

Agenda Item Details

Meeting	Jan 13, 2014 - Regular Board Meeting
Category	15. ACTION ITEMS
Subject	15.5 Authorization to Award Specialized Services Contract to RPM Consultant Group for Other Post Employment Benefits (OPEB) Governmental Accounting Standards Board (GASB) 43 & 45 Compliance (AS)
Access	Public
Type	Action
Preferred Date	Jan 13, 2014
Absolute Date	Jan 13, 2014
Fiscal Impact	Yes
Dollar Amount	121,500.00
Budgeted	Yes
Budget Source	Set aside funding of \$387K in 2013-2014 unrestricted general funds for the Irrevocable Trust and can be used to fund this effort
Recommended Action	Approval
Goals	Productivity Resource Management Integrity

Public Content

A. BACKGROUND


On October 14, 2013, the Board of Trustees established the Retirement Board of Authority (RBA) to govern the District's Other Post Employment Benefits Trust. Effective Governance for the District's OPEB Trust requires the delineation of plan-related roles and responsibilities; the capture of key delegations and appointments in writing; the creation of reporting protocols across all plan-related parties; the use of applicable metrics to monitor and measure investment performance; the management of administration and compliance milestones; the maintenance of robust documentation to support, guide and demonstrate prudence; while the Retirement Board of Authority members keep fiduciary skills sharp and investment knowledge current. RPM Consulting Services, specializes in RBA education and training, development of the comprehensive and substantive plan and development of cost containment strategies for the District's long term OPEB liability. These services will assist in helping the District address the accreditation recommendation relating to the comprehensive OPEB plan, as well as complying with GASB 43 & 45.

B. BUDGET IMPLICATIONS

A Not-to-Exceed amount of \$121,500 in general unrestricted funds over a three year period to be paid out of the set aside funding for the irrevocable trust.

C. RECOMMENDATION

Approval.

 [Antelope Valley CCD Independent Consultant Agreement - RPM Consulting Updated 121213 .pdf \(34 KB\)](#)

Administrative Content

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the President's Office, at (661) 722-6301 (weekdays between the hours of 8:00 a.m. and 5:00 p.m.) at least 48 hours before the meeting, if possible. Public records related to agenda items for open session are available for public inspection 72 hours prior to each regular meeting at the Antelope Valley College President's Office, Administration Building, 3041 West Avenue K, Lancaster, California 93536.

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made and entered into this ____ day of _____, 2013 between: Requisition No. _____
Antelope Valley Community College District
3041 W Ave K
Lancaster, California 93536
Telephone (661)-722-6300

hereinafter called DISTRICT, and

RPM Consultant Group
5776-D Lindero Canyon Rd #406
Westlake Village, CA 91362
Telephone (805)-449-1830

hereinafter called CONTRACTOR.

WHEREAS, the DISTRICT is authorized by Section 53060 of the California Government Code to contract with and employ an independent contractor specially trained to perform special services required; and

WHEREAS, the CONTRACTOR is specially trained, experienced and competent to perform the special services pursuant to this agreement.

The parties agree as follows:

1. The period of this Agreement shall be effective from 1/14/14 to 12/30/16 and may be modified by mutual agreement of the parties. The DISTRICT shall have the discretion to terminate this contract by providing CONTRACTOR 30 days prior written notice.

The CONTRACTOR shall, at times and places designated by it and acceptable to the DISTRICT perform the following services:

Consulting services related to OPEB GASB 43 & 45 compliance and the District's OPEB Irrevocable Trust.

