



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

September 1, 2015

Lewis & Ellis, Inc.
Attn: Bonnie Albittron
2929 N. Central Expressway, Suite 200
Richardson, Texas 75085

Via Email: balbittron@lewisellis.com

Re: Renewal of Contract C-13-022-09-03
"Actuarial Consulting Services for Part I-GASB 43 and/or 45 OPEB Valuation
Analysis and Part II-Health Benefits Reserve Analysis"

Dear Ms. Albittron;

Hidalgo County Purchasing Department will be requesting Commissioners' Court to consider the County's sole option to exercise the **final year extension** term as provided in the current contract (under the same rates, terms and conditions).

Please acknowledge receipt of this notice of placement on the Commissioners' Court meeting of **Tuesday, September 15, 2015** for discussion, consideration and action, by signing below and returning to the Purchasing Department, by no later than **3:00 p.m., Thursday, September 3, 2015 and or sooner**, via facsimile to (956) 956-318-2629 or email to: evangelina.garcia@co.hidalgo.tx.us so as to meet the agenda request form deadlines.

By: Bonnie Albittron Date: 9/8/2015

Additionally, we are requesting for Lewis & Ellis to provide an updated certificate of insurance as required through Hidalgo County's Request for (Bid, Quote, Proposal, Statement of Qualification), as the insurances on file reflect that they have expired.

My apologies for short notice of this renewal as the assigned buyer, Ms. Cris Ayala is no longer with the Purchasing Department. I have been assigned today to initiate the renewal process and therefore am requesting your assistance on this.

Should you have any questions or require additional information, please do not hesitate to contact me at (956) 292-7000-Ext. 4856. Your cooperation in this matter is greatly appreciated and we hope your company continues its business relationship with Hidalgo County.

Sincerely,
Vangie Y. Garcia, Contract's Manager
Hidalgo County Purchasing Department

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**SERVICE CONTRACT
C-13-022-09-03**

THIS CONTRACT is made and entered into this 3rd day of **September, 2013** by and between the **COUNTY OF HIDALGO, TEXAS** ("County"), and **Lewis & Ellis Inc.**, a Texas Corporation. ("Company").

WHEREAS, Company responded to advertised notices for bids for **"Actuarial Consulting Services for Part I-GASB 43 and/or 45 OPEB Valuation Analysis and Part II-Health Benefits Reserve Analysis"** (the "Services"); and

WHEREAS, Company submitted a bid to provide services in accordance with the specifications as bid, a copy of such specifications and bid being attached hereto as Exhibits "A" and "B" ("Vendor's Proposal") respectively, and incorporated herein for all purposes (the "RFP Packet"); and

WHEREAS, in recognition of and in consideration of Company's agreement to perform the Services in accordance with Specifications, the Commissioners Court of County awarded the proposal to Company.

NOW, THEREFORE, in mutual consideration of the foregoing and the further consideration of the following, the parties hereto agree as follows:

1. County and Company hereby agrees that this Contract is entered into in order to provide the Services to **Hidalgo County**. This Contract does not extend to any third parties any

duties or benefits conferred in any manner hereunder or otherwise.

2. Company hereby promises and agrees to render and provide, during the term of this Contract, and shall be obligated to render and provide the Services in accordance with the Specifications within **Hidalgo County** following a request for Services by the **Commissioner's Court** or their designated agent. Company agrees in performing the Services that it will use proper professional standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period beginning **January 1, 2014** and ending on **December 31, 2015** and may be extended at the sole discretion of County for an additional one (1) year period under the same rates terms and conditions and may further extend an additional sixty (60) days grace period at the end of the contract term due to any unforeseen delay in the procurement process, unless this Contract is terminated pursuant to the provisions herein, whichever occurs first.

4. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

5. All trucks or vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employ of Company who operate such trucks or vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all

laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such trucks or vehicles in providing the Services.

6. As consideration for rendering the Service provided for in this Contract, the County agrees to pay Company the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Company.

7. Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with the coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

8. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

9. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

10. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

11. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County

hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Buyer under this Agreement, Buyer may terminate this Agreement upon sixty (60) days written notice to Seller. Buyer agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of Buyer pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903 (Vernon Supp. 1996).

18. Entire Agreement. This Agreement contains the entire agreement between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this agreement not specifically set forth herein.

WITNESS our hands in duplicate originals this _____ day of _____, 2013.

ATTEST:


Arturo Guajardo Jr., County Clerk

COUNTY OF HIDALGO

By: Ramon Garcia
Ramon Garcia, County Judge

Approved by Commissioners' Court
on 9/13/13 RW

COMPANY: Lewis & Ellis, Inc.

By: Bonnie Albritton
Printed Name: Bonnie Albritton
Title: Vice President & Principal

APPROVED AS TO FORM:
Atlas, Hall & Rodriguez, L.L.P.

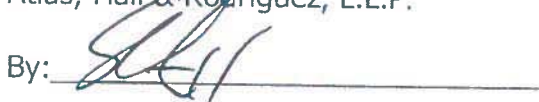
By: 

EXHIBIT "A"
SPECIFICATIONS



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

April 12, 2013

RE: **ADDENDUM NO.1**
FOR RFP No: 2013-022-05-01-CGA
"Actuarial Consulting Services-Part I:
GASB 43 and/or 45 OPEB Valuation
Analysis and Part II- Health Benefits
Reserve Analysis"

Dear Gentlemen:

Attached you will find **ADDENDUM NO. 1, PAGE 1 OF 1** in connection with "**Hidalgo County- Actuarial Consulting Services- Part I: GASB 43 and/or 45 OPEB Valuation Analysis and Part II: Health Benefits Reserve Analysis**".

Please add this **ADDENDUM NO. 1** to your Request for Proposals, so as to permit your company to submit a complete proposal packet.

Acknowledge receipt of ADDENDUM NO. 1 by signing and returning this notice to us VIA FAX AT (956) 292-7612 or VIA E-MAIL to cris.ayala@co.hidalgo.tx.us , if you do not receive all pages of **ADDENDUM NO. 1**, please notify us immediately at (956) 318-2626.

Please be advised that this **ADDENDUM NO. 1** will complete your RFP packet for "**Hidalgo County- Actuarial Consulting Services- Part I: GASB 43 and/or 45 OPEB Valuation Analysis and Part II: Health Benefits Reserve Analysis**".

Thank you for your prompt attention to this matter.


Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

BY: _____
ADDENDUM NO 1
ACKNOWLEDEMENT OF RECEIPT

Agent/Company Name

MLS/cga
Enclosures

2812 So. Business Hwy 281 ♦ Edinburg, Texas 78539 ♦ Ph. (956) 318-2626 ♦ Fax. (956) 292-7612

ADDENDUM NO. 1

April 12, 2013

HIDALGO COUNTY

"Actuarial Consulting Services for Part I: GASB 43 and/or 45 OPEB Valuation Analysis and Part II: Health Benefits Reserve Analysis"

PLEASE NOTE THE FOLLOWING CHANGES:

Request for Proposals: RFP No.: 2013-022-05-01-CGA

Proposals Acceptance due date of Wednesday, May 1, 2013 at 9:30a.m., has been extended to:

- **Sealed Proposals will be accepted until Wednesday, May 15, 2013 at 9:30a.m. ANY RFP's RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Thank you for participating in our procurement process. If you should have any questions, please contact me at (956) 318-2626 or via email to cris.ayalal@co.hidalgo.tx.us

I, _____, acknowledge receipt of **ADDENDUM NO. 1** dated, April 12, 2013 for "**Hidalgo County- "Actuarial Consulting Services- Part I: GASB 43 and/or 45 OPEB Valuation Analysis and Part II: Health Benefits Reserve Analysis"**".

Printed Participants Name

Date

Printed Name of Company

NOTE: PLEASE SUBMIT THIS ADDENDUM WITH YOUR PACKET IN ORDER TO COMPLETE THE PROPOSAL PACKET.



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

April 8, 2013

Re: **HIDALGO COUNTY**

Request for Proposal-"**Actuarial Consulting Services for Part I - GASB 43 and/or 45
OPEB Valuation Analysis and Part II-Health Benefits Reserve Analysis**"
RFP No: 2013-022-05-01-CGA

Dear Respondents:

Enclosed please find a Request for Proposal (RFP) packet for your review and consideration.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the RFP process.

