

August 16, 2018

REQUEST FOR PROPOSAL

**ACTUARIAL VALUATION AND REPORTING FOR POSTEMPLOYMENT
BENEFIT PLANS OTHER THAN PENSION PLANS**

RFP #2018-001-FIS

Questions and Answers – Group 3

Prospective Proposers: You are hereby notified of the following information in regard to the referenced RFP:

Following are the answers to questions submitted in response to the above referenced RFP from August 13th through August 15th. All of the questions have been listed verbatim, as received by the Orange County Comptroller.

1. Please provide your responses to any questions posed by other potential bidders.

Answer: Responses to previous questions are attached as Addendums 1 and 2 to this RFP on the County's Procurement website:

<http://apps.ocfl.net/orangebids/bidopen.asp>

2. Why are these services going out to bid at this time?

Answer: The current five-year contract, which was obtained through an RFP process similar to the current RFP, is set to expire on August 31, 2018.

3. Please provide a copy of AON's most recent engagement letter or contract with the County.

Answer: The initial contract and Amendment #4 are attached to this response.

4. Please provide the amount of the total fees paid to AON in 2016 and 2017. Was the scope of that work the same as required in this RFP?

Answer: The all-inclusive fixed fee paid in Fiscal Year 2016 for the 2017 valuation was \$34,064; the all-inclusive fixed fee paid in Fiscal Year 2017 for the 2018 valuation was \$34,619. With the exception of updated references to Governmental Accounting Standards in this RFP, the scope of that work was the same.

5. Does the plan have any service concerns with AON?

Answer: No. The work product of the contractor was acceptable to the County and the Comptroller.

6. Are there any current service or cost concerns that Orange County wants to avoid with the new actuarial firm?

Answer: There are no current service concerns. With regard to cost, the Comptroller and the County are always looking for opportunities to save taxpayer dollars.

CONTRACT # 2013-001-FIS

This Contract is made as of the 30th day of October, 2013 by and between the Orange County Comptroller, a constitutional officer of the State of Florida, hereinafter referred to as the COMPTROLLER, acting as Trustee for the Orange County Retiree Health Care Benefit Trust as created by Orange County, Florida through its Board of County Commissioners, hereinafter referred to as the COUNTY, and Aon Consulting, Inc., operating as Aon Hewitt, [] an individual, [] a partnership, [X] a corporation authorized to do business in the State of Florida, hereinafter referred to as the CONSULTANT, whose Federal I.D. or Social Security number is [REDACTED].

In consideration of the mutual promises contained herein, the COMPTROLLER and the CONSULTANT agree as follows:

ARTICLE 1 – SERVICES

The CONSULTANT'S responsibility under this Contract is to provide professional/consultation services in the area of actuarial valuation reports and related services for other postemployment benefits, as more specifically set forth in the **Scope of Work** set forth in **Exhibit "A"**, attached hereto and incorporated herein by reference. Payment for work performed shall be in accordance with the **Fee Schedule** set forth in **Exhibit "B"**, attached hereto and incorporated herein by reference.

The COMPTROLLER'S representative/liaison during the performance of this Contract shall be the Director of Finance and Accounting, telephone no. 407-836-5715.

ARTICLE 2 – SCHEDULE

The CONSULTANT shall commence services on October 30th, 2013 and complete all services by August 31, 2014.

Reports and other items shall be delivered or completed in accordance with the schedule set forth in **Exhibit "A"**.

This Contract may be renewed, by mutual agreement, for four (4) additional annual periods up to a cumulative total of five (5) years at the same terms and conditions. Any change in price, terms or conditions shall be accomplished by written amendment to this Contract.

If this Contract is renewed, the Contract amount for the Fiscal Year 2014 actuarial valuation reports, including the hourly rates stated in **Exhibit "B"**, will be adjusted each subsequent year by the percentage change in the U.S. Department of Labor Consumer Price Index for All Urban Consumers ("CPI-U"), U.S. City Average, All Items for June 2014 as compared to June 2013 for the first contract year renewal, June 2015 as compared to June 2014 for the second contract year renewal, June 2016 as compared to June 2015 for the third contract year renewal, and June 2017 as compared to June 2016 for the fourth contract year renewal. Notwithstanding the previous sentence, in no event shall a percentage increase or decrease exceed five (5) percent for any annual adjustment. The COMPTROLLER may request additional services within the scope of this engagement, or other entities either related to the COUNTY or participating in the COUNTY'S medical insurance plan may request actuarial services related to other

postemployment benefits, in accordance with the CONSULTANT'S schedule of hourly rates by classification. Any such additional services shall commence only after execution of a Contract amendment or a letter of engagement.

