Any additional updates will be priced as additional services. Updating actuarial valuations to measurement date which will include at a minimum:

- Restate asset values /Fiduciary Net Position to measurement date
- Record Investment Return for year
- Roll forward the liability for current year service cost
- Roll forward the liability for current year interest
- Roll forward the liability for payments and refunds
- Consider and advise regarding the need for a new valuation regarding plan changes, large investment losses affecting the single blended rate (SBR), other events affecting the SBR, significant assumption changes
- Related reporting package of updated information as of the measurement date.
- If applicable, restating the total OPEB liability for the AA municipal bond index at the measurement date.

2. Plan only reporting package when the government chooses to issue stand-alone financial statements for the plan.

3. Determination of an Actuarially Determined Contribution (ADC) in the case of funded plans.

4. Application of cost-sharing methodology to single employer plans that serve both a primary government and component units that issue separate financial statements, which includes the generation of both the Schedule of Employer Allocations and the Schedule of Pension/OPEB Amounts by Employer. Examples of these schedules for pension plans may be found in chapter 13 of the AICPA Audit and Accounting Guide for State and Local Governments or at:

http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Resources/gasbmatters/DownloadableDocuments/AICPASLGEP_CS_ER_Reporting_Whitepaper.pdf

F. Actuarial Services for Employers OPEB Program- Trust or Equivalent (Meeting the criteria of GASB Statement No. 75 par. 3)

For employers who have established an OPEB plan that meets the criteria of trust or equivalent in accordance with GASB Statement No. 75 paragraph 3, basic services to the employer are provided through the basic services provided to the plan.

Optional Services

- Basic pricing valuation to determine the potential benefit of benefit changes, including benefit reductions, premium increases, or eligibility changes. Fees for scenarios not deemed basic will be agreed to prior to commencement of work.

The definition of major scenario will obviously involve some degree of judgment and negotiation between the government and the actuary and should be agreed to and clearly stated prior to commencement of work. As written here it is intended to convey that pricing the impact of raising deductibles or premiums might involve three or four different alternatives that would all be considered to be within the same major scenario. If however, the government wished to also price impacts of a totally different nature such as major network or service delivery changes that would be a different major scenario.

- Additional meeting services may include in-person meetings as mutually agreed upon by the government and actuary. The fees for an in-person meeting/presentation are included in Exhibit B. All expenses for travel outside of the DFW/Fort Worth Metroplex will be an additional charge which is the responsibility of the government.
- Consulting on active healthcare plans can be agreed to on a not-to-exceed price
 - Pricing of premiums for self-insured plans
 - Cost trend analysis

G. Actuarial Services for OPEB Program-Non-Trust or Equivalent (Not meeting the criteria of GASB Statement No. 75 par. 3)

The primary purpose of the valuation is to generate actuarial amounts that will be incorporated into the government's financial statements. Accordingly, the actuary should consider its intended user (as defined by ASOP 41, *Actuarial Communications*) to be both the government (as the actuary's principal) and the general public. The valuation and related disclosures should be prepared with that end use in mind.

Basic services for the non-trust employer can be performed annually or biennially. Biennial valuations will be priced to include one roll forward to the measurement date and the related reporting package. Basic Services will include:

- In the year of implementation, determining the ideal measurement date.
- Performance of an actuarial valuation conforming to all the requirements of GASB Statement No. 75 par. 146-159, related implementation guides and any successor statements and all applicable current or successor actuarial standards of practice (ASOPs).