If any further assistance is required, please do not hesitate to call the Purchasing Department at (956) 318-2626.

Sincerely,

Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

MLS/cga

Enclosures



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

REQUEST FOR PROPOSAL (RFP) CHECKLIST
Hidalgo County
"Actuarial Consulting Services for
Part I-GASB 43 and/or 45 OPEB Valuation Analysis and
Part II- Health Benefits Reserve Analysis"
RFP No.: 2013-022-05-01-CGA

1. Request for Proposal Letter, consists of 1 page.
2. Request for Proposal, Legal Notice, consisting of 8 pages.
3. Exhibit "A", Requirements and "A-1" Additional Specifications, total of 13 pages.
4. Exhibit "B", Evaluation & Selection Criteria Form, consisting of 3 pages.
5. Exhibit "C", Insurance Requirements, consisting of 4 pages.
6. Exhibit "D", CIQ Conflict Of Interest Questionnaire, consists of 1, page.
7. Exhibit "E", Proposer's Affidavit, consists of 1 page.
8. Bidder/Vendor Application and W-9 form, consisting of 6 pages.
9. Certification Regarding Debarment, consists of 1 page.
10. Draft Service Contract, consisting of 8 pages.

The above mentioned items shall be found in the Request for Proposal (RFP) packet that is attached herewith. Should you find that any of the items are not attached in its entirety please contact Purchasing by calling (956) 318-2626, advise of missing documentation, and Purchasing will forward information either through facsimile or by U.S. Mail.

Thank you.

Martha L. Salazar
Martha L. Salazar, CPPB, Purchasing Agent

4-8-13
Date

REQUEST FOR PROPOSALS

Hidalgo County
“ACTUARIAL CONSULTING SERVICES FOR
Part I-GASB 43 and/or 45 OPEB Valuation Analysis;
Part II-Health Benefits Reserve Analysis”

Contact Person:

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
Physical Address: 2802 S. Business Hwy. 281
Mailing/US Postal Address: 2812 S. Business Hwy. 281
Edinburg, Texas 78539
(956) 318-2626



Form HCPD-04

1. **Sealed Proposals** will be received for "**Hidalgo County- Actuarial Consulting Services for PART I- GASB 43 and/or 45 OPEB Valuation Analysis; PART II- Health Benefits Reserve Analysis**", in accordance with the requirements attached hereto as Exhibit "A." Proposals should address all requirements set forth. Proposals may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the requirements. Hidalgo County reserves the right to reject the deviation and its effect on the overall proposal.
2. **ONE (1) ORIGINAL AND NINE (9) COPIES** of all RFP's are required, with the vendor's name and address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package, "**RFP No: 2013-022-05-01-CGA- Hidalgo County- Actuarial Consulting Services for PART I- GASB 43 and/or 45 OPEB Valuation Analysis; PART II- Health Benefits Reserve Analysis**" and at County's Purchasing Department with a physical address: 2802 S. Business 281 and a mailing address: 2812 S. Business Hwy 281, New Administration Building, Edinburg, Texas on **or before 9:30 a.m. Wednesday, May 1, 2013.**

NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFP/Q RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE WITH THE FOLLOWING REFERENCE: RFP NO: 2013-022-05-01-CGA-HIDALGO COUNTY ACTUARIAL CONSULTING SERVICES for PART I-GASB 43 and/or 45 OPEB VALUATION ANALYSIS; PART II-HEALTH BENEFITS RESERVE ANALYSIS.

WRITTEN QUESTIONS WILL BE ACCEPTED via facsimile to (956) 292-7612 or via email to: cris.villarreal@co.hidalgo.tx.us , by NO LATER THAN Friday, April 19, 2013 at 5:00 p.m. Responses will be sent to all applicants by Tuesday, April 23, 2013 at 5:00 p.m. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

Hidalgo County reserves the right to refuse and reject any/all proposals and to waive any/all formalities or technicalities, or to accept the proposal considered the best and most advantageous to Hidalgo County.

3. Hidalgo County reserves the right to: **A)** separate and accept, or eliminate any items(s) listed under this proposal that it deems necessary to accommodate budgetary and/or operational requirements; **B)** reject any or all proposals/qualifications submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal for approval. Receipt of any proposal shall under no circumstances obligate County to accept the lowest dollar proposal and; **C)** award of this contract shall be made to the responsible offeror whose proposal is determined to be the best evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors as herein set forth.
4. Failure of the delivered item(s) to perform as specified or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest

responsible proposer, or to reject all proposals and re-advertise.

5. For work to be performed and/or services to be provided or rendered at a County owned or operated location, each submitter shall, in its sole discretion, visit the job site before preparing the proposal and thoroughly familiarize himself/herself with existing conditions. Proposer should take field dimensions and note all circumstances which affect the proposal.
6. Descriptive specifications are referenced in this document to indicate the general kind and quality of equipment desired by Hidalgo County. Due to various styles and models of equipment, proposers are required to include illustrations, specifications, explanation of warranties, and service data with their proposal including catalogue numbers and any necessary references.
7. No proposal may be withdrawn within sixty (60) days from the scheduled time to accept proposals.
8. Proposed prices are to remain firm for a minimum of ninety (90) days after priced proposal opening.
9. Any interpretations, amendments, corrections or changes to this proposal document must be in a written addendum and signed by Hidalgo County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Proposals. Proposers shall acknowledge receipt of all addenda as a part of their proposal.
10. County reserves the right to accept or reject any or all RFP's.
11. Costs are to be net F.O.B. destination County Prepaid.
12. County is exempt from Federal Excise Tax, State Tax and Local Tax. Do Not include tax in cost figure. If it is determined that tax was included in the cost figures it will not be included in the tabulation of any awards. Tax exemption certificates will be furnished upon request.
13. Funds for this procurement have been provided through the County's budget for this fiscal year only. County on an annual basis has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a proposal or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.
14. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security card to the Hidalgo County Auditor in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy of their Federal ID Number Certificate.
15. **DELIVERY INSTRUCTIONS: (IF APPLICABLE)**
 - No deliveries accepted after 3:00 P.M., Monday-Friday.
 - At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, CPPB, Purchasing Agent, before delivery will be accepted.
 - If you need additional information call the office listed below:

Hidalgo County Purchasing Department
 Martha L. Salazar, CPPB, Purchasing Agent
 (956) 318-2626

16. **BILLING AND PAYMENT INSTRUCTIONS:**

- Invoices must include:
 - a) Name and address of successful submitter
 - b) Name and address of receiving department or official
 - c) Purchase Order Number and Contract Number (if any)
 - d) Notation - **“HIDALGO COUNTY ACTUARIAL CONSULTING SERVICES for PART I-GASB 43 and/or 45 OPEB VALUATION ANALYSIS and PART II-HEALTH BENEFITS RESERVE ANALYSIS.**
 - e) Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.
- Discount payments will be considered when offered.
- Contact person for Billing and Payment questions:

Ray Eufrazio, CPA, Hidalgo County Auditor
 2802 S. Business Hwy 281
 Edinburg, TX 78539
 (956) 318-2511

17. **SCHEDULE OF EVENTS**

Proposal Acceptance Date:	<u>9:30 a.m., May 1, 2013</u>
Award of Contract	<u>2013</u>
Commence Work or Deliver Products	<u>2013</u>

18. **BID OR PERFORMANCE BOND AND DEBARMENT CERTIFICATION; PAYMENT UNDER CONTRACT:**

- ~~If the contract proposed is for the construction of public works or is for a contract for goods and services exceeding \$100,000, all submitters shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas.~~

All participants are also required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR76.