Any order issued during the effective date of this Contract, but not completed within that period, shall be completed by the CONSULTANT within the time specified in the order. The Contract shall govern the CONSULTANT and the COMPTROLLER'S rights and obligations with respect to the extent as if the order were completed during the Contract's performance period.

ARTICLE 3 – PAYMENTS TO CONSULTANT

- A. The total amount to be paid under this Contract in the initial contractual period for the Scope of Work described in **Exhibit "A"** shall be Thirty-three Thousand Dollars (\$33,000.00). The CONSULTANT will notify the COMPTROLLER, in writing, when 90% of the estimated Contract amount has been reached. The CONSULTANT will bill the COMPTROLLER on a monthly basis, or as otherwise provided, at the hours and rates set forth in the Fee Schedule detailed in **Exhibit "B"** for services rendered toward the completion of the Scope of Work. Where incremental billing for partially completed items is permitted, the total incremental billings shall not exceed the percentage of estimated completion as of the billing date.
- B. Invoices received from the CONSULTANT pursuant to this Contract will be reviewed and approved by the COMPTROLLER'S representative, indicating that services have been rendered in conformity with the Contract and then will be sent to the COMPTROLLER'S Finance and Accounting Department for payment. Invoices must reference this Contract number. Invoices will be paid in accordance with the State of Florida Prompt Payment Act.
- C. Final Invoice: In order for both parties herein to close their books and records, the CONSULTANT will clearly state "final invoice" on the CONSULTANT'S final/last billing. This certifies that all services have been properly performed and all charges and costs have been invoiced to the COMPTROLLER. Since this account will thereupon be closed, any and other further charges if not properly included on this final invoice are waived by the CONSULTANT.

ARTICLE 4 – TRUTH IN NEGOTIATION CERTIFICATE

Signature of this Contract by the CONSULTANT shall act as the execution of the truth-in-negotiation certificate certifying that the wage rates and costs used to determine the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract and no higher than those charged the CONSULTANT'S most favored customer for the same or substantially similar service.

The said rates and costs shall be adjusted to exclude any significant sums should the COMPTROLLER determine that the rates and costs were increased due to inaccurate, incomplete or non-current wage rates or due to inaccurate representations of fees paid to outside consultants. The COMPTROLLER shall exercise its right under this "Certificate" within one (1) year following final payment.

ARTICLE 5 – TERMINATION

A. Termination for Default:

The COMPTROLLER may, by written notice to the CONSULTANT, terminate this Contract for default in whole or in part (delivery orders, if applicable) if the CONSULTANT fails to:

1. provide services that comply with the specifications herein or fails to meet the COMPTROLLER'S performance standards
2. perform the services within the time specified in this Contract or any extension.
3. perform any of the other provisions of this Contract.

Prior to termination for default, the COMPTROLLER will provide adequate written notice to the CONSULTANT, affording it the opportunity to cure the deficiencies or to submit a specific plan to resolve the deficiencies within ten (10) days (or the period specified in the notice) after receipt of the notice. Failure to adequately cure the deficiency may result in termination of the Contract. Such termination may also result in suspension or debarment of the CONSULTANT in accordance with the COUNTY'S Procurement Ordinance. The CONSULTANT and its sureties (if any) shall be liable for any damage to the COMPTROLLER resulting from the CONSULTANT's default of the Contract. This liability includes any reasonable increased costs incurred by the COMPTROLLER in completing Contract performance.

In the event of termination by the COMPTROLLER for any cause, the CONSULTANT will not have any claim against the COMPTROLLER for lost profits or compensation for lost opportunities. After a receipt of a Termination Notice and except as otherwise directed by the COMPTROLLER the CONSULTANT shall:

- A. Stop work on the date and to the extent specified.
- B. Terminate and settle all orders relating to the performance of the terminated work.
- C. Transfer all work in process, completed work, and other materials related to the terminated work as directed by the COMPTROLLER.
- D. Continue and complete all parts of that work that have not been terminated.