- Preparation of an employer reporting package that includes all actuarial amounts including Total OPEB liability, Fiduciary Net Position, Net OPEB liability, Pension Expense, Schedule of remaining unamortized deferred inflows and outflows of resources, All required actuarial note disclosures and Required Supplementary Information (RSI)
- Included in the reporting package will be an actuarial certification that conforms with the requirement of ASOP 41, “Actuarial Communications” other applicable ASOPs and any successor ASOPs. Although ASOP 41 permits actuaries to make disclosures required by the various ASOPs (such as disclosure of key assumptions required by ASOP 35) through multiple actuarial communications, for purposes of this contract all required actuarial communications will be included within the actuarial certification or as an attachment to the actuarial certification.
- Included in the key assumptions mentioned in the bullet point above, the actuary will provide rationale for any key OPEB specific assumptions including participation and healthcare trend rate.
- The actuary should anticipate (particularly in the year of implementation) auditor inquiries. In addition to adherence to ASOP 21, *Responding to or Assisting Auditors or Examiners in Connection with Financial Audits, Financial Reviews, and Financial Examinations*, the “responding actuary” (as defined by ASOP 21) who is not also the responsible actuary (as defined by ASOP 41), must disclose that fact to the inquiring auditor and the responding actuary must be sufficiently experienced and have access to the necessary documentation and valuation data for an appropriate response.

H. Optional Services for the Non-Trust Employer will include:

- Updating actuarial valuations to measurement date which will include at a minimum:
 - Roll forward the liability for current year service cost
 - Roll forward the liability for current year interest
 - Roll forward the liability for payments and refunds
 - Consider and advise regarding the need for a new valuation regarding plan changes or significant assumption changes
 - Related reporting package of updated information as of the measurement date.
 - If applicable, restating the total OPEB liability for the AA municipal bond index at the measurement date.
- Basic pricing valuation to determine the potential benefit of benefit changes, including benefit reductions, premium increases, or eligibility changes. Fees for scenarios not deemed basic will be agreed to prior to commencement of work.

The definition of major scenario will obviously involve some degree of judgment and negotiation between the government and the actuary and should be agreed to and clearly stated prior to commencement of work. As written here it is intended to convey that pricing the impact of raising deductibles or premiums might involve three or four different alternatives that would all be considered to be within the same major scenario. If however, the government wished to also price impacts of a totally different nature such as major network or service delivery changes that would be a different major scenario.

- Additional meeting services may include in-person meetings as mutually agreed upon by the government and actuary. The fees for an in-person meeting/presentation are included in Exhibit B. All expenses for travel outside of the DFW/Fort Worth Metroplex will be an additional charge which is the responsibility of the government.
- Consulting on active healthcare plans can be agreed to on a not-to-exceed price
 - Pricing of premiums for self-insured plans
 - Cost trend analysis
- Application of cost-sharing methodology to single employer plans that serve both a primary government and component units that issue separate financial statements. Generation of both Schedule of Employer Allocations and Schedule of Pension/OPEB Amounts by Employer. Examples of these schedules may be found in chapter 13 of the AICPA Audit and Accounting Guide for State and Local Governments or at:

[http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Resources/gasbmatters/DownloadableDocuments/AICPASLGEP CS ER Reporting Whitepaper.pdf](http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Resources/gasbmatters/DownloadableDocuments/AICPASLGEP%20CS%20ER%20Reporting%20Whitepaper.pdf)

I. Group-wide Services

Group-wide services will be provided free of charge and will include both orientation classes and annual preparation of aggregate results of the reviews performed during the preceding year.

One or more initial classes designed to orient participants with the actuarial valuation process including understanding 1) the information that will be required to perform the study 2) the possible impact of the various actuarial options available under the RFP and 3) the meaning of the final report. Because these classes will have multiple attendees, it is anticipated that they will actually reduce the amount of time needed for individual engagements. Location of these classes will be mutually agreed upon by NCTCOG and GRS and will be dependent on the geographic locations of those participating entities eventually choosing to participate. NCTCOG will be responsible for securing the meeting locations.

Timing of the aggregate report will be mutually agreed to by NCTCOG and GRS. It will include both aggregated results of the studies conducted in the preceding year and a conclusions section describing possible improvements or changes that have proven effective for other participating entities.