- ~~Together with the signing of a contract or issuance of a purchase order following the acceptance of a proposal, and prior to commencement of the actual work, the proposer shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds \$50,000.~~

- ~~• If the contract is for \$50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and materialmen have been paid.~~
- ~~• If a contract is for the construction, alteration or repair of public buildings or public works, the contractor shall provide a payment bond for a contract in excess of Twenty Five Thousand Dollars (\$25,000.00), as required by Tex. Govt. Code Ch. 2253.~~
- ~~• For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications.~~

19. **ETHICAL STANDARDS:**

- It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.
- It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.
- No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

20. **DISCLOSURE OF CONFLICT OF INTEREST:**

- Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit D, the vendor, person consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The

disclosure requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful Proposer fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

- Please submit complete CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE PROPOSER.**

21. If, during the life of any contract or proposal awarded, the successful proposer's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.
22. Proposals, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services.
23. Minimum Standards For Responsible Prospective Proposers: A prospective proposer must affirmatively demonstrate proposer's responsibility. A prospective proposer, by submitting a proposal, represents to County that it meets the following requirements:
 - Possess or is able to obtain adequate financial resources as required to perform under the proposal;
 - Be able to comply with the required or proposed delivery schedule;
 - Have a satisfactory record of performance;
 - Have a satisfactory record of integrity and ethics;
 - Be otherwise qualified and eligible to receive an award.
24. Successful proposer will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful proposer's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.
25. Any contract award to a successful proposer will be in effect until: **a)** the contract expires; **b)** delivery and acceptance of products, and/or performance of services ordered, or; **c)** terminated by County with thirty (30) day's written notice prior to cancellation.
26. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful proposer; County reserves the right to terminate any contract immediately in the event a successful proposer fails to:

- A. Meet schedules;
 - B. Pay any required fees or taxes; or
 - C. Otherwise perform in accordance with the requirements.
27. Successful proposer shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful proposer, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful proposer indemnifies and will indemnify and save harmless County from liability, claim or demand on their part, agents, servants, customers, and/or employees whether such liability, claim or demand arise from event or casualty happening or within the occupied premises themselves or happening upon or in any of the halls, elevators, entrances, stairways or approaches of or to the facilities within which the occupied premises are located. Successful proposer shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful proposer's indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods or services provided by successful proposer.
28. Successful proposer shall warrant that all items/services shall conform to the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for Proposal shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful proposer within two business days at no expense to County. Items not picked up within one (1) week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.
29. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.
30. The successful proposer shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.
31. Proposers shall provide with the proposal response, a list of at least three (3) references where like services have been supplied by their firm. Include the name of the business or government, address, telephone number and name of representative or contact person.
32. Proposers must provide **all** documentation requested with this Proposal in their response. Failure to provide this information may result in rejection of the proposal as non-conforming.

**Proposal for
HIDALGO COUNTY
“ACTUARIAL CONSULTING SERVICES FOR
PART I- GASB 43 AND/OR 45 OPEB VALUATION ANALYSIS;
PART II- HEALTH BENEFITS RESERVE ANALYSIS”**

To: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Physical Address: 2802 S. Business Hwy. 281
Mailing/US Postal Address: 2812 S. Business Hwy. 281
Edinburg, Texas 78539

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned submitter proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned submitter further agrees, upon acceptance of its proposal, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Proposer acknowledges receipt of all of the pages of the documents referenced in the Request for Proposal Checklist presented in connection with this procurement. Proposer understands that Hidalgo County reserves the right to reject any or all proposals and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal.

Submitter agrees that this proposal shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for accepting proposal, as contained in the Requirements.

Respectfully submitted,

Proposer: _____
Address: _____
By: _____
Printed Name: _____
Title: _____

EXHIBIT "A"
SPECIFICATIONS/REQUIREMENTS

Hidalgo County
Actuarial Consulting Services
for
Part I- GASB 43 and/or 45 OPEB Valuation Analysis;
Part II- Health Benefits Reserve Analysis
RFP: 2013-022-05-01-CGA

OVERVIEW:

Hidalgo County is requesting sealed proposals from interested and qualified firms for **Actuarial Consulting Services-Part I: GASB 43 and/or 45 OPEB Valuation Analysis** for Hidalgo County's Post-Employment Benefits Package (OPEB) for **Health Benefits** for "Retired Employees" And **Part II: Health Benefits Reserve Analysis** for and Funding Projection Study as specified herein. Sealed Proposals will be accepted until **9:30 A.M., Wednesday, May 1, 2013. ANY PROPOSALS RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:
RFP No: 2013-022-05-01-CGA

US Postal Mail Address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Business Hwy 281
Edinburg, Texas 78539

Physical Address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2802 S. Business Hwy. 281
Edinburg, Texas 78539

The Submittal Envelope Must Show the RFP Number, Name and Acceptance Date.

The following outlines the Request for Proposal:

SECTION I
GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION:

Hidalgo County is requesting that sealed proposals must be routed to Martha L. Salazar, CPPB, Purchasing Agent, at:

US Postal Mail address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Business Hwy. 281
Edinburg, Texas 78539

Physical Address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2802 S. Business Hwy. 281
Edinburg, Texas 78539

ALL WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE (956)318-2629 OR VIA E-MAIL TO: cris.ayala@co.hidalgo.tx.us by NO LATER THAN, Friday, April 19, 2013 by 5:00 P.M. Responses will be sent to all applicants via e-mail by no later than, Tuesday, April 23, 2013 by 5:00 P.M. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

DISCLOSURE OF CONFLICT OF INTEREST:

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as **EXHIBIT D**, the vendor, person consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please submit complete CIQ forms to the Hidalgo County Clerk's Office located at 100 North Clossner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE PARTICIPANT.**

PROPOSER'S AFFIDAVIT:

Prior Contract award, respondents to this RFP must submit a signed Proposer's Affidavit (attached herein in **Exhibit "E"**) certifying that the submission is: (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in Proposer's Affidavit or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

NON-DISCRIMINATION:

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

ELECTRONIC TRANSMISSION OF BIDS:

Hidalgo County's Purchasing Department **WILL NOT** accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT:

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:

It is the responsibility of the submitter to review the Request for Proposal (RFP) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two (72) hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

PROPOSAL DELIVERY:

Hidalgo County requires submitters, when hand delivering RFP to make sure that it is stamped with time and date by the County Purchasing Staff.

SIGNING OF PROPOSAL:

In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING:

The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

TERM OF CONTRACT:

The contract will commence on January 1, 2014 for a period of two (2) years with the county's option to renew for an additional one (1) year, at the same rates, terms and conditions. Hidalgo County reserves the right to continue this proposal for an additional sixty (60) day Grace Period at the end of the contract under the same rates, terms and conditions.

All costs and expenses associated with the preparation and submission for (bid, proposal and/or quotes) shall be the responsibility of the participant and no reimbursement for such charges or expenses shall be passed on onto Hidalgo County.

DAVIS BACON ACT:

All selected and awarded firms are required to include the Davis-Bacon Act when advertising and developing specifications. **(If applicable)**

PARCTICIPANTS ARE TO PROVIDE A FEE SCHEDULE WITH THIS SUBMITTAL:

The fee will be negotiated after the ranking by Commissioners' Court of the most qualified firm. Hidalgo County is hereby requesting the proposal fees on a multi-year per section basis (including renewal option at the County's sole discretion.

SECTION II

RFP's REQUIREMENTS

REQUEST FOR PROPOSALS

The required contents and limitations for the preparation of the RFP are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFP.

RFP SUBMISSION:

A total of one (1) original and seven (7) copies of response shall be submitted to: Martha L. Salazar, Purchasing Agent, Hidalgo County Purchasing Department, 2812 So. Business Hwy 281 New Administration Building, Edinburg, Texas 78539 by **no later than 9:30 a.m. on Wednesday, May 1, 2013.**

CONTENTS:

The required contents for the RFP are presented below in the order they should be incorporated into the submitted document.

UNDERSTANDING OF THE PROJECT:

This section should demonstrate the submitter's understanding of the project needs, the work required, and

any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

FIRM QUALIFICATIONS:

The County of Hidalgo is seeking to contract with a competent firm(s), registered and licensed if applicable for the services being requested in the RFP and/or do business in the State of Texas, that has experience in, but not limited to, as stated and reflected in the **“Scope of Services and Requirements”**.

PERSONNEL AND STAFFING:

The firm should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided.

Additionally, this section should include a description of the firm's project personnel and their most recent similar projects. For each project, a client contract name and phone number should be included for reference purposes. Additionally, the names of the personnel proposed for this project who participated in the listed projects should be provided. This project list is limited to 5 pages.