Neither CONSULTANT nor COMPTROLLER shall be liable, nor may cancel this Contract for default, when delays or failures in performance arise out of causes beyond the control of CONSULTANT or COMPTROLLER. Such causes may include but are not restricted to acts of God, acts of the COMPTROLLER or COUNTY in sovereign capacity, fires, floods, lightning strikes, epidemics, quarantine restrictions, labor disputes, strikes, wars, civil disturbances, work stoppage, power failures, laws, regulations, ordinances, acts or orders of any governmental agency or official thereof, and unusually

severe weather. In every case, the delay must be beyond the control of the claiming party and without their fault or negligence. If CONSULTANT is delayed in its performance as a result of the above causes, COMPTROLLER, shall upon written request of CONSULTANT, agree to equitably adjust the provisions of this Contract, including price and delivery, as may be affected by such delay. However, this provision shall not be interpreted to limit COMPTROLLER'S right to terminate for convenience.

B. Termination for Convenience

The COMPTROLLER, by written notice, may terminate this Contract, in whole or in part, when it is in the COMPTROLLER'S interest. If this Contract is terminated, the COMPTROLLER shall be liable only for goods or services delivered and accepted. The COMPTROLLER Notice of Termination shall provide the CONSULTANT thirty (30) days prior notice before it becomes effective. **A termination for convenience may apply to individual delivery orders, purchase orders or to the Contract in its entirety.**

ARTICLE 6 – PERSONNEL

The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COMPTROLLER or COUNTY.

All of the services required hereinunder shall be performed by the CONSULTANT or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the CONSULTANT'S key personnel must be made known to the COMPTROLLER'S representative and written approval must be granted by the COMPTROLLER before said change or substitution can become effective.

The CONSULTANT warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field. The COMPTROLLER may require, in writing, that the CONSULTANT remove from this Contract any employee the COMPTROLLER deems incompetent, careless, or otherwise objectionable.

ARTICLE 7 – FEDERAL AND STATE TAX

The COMPTROLLER and COUNTY are exempt from payment of Florida State Sales and Use Taxes. The COMPTROLLER will sign an exemption certificate submitted by the CONSULTANT. The CONSULTANT shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the COMPTROLLER, nor is the CONSULTANT authorized to use the COMPTROLLER'S or COUNTY'S Tax Exemption Number in securing such materials.

The CONSULTANT shall be responsible for payment of its own and its share of its employee FICA and Social Security benefits with respect to this Contract.

ARTICLE 8 – AVAILABILITY OF FUNDS

The COMPTROLLER’S performance and obligation to pay under this Contract is contingent upon an annual appropriation for its purpose by the Board of County Commissioners of the COUNTY, or available Trust funds for its purpose.

ARTICLE 9 – INSURANCE REQUIREMENTS

- A. Prior to execution of the Contract by the COMPTROLLER and commencement of the operations and/or services to be provided, and during the duration of the Contract, the CONSULTANT shall file with the COMPTROLLER current certificates of all required insurance on forms acceptable to the COMPTROLLER, with Certificate Holder listed as:

Orange County Comptroller
Attn: Finance and Accounting Department
201 South Rosalind Avenue
Orlando, Florida 32801

which shall include the following provisions:

1. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida and acceptable to the COMPTROLLER.
2. The Certificates shall clearly indicate that the CONSULTANT has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section.
3. No material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the COMPTROLLER.