ATTACHMENT B
Pricing Schedule

Plan Basic Services			
Governments by Total OPEB Participants (Actives and Retirees)		Annual	Biennial
P1	Less than 100	\$7,200	\$9,400
P2	Between 100 to 199	\$7,200	\$9,400
P3	Between 200 and 499	\$7,900	\$10,200
P4	Between 500 and 999	\$9,400	\$11,800
P5	Between 1,000 and 2,499	\$10,700	\$13,200
P6	Between 2,500 and 4,999	\$11,600	\$14,200
P7	Between 5,000 and 7,500	\$14,700	\$17,400
P8	Greater than 7,500	\$17,800	\$20,600
Plan Features Resulting in Additional Cost (Discount) to Basic Services		Annual	Biennial
P9	Self-Insured Healthcare Plans	\$2,100	\$2,100
P10	Cost per additional healthcare plan option (high deductible, HMO, PPO etc.)	\$600	\$600
P11	Cost per additional retirement plan covered by the same OPEB plan	\$1,700	\$1,700
P12	Implicit subsidy only plans	-\$2,000	-\$2,000
P13	Plan change not previously valued (Basic)*	\$1,300	\$1,300
P14	Plan change not previously valued (Non-Basic)*	To be quoted	To be quoted
P15	OPEB Trust or Equivalent Arrangement	\$500	\$1,250
P16	Single Discount Rate Test	\$1,000	\$1,000
P17	Data Processing Charge**	To be quoted	To be quoted

* The impact of plan changes which are deemed significant need to be measured under GASB 74/75. A Basic or Non-Basic fee will apply anytime a plan change impact needs to be separately measured. No fee will apply if GRS has already measured the impact of the plan change.

** GRS fees are based on receiving census and claims data in the requested format. If data is provided in a different format or in multiple files, GRS will discuss an "out-side of scope" data fee charge with the Client before proceeding with the valuation.

	Optional Services	
O1	Updating actuarial valuations to the measurement date	\$1,500
O2	Upgrade roll-forward to full valuation	\$3,300
O3	Plan only reporting package for separately issued financial statements	\$800
O4	Cost Sharing schedules for primary government and component units	To be quoted
O5	Pricing valuation for OPEB plan changes (Basic)	\$1,300
O6	Pricing valuation for OPEB plan changes (Non-Basic)	To be quoted
O7	Experience Study	To be quoted
	Consulting on active health plans:	
O8	Pricing of premiums for self-insured health plans	To be quoted
O9	Cost trend analysis	To be quoted
O10	Hourly rate for additional services-responsible actuary	\$330
O11	Hourly rate for other actuarial staff	\$215
O12	Hourly rate for additional services-support staff	\$185
O13	In person meeting/presentation-per meeting*	\$1,300
O14	Calculation of an Actuarially Determined Contribution	To be quoted
O15	Money-weighted rate of return	\$500
O16	Initial GASB 75 report based on roll-forward of a previously completed GRS GASB 45 Valuation	\$2,500
O17	Initial GASB 74/75 report based on Roll-forward of a previously completed GRS GASB 45 Valuation**	\$4,000

*Fee for in-person meeting/presentation does not include travel expenses. Fees for travel outside the Dallas/Fort Worth metroplex will be the responsibility of the employer.

** Fee will be reduced by \$1,000 if a Blended Discount Rate test is not needed.

PRICING ASSUMPTIONS

- Pricing assumes that all participating entities offer basic vision and dental and life insurance to employees and retirees
- Pricing assumes for annual valuations: 50% paid upon initiation of the work and 50% upon receipt of the draft report. For biennial valuations 30% upon initiation of the work, 40% upon delivery of the draft valuation and 30% upon delivery in the second year of the rolled forward report.
- Number of OPEB participants will be determined as of the date the valuation is performed.
- Pricing will be held constant until January 2019 (approximately one and half years after contract award) and then be adjusted in relation to the Consumer Price Index-All Urban Consumers annually for each of the remaining six years. Starting in January 2019, the fees increase based on the November over November increase to the CPI-U. For example, the fees for 2019 would be increased by the change in the CPI-U from November 2017 to November 2018. Annual fee increases must be approved by the NCTCOG, and the NCTCOG has the right to limit the CPI related fee increase in any year. Once an annual or biennial valuation fee is agree to, CPI related fee increases would not impact the valuation fee for that particular valuation cycle. CPI related fee increases would apply to the next valuation cycle.