REQUIRED CERTIFICATIONS AND SUBMITTAL:

This section will contain any licenses and certifications as required by HIDALGO COUNTY, the STATE OF TEXAS, etc. **The Proposer(s) should add copies of their Professional Liability Insurance in the response.**

PROJECT OVERVIEW:

The County of Hidalgo is seeking this request for proposal from interested and qualified firms to assist in implementing Consulting Services for **Part I: GASB 43 and/or 45 OPEB Valuation Analysis** for Hidalgo County's Other Post-Employment Benefits Package (OPEB) for **Health Benefits** for “Retired Employees”. There are approximately 548 retired employees; only about 49 retired employees, of which are utilizing the County's health benefits with a blended premium rate payment plan and **Part II: To include services for the Health Benefits Reserve Analysis** for Funding Projection Study.

The County of Hidalgo is seeking this request for proposal from interested and qualified firm(s) to assist in implementing Consulting Services for **Part I: GASB 43 and/or 45 OPEB Valuation Analysis** and **Part II: Health Benefits Reserve Analysis**, any information required for the actuarial services will be provided on **“An As Needed Basis”**. The qualified firm(s) is one that can deliver the services requested in an efficient and effective manner while ensuring the highest standards of performance, integrity, customer service and fiscal accountability. The County of Hidalgo wishes to contract with a firm(s) that understands the importance of the tasks, the impact, and the necessary deadline for such implementation as required by the “Government Accounting Standards Board”. The successful firm(s) will demonstrate the ability to consistently provide these services to the County of Hidalgo and will be evaluated, in part, by the degree to which the firm(s) shows how it will achieve these benefits.

SCOPE OF SERVICES:

Hidalgo County is requesting proposals from experienced firm(s) to provide ongoing Consulting Services for the Actuarial Studies/Services regarding for **Part I: GASB 43 and/or 45 OPEB Valuation Analysis** and **Part II: Health Benefits Reserve Analysis**. (Refer to Exhibit “A-1”- **ADDITIONAL SPECIFICATIONS/REQUIREMENTS**)

Section III

SELECTION AND SCHEDULES

SELECTION PROCEDURES/EVALUATION SYSTEM:

The evaluation consists of a 100-point scoring system. However, after the 100-point evaluation, Hidalgo County Commissioner's Court may elect to narrow the participating firms and request a presentation from a representative from firms.

An Evaluation Committee selected/designated by Hidalgo County Commissioner's Court, Elected Official and/or User Department will review, score and evaluate the Request for Proposals (RFP's) received. After the RFP's have been reviewed, scored and evaluated, a grid will be presented to Commissioner's Court for the purposes of ranking for recommendation. Thereafter the Hidalgo County Commissioner's Court will rank and/or award the proposal.

Categories are further detailed in the Selection Criteria (Exhibit B) section of this RFP.

RATING AND EVALUATION PROPOSALS

Proposals will be evaluated and rated for merit, innovation and completeness, in response to each of the elements outlined in the Scope of Services including but not be limited to, the items listed below:

1.	Firm's Qualifications and Staffing of Project Team	10 Points
2.	Understanding Of Project/Similar Projects	40 Points
3.	Experience Of Project Team/Ability To Commit Resources	40 Points
4.	Cost Fees	<u>10 points</u>
	Total	100 points

NEGOTIATION PROCESS:

The number one ranked firm will be contacted to submit a letter of engagement/contract for negotiations. If negotiations prove unsuccessful, Commissioner's Court will terminate negotiations with the firm and will contact the next highest ranked firm to open negotiations. The County of Hidalgo reserves the right to reject any and all RFPs.

TERMINATION OF SERVICES:

Any contract awarded to a qualified firm will be in effect until (a) the contract expires or (b) performance of all services are completed, or (c) terminated by County with or without cause, with ninety (90) days written notice prior to cancellation.

EXHIBIT "A-1"
ADDITIONAL SPECIFICATIONS/REQUIREMENTS
Hidalgo County
Actuarial Consulting Services for
Part I: GASB 43 and/or 45 OPEB Valuation Analysis;
Part II: Health Benefits Reserve Analysis
RFP No.: 2013-022-05-01-CGA

PART I: GASB 43 AND/OR 45 OPEB VALUATION ANALYSIS

SCOPE OF SERVICES:

- Desired study completion date of: **02-28-2016** .
- Valuation Analysis will be for year ending: **12-31-2015** .
- Prepare an actuarial evaluation following GASB 43 and GASB 45 standards.
- The following must be included in the study as follows:
 - The actuarial present value of total projected benefits;
 - Actuarial accrued liability;
 - Actuarial value of assets;
 - The unfunded actuarial accrued liability;
 - Normal Cost;
 - Annual required contribution of the employer-as a level dollar amount and as a level percentage of covered payroll;
 - Net OPEB obligation (for employer disclosure under GASB statement 45 if necessary);
 - Prepare the necessary material for the Comprehensive Annual Financial Report to comply with GASB OPEB reporting and disclosure requirements;
 - 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;
 - Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability;
 - Prepare an analysis to determine how establishing a trust or equivalent arrangement would affect the interest rate assumption. Timing considerations of establishing the trust should also be considered;

- Prepare a cash flow analysis (the “pay-as-you-go-cost”); **(optional)**
 - A projection of expected income and disbursements for the remainder of 2014 and 2015, based on the current benefits;
 - Recommended aggregate funding levels for 2015;
 - Provide a written report detailing the analysis and recommendations;
 - Recommended premiums by tier per plan;

- Prepare sensitivity analysis showing the impact of alternative assumptions on the employer’s contributions (healthcare trend rates and investment rate assumptions); **(optional)**

- If there is not a trust established, determine the difference in liability based upon the investment returns under a diversified portfolio versus a short-term fixed income portfolio;**(optional)**

- As appropriate, provide recommendations on managing the OPEB liability. This may include changes in plan design; **(optional)**

- As appropriate, review and update plan documents and design. Make recommendations as to formalizing informal plans; **(optional)**

- Analyze the *data* to *assess* any inconsistencies and make recommendations for enhancing *data* quality;

- Firm will be required to make a formal presentation of the “Actuarial Study” to Hidalgo County Commissioners Court;

COUNTY PROVIDED DATA:

- Summary of plan provisions
- Active employee/retiree information
- Retiree contribution schedule
- Employer contribution schedule
- Claims information
- Groups not covered by Medicare – if any
- Additional information as available or requested

PART II: HEALTH BENEFITS RESERVE ANALYSIS

Scope Of Services:

- Desired study completion date of: **02-28-2014** .
- Estimate the reserve analysis as of **12-31-2013**.
- Review Hidalgo County's (County) self funded medical plan to determine reserve balances.
 - Based on claims analysis, determine the Hidalgo County's (County) estimated range of reserve liability for the medical benefit plan.
 - Estimate the unpaid claim liability of Hidalgo County's (County) self funded medical plan for health claims that have been incurred but not paid as of **December 31, 2013**.
 - Prepare a written actuarial analysis of claim liability for the entire plan broken out by employee group and plan.
 - Prepare a forecast of the number of expected claims, estimate the value of expected payments, develop overall trend and insurance inflation factors, estimate the lag in reporting incurred claims and estimate the lag in payment of claims.
 - Provide spreadsheet of incurred claim liability.
 - Summarize the results of our claim reserve analysis showing monthly paid and incurred claims.
 - Summarize paid claims, estimated incurred claims, and recast reserves by month, including the resulting reserve liability as of **December 31, 2013**.
 - Provide analysis detailing the claims lag.
 - Provide analysis detailing the average liability per employee

COUNTY PROVIDED DATA:

- Claims lag reports
- Count of eligible employees, employees by tier (single, employee and spouse, etc.).
- List of stop recoveries
- Additional information as available or requested

INFORMATION ABOUT THE FIRM(s):