B. Coverages Required:

1. Workers' Compensation - The CONSULTANT shall maintain coverage for its employees with statutory workers' compensation limits, and no less than \$100,000 each incident of bodily injury or disease for Employers' Liability. Said coverage shall include a waiver of subrogation in favor of the COMPTROLLER. Elective exemptions as defined in Florida Statute 440 will be considered on a case-by-case basis.
2. Commercial General Liability - The CONSULTANT shall maintain coverage issued **on the most recent version of the ISO form as filed for use in Florida or its equivalent**, with a limit of liability of not less than \$500,000 per occurrence. CONSULTANT further agrees coverage shall not contain any endorsement(s) excluding or limiting Product/Completed Operations, Contractual Liability, or Separation of Insureds. The General Aggregate limit shall either apply separately to this Contract or shall be at least twice the required occurrence limit.
3. Business Automobile Liability - The CONSULTANT shall maintain coverage for all owned, non-owned and hired vehicles issued on **the most recent version of the ISO form as filed for use in Florida or its equivalent**, with limits of not less than

\$500,000 per accident. In the event the CONSULTANT does not own automobiles, the CONSULTANT shall maintain coverage for hired and non-owned auto liability which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.

4. Professional Liability - The CONSULTANT shall maintain professional liability (errors and omissions) coverage with limits of not less than \$500,000 per occurrence.
 5. The COMPTROLLER shall be specifically included as an additional insured on the general liability policy.
- C. All such insurance required of the CONSULTANT shall be at its sole expense and primary to, and not contribute with, any insurance or self-insurance maintained by the COMPTROLLER. These requirements, as well as the COMPTROLLER'S review or acceptance of insurance maintained by CONSULTANT is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by CONSULTANT under the Contract.
- D. Insurance carriers providing coverage required herein must be licensed to conduct business in the State of Florida and must possess a current A.M. Best's Financial Strength Rating of A- Class VIII or better. (**Note: State licenses can be checked via www.flor.com/companysearch/ and A.M. Best Ratings are available at www.ambest.com**) . Any exceptions to the insurance requirements in this section must be approved in writing by the COMPTROLLER.
- E. Renewal certificates shall be submitted upon request by the COMPTROLLER. Failure of the COMPTROLLER to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the COMPTROLLER to identify a deficiency from evidence provided will not be construed as a waiver of the CONSULTANT'S obligation to maintain such insurance.
- F. By entering into the Contract, CONSULTANT agrees to provide a waiver of subrogation in favor of the COMPTROLLER for the workers' compensation and a waiver of transfer of rights of recovery in favor of the COMPTROLLER for general liability policies as required herein. When required by the insurer or should a policy condition not permit the CONSULTANT to enter into a pre-loss agreement to waive subrogation without an endorsement, then CONSULTANT agrees to notify the insurer and request the policy be endorsed with a Waiver of Subrogation or a Waiver of Transfer of Rights of Recovery Against Others endorsement.

CONSULTANT agrees to endorse the COMPTROLLER as an Additional Insured with a CG 20 26 Additional Insured – Designated Person or Organization endorsement, or its equivalent to all commercial general liability policies. The additional insured shall be listed in the name of the Orange County Comptroller.

- G. The CONSULTANT shall require and ensure that each of its subcontractors providing services hereunder (if any) procures and maintains until the completion of their respective services, insurance of the types and to the limits specified herein.

ARTICLE 10 – INDEMNIFICATION AND LIMITATION OF LIABILITY

- A. CONSULTANT shall indemnify and hold harmless the COMPTROLLER and COUNTY, their officials, agents, and employees from and against any and all claims, actions, losses, damages, liabilities and expenses resulting from third party claims arising out of the performance of services, to the extent finally judicially determined to have directly resulted from the negligence of CONSULTANT, not to exceed the percentage share that its negligence bears to the total negligence of COMPTROLLER and COUNTY and all other negligent entities and individuals.
- B. Both parties agree COMPTROLLER is a constitutional officer and COUNTY is a political subdivision of the State of Florida and their performance under a contract is limited by Florida Statutes and State Regulations. Except with respect to the indemnification obligations in the preceding paragraph, in no event will CONSULTANT or the COMPTROLLER and COUNTY be liable to the other for any indirect, incidental, special, consequential, exemplary or reliance damages (including, without limitation, lost business opportunities or lost sales or profits) arising out of CONSULTANT’S services to COMPTROLLER and COUNTY, regardless of whether either party is advised of the likelihood of such damages. In addition, to the fullest extent permitted by law, and except for damages resulting from fraud or intentional misconduct by CONSULTANT, in each Service Year (as defined hereafter), the total aggregate liability of CONSULTANT, including its affiliates, subsidiaries, parents, officers, directors, employees, and agents (collectively, “CONSULTANT”), to COMPTROLLER and COUNTY for any and all damages, costs, and expenses (including but not limited to attorneys’ fees), whether based on contract, tort (including negligence), or otherwise, in connection with CONSULTANT’S performance of services for COMPTROLLER shall be limited to three times the amount of compensation paid or payable in such applicable Service Year (“Liability Limitation”). A “Service Year” is each sequential 12-month period in which this Contract is in effect, commencing as of the first day of the provision of services hereunder.