2. The DISTRICT shall pay the CONTRACTOR a monthly retainer of \$3,167, not to exceed \$114,000. The DISTRICT will pay travel expenses (Transportation and other travel related expenses) when submitted and approved up to the amount of \$7,500. The total contract amount is \$121,500 (including travel expenses). Upon completion of the services provided for hereof and upon a signed invoice acceptable to the DISTRICT and approved by an officer of the DISTRICT payment will be made
3. The DISTRICT shall not be liable to the CONTRACTOR for personal injury or property damage sustained by him/her in the performance of this contract, whether caused by himself/herself, the DISTRICT, its officers, agents or employees, or by any third party. CONTRACTOR agrees to and does hereby indemnify, hold harmless and defend the DISTRICT and its governing board, officers, employees and agents from every claim or demand made and every liability, loss, damage or expense, of any nature whatsoever.
4. While performing service hereunder, the CONTRACTOR is an independent contractor and not an officer, agent or employee of the Antelope Valley Community College District inclusive.
5. Neither party shall assign this Agreement or any part thereof without the written consent of the other party.

WITNESS the parties hereto the day and year first above written:

Contractor **Antelope Valley Community College District**

Signature: _____ Signature: _____

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

Contact Person: _____ College Contact Person: _____

SCHEDULE A
RPM Consultant Group Consulting Fees

OPEB GASB 43 & 45 Compliance "Process" Consulting Strategies
Consultant Fees and Other Potential Costs Proposal
January 14, 2014 to December 31, 2016
Step by Step Compliance Plan Development and Installation

Phases I to V

Total Maximum Monthly Cost (36 Months): \$3,167

Total Maximum Annual Cost (12 Months): \$38,000

Total Maximum Contract Term Cost (36 Months): \$114,000

Assumptions:

- 1: Travel and other related business expenses will be added to the above estimated maximum fees as incurred. Amount of travel and other related business expenses to be a maximum of \$7,500 during the 36 month contract term.
- 2: Fees charged by others, such as Attorney's, Actuary's and other Internal and External Organizations are in addition to the above fees.
- 3: Other services related to this proposal may have additional fees for providing their services. The basic proposal hourly rates to be utilized to calculate the specific consulting project cost of services is \$250.00 and may exceed \$250.00 per hour depending on the analysis of each additional project requested or needed.
- 4: Pricing for all Phase I to V of the consulting proposal assumes that all Major Project Strategy Steps are to be completed. If not the Major Project Strategies in the Phase I to V may need to be priced again and may result in a higher consultant fees.
- 5: The total estimated maximum fees above are subject to change if RPM Consultant Group determines services requested or needed are significantly different than originally proposed.
- 6: The Phase I to V proposal has been quoted on a monthly retainer payment basis which reduces the District's overall compliance plan consulting costs.
- 7: The RPM Consulting Group consulting fees based on a monthly retainer basis can be charged to the District's Irrevocable Trust as an expense for operation of the compliance plan.

**SCHEDULE A
RPM Consultant Group Consulting Fees**

**OPEB GASB 43 & 45 Compliance “Process” Consulting Strategies
Consultant Fees and Other Potential Costs Proposal
January 14, 2014 to December 31, 2016
Step by Step Compliance Plan Development and Installation**

Phase I

Major Project Strategy 1

OPEB GASB 43 & 45 Compliance Plan Vendor Selection and Related Items

Step 1: OPEB GASB Compliance Overview including Actuarial Valuation Liability, Guidelines, Terminology and Other Communication and Education Sessions for Retirement Board (RB) Vendor Selection and Oversight

Step 2: OPEB GASB Compliance Vendor Benefits and Features Comparison Short Form No RFP Submission

Major Project Strategy 2

Negotiate and Finalize Vendor Contracts/Agreements

Step 3: Assist the District’s Attorney or an Attorney who has OPEB GASB Knowledge and Experience to Conduct Review of Contracts and Agreements

Major Project Strategy 3

Retirement Board (RB) Consulting for Meeting Agenda Preparation, Attendance and Participation

Step 4: Assist in Preparation of, Attendance and Participation at Brown Act “Retirement Board” (RB) Meetings

Major Project Strategy 4

Retirement Board Consulting Determining Job Descriptions and Setting Goals and Objectives

Step 5: Consulting for Determining Retirement Board Job Descriptions and Assisting with the Setting of “Retirement Board” Annual and On-going Goals and Objectives

Major Project Strategy 5

**Retirement Board (RB) Consulting for Development of a
“Management Plan for Financing Other Post Employment Benefits”**

Step 6: Retirement Board Consulting Development of a Funding Strategy for OPEB GASB Liability

Phase II

Major Project Strategy 6

Retirement Board Education, Communication and Training

Step 7: Retirement Board Education, Communication and Training.