1. The firm should provide its name, address of the office which would provide the services requested, telephone number, fax, e-mail address and website, if applicable.
2. The firm should provide a general description of its business, including size, number of employees, number of credentialed actuaries, primary business, other business or services offered and review any past or contemplated changes in the ownership structure of the firm.
3. The supervising actuary who will be assigned to the engagement should be identified and their contact information provided.
4. Other actuaries and other personnel who will have key roles in the work should also be identified.
5. The firm should list the number and percent of consulting staff that have left each of the past five years.
6. Brief resumes should be furnished for the key professional staff who will be assigned to this engagement. Summary information should be provided covering the professional qualifications and experience of the supervising and support actuaries and other personnel who would perform the requested work.
7. The *firm* should provide a description of its experience in providing actuarial and consulting services for governmental entities/plans and a list of governmental entities/plans for which it has performed services similar to those identified under "Scope of Services". Describe the *firm's* experience with retiree healthcare and other post-employment benefit plans for other public entities. Recognizing the value of the firm experience with FASB OPEB valuations, *firm* should also describe their private sector OPEB valuation experience.
8. For the *firm* office that will be responsible for the work, the *firm* should provide a list of the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal/qualifications. The list of engagements can be both in the private or public sector but must be clearly labeled as such.
9. For the engagements listed above, indicate the scope of the work, date, supervising actuaries, and the name and telephone number of the principal client contact who would serve as a reference for the *firm*.
10. The *firm* should list any clients that have been lost in the last five years.
11. The *firm* should provide an affirmative statement that is independent of the governmental entity/plan and that it is unaware of any potential conflicts of interest if it were selected to perform the requested work.
12. The *firm* should describe any limits on liability that the firm requests from its clients due to negligence of its firm.
13. The *firm* should warrant that the *firm* maintains errors and omissions insurance that

provides a prudent amount of coverage for negligent acts or omissions and that its coverage is applicable to the work requested in this proposal.

14. The *firm* should include an example of a job arrangement letter or contract that the *firm* would require covering this engagement if it were successful in winning the engagement.
15. The response to the "Request for Proposal" should be signed by a representative of the *firm* with the acknowledgement that this individual is authorized to contractually bind the firm.
16. The *firm* should indicate if there are any pending legal actions against it.

PROCESS:

- Approach-State the overall approach of the valuation, including objectives, scope of work to be performed and the methodologies to be used.
- Describe how the firm will work with "Hidalgo County" to determine the proper actuarial cost method, actuarial asset valuation method, amortization method and key assumptions to the valuation based on relevant accounting and actuarial standards. Some key assumptions (not all of them applicable) to consider as part of this discussion are:
 - Turnover
 - Retirement Age
 - Disability retirement age
 - Mortality
 - Projected salary increase
 - Inflation rate
 - Healthcare cost trend data for appropriate region
 - Amortization timeframe
 - Investment return
 - Post retirement benefit changes
 - Actuarial assumptions associated with the method (projected unit credit, entry age normal, etc.)
- Provide an analysis of allowed actuarial methods and amortization methods with the pros and cons of each method and recommend the most appropriate or commonly used one or two methods for this type of study.
- Describe how the firm would assist in the interpretation of the plan and value the associated costs in situations where there is ambiguity related to the substantive plan.
- Timeline-The firm will identify the major tasks in the valuation engagement and the suggested timeline for completion.
- Date Requirements – The actuarial firm should list all data requirements, other than what has been identified in the RFP, that they require to complete the valuation and in what type of format that data must be provided.

- Support – Provide the support that is required of Hidalgo County’ staff.
- Sample Report – Include in the Appendix of the firm’s response a copy of a sample report.

COST AND TERMS OF AGREEMENT:

- Cost Proposal – The firm will provide the cost of the engagement detailing out the cost of the valuation and any optional consulting services included in the scope of services. The proposal should include estimated hours, hourly rates and expenses, as well as a total, not-to-exceed cost that should be clear and concise.
- Costs for the any of the services indicated as “**optional**” in the Scope of Services section of this document should be requested as separate from the cost of the valuation as these services can be expensive.
- Terms of Agreement - **The contract will commence on January 1, 2014 for a period of two (2) years;** with the county’s option to renew for an additional one (1) year, at the same rates, terms and conditions.
- Hidalgo County reserves the right to continue this proposal/contract for an additional sixty (60) day Grace Period at the end of the contract under the same rates, terms and conditions.

PROPOSAL QUESTIONS

The purpose of this RFP is to demonstrate the qualifications, competence and capability of the proposer(s). The substance of the proposer(s) will carry more weigh than form or manner of presentation. Preparation of your response should be simple and economical, providing a straightforward, concise description of your ability to provide the services requested. The response should include the following, preferably in the order listed:

- What is the basis of compensation for your services (flat fee, time plus expense, etc.)?
- What is your estimate for the total cost of the actuarial study? If your basis for compensation is “time plus expenses”, please detail all anticipated expenses (clerical, travel, etc.). The cost for any optional work should be identified separately and presented for approval before any optional work is to proceed.
- To what degree or percent of accuracy will you guarantee your total cost estimate?
- Will you be able to meet the timeline? If not, provide your estimated date for report completion. Are any additional fees being charged in order to meet this timeline?
- A brief history and description of the firm, including a statement of the firm’s qualifications to perform the requested services.
- List at least five Texas public entities, preferably County Entities, that you have performed a GASB 43 and 45 actuarial studies for in the last five year. Include the name of the entity, a contact person and phone number, as well as a description of the work performed.

- Identify the key personnel within your firm who will be responsible for the completion of this assignment. Include the professional qualifications and experience of these key individuals; specifically their experience with Texas Governmental Entities and GASB 43 and 45 liability calculations.
- List any exceptions you have with the proposed RFP and Scope of Work as well as a description of any proposed work that differs from that described.
- List all data and information that will be required to be assembled by Hidalgo County in order to complete the actuarial study.
- Define the most important qualification your firm can bring to Hidalgo County.

The undersigned hereby certified that he/she understands the specifications/requirements and has read the document in it's entirely, affirms the list of qualifications is true and correct, and is duly authorized to execute this response. The following information must be filled out in it's entirely for your proposal to be considered.

Company's Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone No.: _____ Fax No.: _____

Signature of Authorized Representative: _____

Printed Name: _____ Title: _____

Email Address: _____ Date: _____

EXHIBIT "B"

Evaluation and Selection Criteria

Hidalgo County
Actuarial Consulting Services
for

Part I- GASB 43 and/or 45 OPEB Valuation Analysis;

Part II- Health Benefits Reserve Analysis

RFP: 2013-022-05-01-CGA

The County will conduct a comprehensive, fair and impartial evaluation of all Proposals received in response to this RFP. Each proposal will be analyzed to determine overall responsiveness and qualifications under the RFP. The evaluation criteria will include, but not be limited to the following:

1. FIRM'S QUALIFICATIONS AND STAFFING OF PROJECT TEAM (10)

The professional team members shall have experience in performing similar contract for counties, cities, or other clients as stated in the Request for Proposal (RFP). The firm should provide the resume of each of the firm professionals. Any specializations or board certifications should also be detailed in each resume. Copy (ies) of current valid licenses, certifications should be included in this section.

2. UNDERSTANDING OF PROJECT/SIMILAR PROJECTS (40)

The firm's technical understanding of the project and its purpose as evidenced by the quality of the proposal submitted. The firm has no conflict of interest with regard to any other work performed by the firm for the County of Hidalgo. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal. The firm has easily identified how they meet each of the evaluation criteria.

3. EXPERIENCE OF PROJECT TEAM/ABILITY TO COMMIT RESOURCES (40)

The professional team members shall have experience in performing similar contracts for counties, cities, or other clients as stated in the Request for Proposal (RFP).

4. COST (10)

In considering the proposals, the Hidalgo County reserves the right to select the acceptable applicant who offers contractual terms and conditions that are most advantageous, including but not limited to.

The provider shall designate experienced staff to completely and efficiently perform the work. The designated individuals may not be replaced during the project unless approved by the "County". The proposal shall identify the project team composition, project leadership, reporting responsibilities and address how sub-providers, if any, will fit into the management structure. Resumes of the key technical staff members, limited to two (2) pages person, must be included in an appendix, as well as narrative descriptions of projects proposed as similar work experience. Also in this section, outline the firm's contingency plans for servicing the project in the event that one or more key personnel are not available for any reason during the period of performance.

EVALUATION FORM

Hidalgo County
Actuarial Consulting Services
For

Part I- GASB 43 and/or GASB 45 OPEB Valuation Analysis;
Part II- Health Benefits Reserve Analysis
RFP: 2010-022-05-01-CGA

Selection Criteria	Points	Score
1. FIRM QUALIFICATIONS AND STAFFING OF PROJECT TEAM (10)		
➤ The quality of the firm’s professional personnel to be assigned to the engagement and the quality of the firm’s management support personnel to be available for technical consultation.	0-10	
COMMENTS/RATIONALE FOR POINTS:	TOTAL:	=====
2. UNDERSTANDING OF PROJECT/SIMILAR PROJECTS (40)		
➤ The firm’s technical understanding of the project and its purpose as evidenced by the quality of the proposal submitted.	0-10	
➤ The firm has no conflict of interest with regard to any other work performed by the firm for the County of Hidalgo.	0-10	
➤ The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.	0-10	
➤ The firm has easily identified how they meet each of the evaluation criteria.	0-10	
COMMENTS/RATIONALE FOR POINTS:	TOTAL:	=====
3. EXPERIENCE OF PROJECT TEAM/ABILITY TO COMMIT RESOURCES (40)		
➤ The firm’s past experience and performance on comparable government engagements.	0-10	
➤ The firm has a record of quality work.	0-10	
➤ The firm has identified information to be gathered and or obtained from the County of Hidalgo	0-10	
➤ The audit firm is independent and licensed to practice in the State of Texas.	0-10	
Comments/Rationale for points:	TOTAL:	=====
4. COST FEES (10)		
➤ The firm’s cost of the proposed service.	0-10	
Comments/Rationale for points:	TOTAL:	=====
	TOTAL SCORE:	=====

Provider: _____

Evaluator: _____ Department/Pct. _____ Date: _____

EXHIBIT C

Insurance Requirements Professional Services (i.e...Engineers, Architects, Appraisers, Surveyors & Other Professional Services)

The proposer awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the proposer in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. Professional liability insurance policy with limits of at least One Million Dollars (\$1,000,000) per occurrence, or limited to claims made, include at least a five (5) year extended reporting period.
2. A Five Hundred Thousand Dollars (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.
3. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars (\$300,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand Dollars (\$500,000.00) arising out of the services provided to County hereunder.
4. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
5. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

Hidalgo County will only accept certificates of insurance on an Acord form (as attached hereto). Certificates of insurance naming County as an additional insured shall be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

ACORD CERTIFICATE OF INSURANCE DATE (MM/DD/YY)

PRODUCER THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED INSURERS AFFORDING COVERAGE
 INSURER A
 INSURER B
 INSURER C
 INSURER D:
 INSURER E

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THEIR TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. ALL REGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				\$
	<input type="checkbox"/> CLAIMS MADE OCCUR				\$
	<input type="checkbox"/> OWNER'S & CONT. PROT.				\$
	<input type="checkbox"/> OWNER'S PROTECTIVE LIABILITY				\$
	GEN'L AGGREGATE LIMIT AT POLICY PROJECT LOC				\$
B	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (EA accident) \$
	<input type="checkbox"/> ANY AUTO				\$
	<input type="checkbox"/> ALL OWNED AUTOS				\$
	<input type="checkbox"/> SCHEDULED AUTOS				\$
	<input type="checkbox"/> HIRED AUTOS				\$
	<input type="checkbox"/> NON OWNED AUT				\$
	GARAGE LIABILITY				AUTO ONLY-EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				\$
	EXCESS LIABILITY				OTHER THAN EA ACC AGG \$
C	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				EACH OCCURRENCE \$
	<input type="checkbox"/> DEDUCTIBLE				AGGREGATE \$
	<input type="checkbox"/> RETENTION \$				\$
D	WORKERS COMPENSATION AND EMPLOYER'S LIABILITY				WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$
					E.L. EACH ACCIDENT \$
					E.L. DISEASE-EA EMPLOYEE \$
	OTHER				E.L. DISEASE-POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATION / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 County of Hidalgo shall be named as additional insured on all Commercial General Liability policies.

CERTIFICATE HOLDER Hidalgo County Attn: Purchasing Department 2812 S Highway Bus. 281 Edinburg, Texas 78539	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
---	-------------------------------------	---

Insurance Requirement Acknowledgment

I, _____, authorized representative for _____,
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

- will be acquired within 10 working days after notification from Purchasing Department of award of project by the Hidalgo County Commissioners' Court;
- will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of award of project by the Hidalgo County Commissioners' Court; currently carry the following

Professional Liability (Errors & Omissions): \$ _____

Automobile Liability: \$ _____ General Liability: \$ _____

- have already been met, see attached copy of insurance certificate.

Authorized Representative

Date

Notice to Proposer:

A certificate of insurance for the required insurance limits shall be provided to the Purchasing Department's Contract Managers in order to qualify for award and to execute a contract between your Company and the County.

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the award to be rescinded and re-awarded to next qualified vendor. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company's obligation to maintain the appropriate insurance coverage throughout the term of the contract.

THIS FORM MUST ACCOMPANY YOUR PACKET

PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, _____, possess all of the **APPLICABLE:**

1. Licenses: _____
2. Bonds: _____
3. Certificates: _____
4. Permits: _____
5. Other: _____

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this project, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

*** Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the packet in order to expedite the evaluation process. Failure to provide said documentation will result in the disqualification of your proposal/qualification.**

Authorized Signature

Date

Company

Address

City, State, Zip

EXHIBIT "D"

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 [] Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A B C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code Attach additional pages to this Form CIQ as necessary.

A Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

[] Yes [] No

B Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

[] Yes [] No

C Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

[] Yes [] No

D Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date

**PROPOSER'S AFFIDAVIT
Exhibit "E"**

**PROPOSER'S AFFIDAVIT OF NON-COLLUSION
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING
FOR "ACTUARIAL CONSULTING SERVICES FOR
PART I: GASB 43 AND/OR 45 OPEB VALUATION ANALYSIS AND PART II: HEALTH
BENEFITS RESERVE ANALYSIS FOR HIDALGO COUNTY"
PROJECT NO.: 2013-022-05-01-CGA**

STATE OF TEXAS
COUNTY OF HIDALGO

Affiant, _____, being first duly sworn, deposes that:

(1) Affiant does hereby state neither the proposer nor any of the proposer's officers, partners, owners, agents, representatives, employees, or parties in interest, has in any way colluded, conspired, agreed, directly or indirectly with any person, firm, corporation, or other proposer, or potential proposer, to provide any money or other valuable consideration for assistance in procuring or attempting to procure a contract or fix the prices in the attached proposed or the proposal of any other proposer, and further states that no such money or other reward will be hereinafter paid.

(2) Affiant, further states they have neither recommended or suggested to Hidalgo County or any of its officials or employees, any of the terms or provisions set forth in their Request for Proposal and subsequent agreement, except at a meeting open to all interested proposers, of which proper notice was given.

(3) Affiant, further states their officers, employees, or agents have not, and will not attempt to lobby, directly or indirectly, the Hidalgo County Commissioner's Court between proposal submission date and award by the Hidalgo County Commissioner's Court.

(4) Affiant further states no officer, or stockholder of the proposer is a member of the staff, or related to any employee of the Hidalgo County except as noted herein below:

Signature/Title: _____

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

My commission expires: _____, 20____



HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?: Yes No

If yes, by whom?: Texas Building & Procurement Commission Other _____

Indicate Certification No(s): _____ or Are Certificate(s) Attached?: Yes No

LIST OF CERTIFIED HUB SUBCONTRACTORS

(Attach additional pages if necessary)

What percentage of the Bid, RFP, or RFQ is to be subcontracted with Certified HUB sources?: _____% (List HUB Subcontractor information below).

HUB Subcontractor Name: _____ HUB Status: _____
Certifying Agency (Check all applicable): Texas Building & Procurement Commission Other
Address: _____ City: _____ State: _____ Zip: _____
Contact Person: _____ Title: _____ Phone No.: () _____
Subcontract Amount: \$ _____ Description of Work to be Performed: _____

HUB Subcontractor Name: _____ HUB Status: _____
Certifying Agency (Check all applicable): Texas Building & Procurement Commission Other
Address: _____ City: _____ State: _____ Zip: _____
Contact Person: _____ Title: _____ Phone No.: () _____
Subcontract Amount: \$ _____ Description of Work to be Performed: _____

HUB Subcontractor Name: _____ HUB Status: _____
Certifying Agency (Check all applicable): Texas Building & Procurement Commission Other
Address: _____ City: _____ State: _____ Zip: _____
Contact Person: _____ Title: _____ Phone No.: () _____
Subcontract Amount: \$ _____ Description of Work to be Performed: _____

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶	
	<input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	
-	
Employer identification number	
-	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ⁴
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**Certification
Regarding Debarment, Suspension and Ineligibility**

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
- b. Have not within a three-year period preceding this bid, proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and
- d. Have not within a three-year period preceding this bid, proposal and/or application had one or more public transactions terminated for cause or default.