Major Project Strategy 7

Interface and Coordinate Installation of OPEB GASB Compliance Plan with Current Advisors

Step 8: Assist in Taking Lead to Interface, Educate and Coordinate the Public Entity’s Current Advisors on Plans

Major Project Strategy 8

OPEB GASB Compliance and the Affordable Care Act Integration

Step 9: Assist the District with the Development of OPEB GASB 43 & 45, Employee Benefits and Affordable Care Act (ACA) Required Annual and Other Time Sensitive Employee, Retiree and Dependents Communications and Education Memos

SCHEDULE A
RPM Consultant Group Consulting Services

OPEB GASB 43 & 45 Compliance “Process” Consulting Strategies
Consultant Fees and Other Potential Costs
January 14, 2014 to December 31, 2016
Step by Step Compliance Plan Development and Installation

Phase II
(Continued)

Major Project Strategy 9

Comprehensive Compliance Plan, including the “Substantive Plan”

Step 10: Assist in the Development and Maintenance of the “Substantive Plan”

Major Project Strategy 10

Develop Annual Financial Audit Process

Step 11: Assist in the District’s Annual Accounting/Auditing Process

Major Project Strategy 11

Present Annual Update Report

Step 12: Prepare Annual Update Report

Phase III

Major Project Strategy 12

Fiduciary Liability Exposure Mitigation, including Conflict of Interest Strategy

Step 13: Development and installation of a “Fiduciary Liability” Exposure Mitigation, including “Conflict of Interest” Policies, Procedures and Training Program

Phase IV

Major Project Strategy 13

Cost Containment Strategies

Step 14: Includes the selection of one, several or all of the following Cost Containment Strategies to obtain OPEB GASB liability reduction proposals for possible installation:

A. Eligibility and Benefit Modifications

◎ Project the Potential OPEB GASB 43 & 45 Liability Savings by Analyzing the Impact that Plan Modifications have on the District’s Liability

B. Eligibility Audit Verification

◎ Hire a Firm or Conduct a Self Audit of Each Employee and Dependent Eligibility

C. Early Retirement Opt-out Plan

◎ Develop Incentive for Eligible Employees to Retire Early

D. Active Employee Opt-out Plan

◎ Develop Incentive for Active Eligible Employee Termination of Retiree Coverage

E. Defined Contribution Plan – HRA

◎ Implement Plan for Active Employee Termination of Retiree Coverage

F. Senior Care Offering

◎ Replace Basic Medical Plan for Active Employee at Retirement with a Supplemental Medicare Plan

G. Other Programs

◎ Develop and Discuss What Other Public Entities are Doing to Control and Lower Liabilities and Other Costs

SCHEDULE A
RPM Consultant Group Consulting Services

OPEB GASB 43 & 45 Compliance “Process” Consulting Strategies
Consultant Fees and Other Potential Costs
January 14, 2014 to December 31, 2016
Step by Step Compliance Plan Development and Installation

Phase V
Major Project Strategy 14

Funding Strategies

Step 15: Includes the selection of one, several or all of the following Cost Containment Strategies to obtain OPEB GASB liability reduction proposals for possible installation:

A. Categorical Account Funding

- © Assist District in determining (if any) there are categorical accounts that can fund GASB liability

B. Alternative to Social Security Plan

- © Install savings plan for part time employees. Utilize cash flow savings to pay for a portion of Districts GASB liability or to contribute to Budget shortfall

C. Other Programs

- © Develop and Discuss What Other Public Entities are Doing to Control and Lower Liabilities and Other Cost