Signature: _____

Print Name: _____

Title: _____

Telephone Number: _____

Date: _____

If the proposer is unable to certify to all of the statements in this Certification, such proposer should attach an explanation to this proposal.

EXHIBIT "B"
PROPOSAL PAGE



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

MEMORANDUM

To: Ms. Bonnie Albitton, Vice President & Principal
Lewis & Ellis, Inc. Via email: balbitton@lewisellis.com

From: Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
C/O Cris, Ayala, Buyer III

Date: July 29, 2013

Re: Negotiation Process for - RFP- 2013-022-05-01-CGA-"Actuarial Consulting Services for Part I- GASB 43 and/or GASB 45 OPED Valuation Analysis and Part II- Health and Benefits Reserve Analysis", project.

Pursuant to action taken by Commissioner's Court on Tuesday, July 19, 2013, be advised that your firm has been selected (ranked number one) to enter into negotiations for a Letter of Engagement with County of Hidalgo to provide services for the above referenced project.

We request that you submit your best and final offer based on your submitted proposal, no later than 4:00 p.m. on Tuesday, August 6, 2013.

We ask that you approve by signing below acknowledgment of receipt with commitment to submit by deadline and return via fax to (956)292-7612 or via email to: cris.villarreal@co.hidalgo.tx.us.

Signed: Bonnie Albitton

Printed Name: Bonnie Albitton

Title: Vice President & Principal



Dallas

Glenn A. Topheman, F.S.A., F.C.A.S.
 S. Scott Gibson, F.S.A.
 Cobe W. Chadick, F.S.A.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Brian D. Rankin, F.S.A.
 Wesley R. Campbell, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Brian C. Stentz, A.S.A.
 Robert E. Gove, A.S.A.
 J. Finn Knox-Smith, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Xiaoxiao (Lisa) Jiang, A.S.A.
 Srijarita Jansen, A.S.A.

Sergei Mordovin, A.S.A.
 Robert B. Thomas, Jr., F.S.A., C.F.A. (Off Counsel)

Kansas City

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 Anthony G. Proulx, F.S.A.
 Thomas L. Handley, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Christopher J. Merkel, F.S.A.

London / Kansas City

Roger K. Amin, F.S.A.
 Timothy A. DeMars, F.S.A.
 Scott F. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

August 5, 2013

Martha L. Salazar, CPPB
 Purchasing Agent
 Hidalgo County Purchasing Department
 2801 S. Business Hwy 281
 Edinburg, Texas 78539

RE: **Best & Final Offer**
 RFP No. 2013-022-05-01-CGA
 Actuarial Consulting Services for Part I – GASB 43 and/or 45 OPEB Valuation
 Analysis and Part II – Health Benefits Reserve Analysis

Dear Ms. Salazar:

We received your memorandum notifying us that Lewis & Ellis was selected to enter negotiations with the County regarding the above referenced RFP.

Our best and final offer is shown below.

Part I Base	\$9,400
Part I Options	\$7,100
Part II	\$3,400

We appreciate the opportunity to work with the County again. Please feel free to contact me with any questions.

Sincerely,

Bonnie Albritton, FSA, MAAA
 Vice President & Principal



II. Process

Part I – GASB 43 and/or 45 OPEB Valuation Analysis

Under current accounting standards, public entities that provide OPEB (“other postemployment benefits”) typically recognize the expense for such benefits as they are paid (“Pay-as-you-go”). GASB statement 45 requires those entities to recognize the expense for OPEB more quickly, ideally over the working lifetime of its covered employees.

L&E will develop benefit obligation liabilities for those benefits as specified by GASB 45, including the ARC, the Annual OPEB Cost, and specified disclosures.

To calculate the liabilities, we project post-employment benefit costs for current retirees and current active employees who may retire in the future. The projection includes all post-employment benefits made available to the Sponsor’s retirees. The projection considers the likely cost of future benefits, and the expectation of survival of retirees, employees and dependents to receive such benefits. The projection also includes expected expenses (if any) and retiree contributions.

If a benefit program is self-insured, the projection of the benefit costs is a composite of the expected claims by attained age, stop loss premiums, and administrative expenses for each covered individual from the valuation date to the end of the benefit period. Stop loss premiums and expenses are usually known for the coming fiscal year. For the expected claims, we have to determine an average claim cost from claim and enrollment records, adjusted for the risk characteristics of the covered group and trended to the valuation date.

To develop the total expected benefit costs for each year in the projection, we adjust those values for inflation and for the risk factors for each covered family. If benefits are paid after eligibility for Medicare, then we carve out those benefits that Medicare will cover.

All of our projections are based on assumptions with regard to the survival of plan members, the average per-capita claim costs, and so forth. Those assumptions are disclosed in the appendices attached to our report. One of the most important assumptions is the discount rate, which is used by the model to compute the present value of future post-retirement benefits. The higher the discount rate, the lower the present values, and therefore the OPEB cost.

GASB 45 stipulates that the selection of the discount rate be determined, in part, based on whether the plan benefits are funded in advance. If the employer contributions are at least as great as the OPEB cost for the year, and if they are deposited in an irrevocable trust for the exclusive purpose of paying post-retirement health benefits, the guidance states that the discount rate may be a reasonable long-term rate on the expected investments in that trust. If the employer does not utilize a trust, the employer is limited to using the rate of return expected on all employer assets. If the employer uses a trust, but funds at a level below the OPEB cost, then a blended rate may be used.

Another key assumption for the determination of the plan liabilities is the expected survival of current employees and retirees. As a starting point, we normally used the Sponsor’s pension plan mortality, retirement and withdrawal (turnover) tables, adjusting the overall rates to produce an average number of retirements and turnover that is consistent with the Sponsor’s recent

II. Process

experience. If we have reason to believe that the pension plan's assumptions are not appropriate for the OPEB projections, we will develop age-dependent employee turnover and retirement rates based on the group's experience and expectations. From these we create a model that calculates the probability that each member will survive to retirement, elect to participate in the plan, and receive benefits over their life expectancy.

The liability (present value of benefits) for each enrollee is simply the sum for each future year over his/her life span of the product of three values:

- a) The interest discount factor for that year
- b) The expected cost of benefits (net of retiree contributions) in that year
- c) The probability of receiving retirement benefits in that year

Our actuarial model allocates a portion of each employee's and retiree's present value to the current fiscal year. The methodology of that allocation is called an "Actuarial Cost Method." GASB 45 allows the employer a choice between six different cost methods. We will provide projections based on the two most common methods, the "Projected Unit Credit" and "Entry-Age Normal" cost methods.

Part II – Health Benefit Reserves Analysis

Claim reserves and liabilities are amounts set aside to cover future payments for claims which have been incurred under the contract, but which have not yet been paid.

To calculate the liabilities, we will use the development (or completion factor) method, where factors are computed which "complete" the current period-to-date payment totals for each incurral month to estimate its ultimate expected pay-out. The reserve is then calculated by subtracting the claims that have already been paid from the calculated expected incurred claims. For the most recent incurral months, completion factors can be highly variable and adjustments are usually necessary. Various methods, based on developing an historical claim rate as a function of membership or an anticipated loss ratio are used to estimate the incurred claims for recent incurral months.

Other considerations that will be made in identifying emerging trends are

- Demographic changes and morbidity shifts in the population,
- Changes in benefits,
- Changes in provider reimbursements and medical management,
- Seasonality in claims costs, particularly with high-deductible health plans,
- Changes in claims processing, and
- Large catastrophic claims.

Work Flow

- 1) I&E provides the client with an updated and detailed data request (see Appendix C).
- 2) After receipt of the data, staff reviews it for completeness and consistency with the data request. To the extent necessary, follow-up requests are made.
- 3) Project manager contacts the client to discuss appropriate actuarial assumptions and other issues relevant to the liability calculations. In our experience, a telephone conference is more than adequate and more cost-effective than an on-site meeting.

II. Process

- 4) Preliminary calculations are made and communicated with the client and/or the auditor in a preliminary report.
- 5) Based on feedback, a final report is published and delivered.
- 6) L&E provides answers to follow-up questions from the client and/or its auditors.

Project Schedule (example)

- | | |
|-------------------|--|
| 1) January 15 | L&E submits data requirements |
| 2) January 15-31 | Data and benefit descriptions are collected and reviewed for reasonableness. Questions are forwarded to the Sponsor as needed. |
| 3) February 1-10 | Actuarial assumptions are set. Benefit costs are projected and liabilities are calculated. |
| 2) February 10-15 | L&E prepares draft reports, reflecting any Sponsor comments received. |
| 3) February 15 | L&E presents the projected draft results. |
| 4) February 16-28 | Report is finalized. |
| 5) February 28 | Final report and final funding recommendations are delivered to the Sponsor. |

Please keep in mind that this schedule is illustrative, and that actual results are sensitive to data quality and availability. We will always make every effort to meet client expectations and deadlines.

Section III

Costs and Terms of Agreement

III. Costs and Terms of Agreement

Scope of Services

Part I – GASB 43 and/or 45 OPEB Valuation Analysis

We will prepare an actuarial valuation, including the following information, for the year ending December 31, 2015 by the desired completion date of February 28, 2016.

1) Base Valuation Requirements

- The actuarial present value of total projected benefits.
- Actuarial accrued liability.
- Actuarial value of the assets (if applicable).
- Unfunded actuarial accrued liability.
- Normal cost.
- Annual required contributions of the employer as a level dollar amount and a level percentage of covered payroll.
- Net OPEB obligation (for employer disclosure under GASB statement number 45 if necessary).
- Prepare the necessary materials for the Comprehensive Annual Financial Report to comply with GASB OPEB reporting and disclosure requirements.
- 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.
- Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
- Prepare an analysis to determine how establishing a trust or equivalent arrangement would affect the interest rate assumption. Timing considerations of establishing the trust should also be considered.
- Analyze the data to assess any inconsistencies and make recommendations for enhancing data quality.

2) Optional Items

- Option 1 – Prepare a cash flow analysis (the “pay-as-you-go-cost”)
- Option 2 – Prepare sensitivity analysis showing the impact of alternative assumptions on the employer’s contributions (healthcare trend rates and investment assumptions).
- Option 3 – If there is not a trust established, determine the difference in the liability based upon the investment returns under a diversified portfolio versus a short-term fixed income portfolio)
- Option 4 – As appropriate, provide recommendations on managing the OPEB liability. This may include changes in plan design.
- Option 5 – As appropriate, review and update plan documents and design. Make recommendations as to formalizing informal plans.

III. Costs and Terms of Agreement

Part II – Health Benefit Reserve Analysis

We will prepare an analysis of the health benefit reserves, including the following information, for the year ending December 31, 2013 by the desired completion date of February 28, 2014.

- Based on claims analysis, determine the Hidalgo County's (County) estimated range of reserve liability for the medical benefit plan.
- Estimate the unpaid claim liability of the County's self-funded medical plan for health claims that have been incurred but not paid as of December 31, 2013.
- Prepare a written analysis of claim liability for the entire plan broken out by employee group and plan.
- Prepare a forecast of the number of expected claims, estimate the value of the expected payments, develop overall trend and insurance inflation factors, estimate the lag in reporting incurred claims and estimate the lag in reporting incurred claims and estimate the lag in payment of claims.
- Provide a spreadsheet of the incurred claim liability.
- Summarize the results of our claim reserve analysis showing monthly paid and incurred claims.
- Summarize paid claims, estimated incurred claims, recast reserves by month, including the resulting reserve liability as of December 31, 2013.
- Provide analysis detailing the claims lag.
- Provide analysis detailing the average liability per employee.

Price Quotation

We have developed a maximum "not to exceed" cost for the services outlined above.

Part I – GASB 43 and/or 45 OPEB Valuation Analysis	
1) Base valuation	\$9,890
2) Option 1 – Cash Flow Analysis	\$2,055
3) Option 2 – Sensitivity Analysis	\$1,650
4) Option 3 – Investment Return Analysis	\$530
5) Option 4 – OPEB Liability Management	\$1,630
6) Option 5 – Update Plan Document	\$1,630
Part II – Health Benefit Reserve Analysis	
	\$3,535

These are all-inclusive prices, covering all direct and indirect costs and out-of-pocket expenses.

The following table details the estimated hours and hourly rates, including the not-to-exceed price.

III. Costs and Terms of Agreement

Project Step	Employee Class	Hours	Rate	Total
Data Request Preparation and Review				
	Staff Actuaries	1	\$235	\$235
	Staff	1	\$120	\$120
Set Assumptions				
	Project Manager	3	\$290	\$870
	Staff Actuaries	2	\$235	\$470
	Staff	2	\$120	\$240
Model Setup and Testing				
	Project Manager	3	\$290	\$870
	Staff Actuaries	4	\$235	\$940
	Staff	8	\$120	\$960
Consultation with Client				
	Project Manager	3	\$290	\$870
Finalize Assumptions				
	Project Manager	2	\$290	\$580
Initial Report				
	Project Manager	3	\$290	\$870
	Staff Actuaries	3	\$235	\$705
	Support Staff	2	\$100	\$200
Peer Review				
	Senior Actuary	2	\$260	\$520
Final report				
	Project Manager	3	\$290	\$870
	Staff Actuaries	2	\$235	\$470
	Support Staff	1	\$100	\$100
Base GASB 45 Valuation		45		\$9,890
	Project Manager	3	\$290	\$870
	Staff Actuaries	3	\$235	\$705
	Staff	4	\$120	\$480
Option 1 - Cash Flow Analysis		10		\$2,055
	Project Manager	2	\$290	\$580
	Staff Actuaries	2	\$235	\$470
	Staff	5	\$120	\$600
Option 2 - Sensitivity Analysis		9		\$1,650
	Project Manager	1	\$290	\$290
	Staff Actuaries	0	\$235	\$0
	Staff	2	\$120	\$240
Option 3 - Investment Return Analysis		3		\$530
	Project Manager	4	\$290	\$1,160
	Staff Actuaries	2	\$235	\$470
	Staff	0	\$120	\$0
Option 4 - OPEB Liability Management		6		\$1,630
	Project Manager	4	\$290	\$1,160
	Staff Actuaries	2	\$235	\$470
	Staff	0	\$120	\$0
Option 5 - Update Plan Document		6		\$1,630
	Project Manager	4	\$290	\$1,160
	Staff Actuaries	5	\$235	\$1,175
	Staff	10	\$120	\$1,200
Health Benefit Reserve Analysis		19		\$3,535

OPENED
10/12
 5-15-13
 Witnessed

[Handwritten signature]

III. Costs and Terms of Agreement

On-Site Meeting/Presentation

Our fee for an on-site meeting or presentation will be \$1,500.

Additional Services

Any additional services outside of the scope of proposed services shown above, such as supplementary meetings, will be at the hourly rates quoted shown below, plus direct expenses, unless another arrangement is made.

<u>Staff Description</u>	<u>Current Hourly Rates</u>
Project Actuary	\$290
Support Actuaries	\$235
Staff	\$120
Support Staff	\$100

OPENED

10.12

5-15-13

Witnessed



EXHIBIT "C"

CERTIFICATE OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/11/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ANBTX Insurance Services, Inc. 12400 Coit Road, Suite 1100 Dallas TX 75251-2039	CONTACT NAME: Becky Nelson PHONE (A/C, No, Ext): (972) 419-7500 E-MAIL ADDRESS: becky.nelson@anbtxinsurance.com	FAX (A/C, No): (972) 419-7555
	INSURER(S) AFFORDING COVERAGE	
INSURED Lewis & Ellis Inc 700 Central Expressway South Ste 550 Allen, TX 75013	INSURER A: Indian Harbor Insurance Co	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 15/16 Cert **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			MPP003588904	10/1/2015	10/1/2016	\$3,000,000 Limit

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Hidalgo County Attn: Purchasing Dept 2812 S Hwy Business 281 Edinburg, TX 78539	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Von Breaux/BECKY
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