Notwithstanding the foregoing, as applicable to the COMPTROLLER and COUNTY and the services provided, CONSULTANT will not be liable to COMPTROLLER and COUNTY for any amounts for which COMPTROLLER and COUNTY or the OPEB Plan would have been responsible to pay irrespective of any act, error or omission by CONSULTANT, including interest adjustments.

- C. This Article will survive the termination or expiration of this Contract.

ARTICLE 11 – SUCCESSORS AND ASSIGNS

The COMPTROLLER and the CONSULTANT each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the COMPTROLLER nor the CONSULTANT shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COMPTROLLER which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COMPTROLLER and the CONSULTANT.

ARTICLE 12 – REMEDIES

This Contract shall be governed by the laws of the State of Florida. Venue for any litigation involving this Contract shall be the Circuit Court in and for Orange County, Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or at equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 13 – CONFLICT OF INTEREST

The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Florida Statutes 112.311. The CONSULTANT further represents that no person having any interest shall be employed for said performance.

The CONSULTANT shall promptly notify the COMPTROLLER in writing by certified mail of all potential conflicts of interest for any prospective business association, interest or other circumstance, which may influence or appear to influence the CONSULTANT'S judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONSULTANT may undertake and request an opinion of the COMPTROLLER as to whether the association, interest or circumstance would, in the opinion of the COMPTROLLER, constitute a conflict of interest if entered into by the CONSULTANT. The COMPTROLLER agrees to notify the CONSULTANT of its opinion by certified mail within thirty (30) days of receipt of the notification by the CONSULTANT. If, in the opinion of the COMPTROLLER, the prospective business association, interest or circumstance will constitute a conflict of interest by the CONSULTANT, the COMPTROLLER will so state in the notification. If, in the opinion of the COMPTROLLER, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONSULTANT, the COMPTROLLER shall so state in the notification and the CONSULTANT shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the COMPTROLLER by the CONSULTANT under the terms of this Contract. The CONSULTANT will have no claim for damages, costs, expenses, lost profits or income of any nature whatsoever as a result of the COMPTROLLER'S determination of a conflict of interest.

ARTICLE 14 – EXCUSABLE DELAYS

The CONSULTANT shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the CONSULTANT or its sub-consultants and without their fault or negligence. Such causes include, but are not limited to: acts of God; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the CONSULTANT'S request, the COMPTROLLER shall consider the facts and extent of any failure to perform the work and, if the CONSULTANT'S failure to perform was without it or its sub-consultant's fault or negligence, the Contract schedule and/or any other affected provision of this Contract shall be revised accordingly; subject to the COMPTROLLER'S right to change, terminate, or stop any or all work at any time.

ARTICLE 15 – ARREARS

The CONSULTANT shall not pledge the COMPTROLLER’S or COUNTY’S credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The CONSULTANT further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 16 – DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The CONSULTANT shall deliver to the COMPTROLLER for approval and acceptance, and before being eligible for final payment or any amounts due, all documents and materials prepared by and for the COMPTROLLER under this Contract.

All oral and written information not in the public domain or not previously known, and all information and data obtained, developed or supplied by the COUNTY, COMPTROLLER or other county constitutional officer, or at their expense, will be kept confidential by the CONSULTANT and will not be disclosed to any other party, directly or indirectly, without the COMPTROLLER’S prior written consent unless required by a lawful order. All programs, data bases, reports and other data developed or purchased under this Contract for or at the COMPTROLLER’S or COUNTY’S expense shall be and remain the COMPTROLLER’S and COUNTY’S property and may be reproduced at the discretion of the COMPTROLLER and COUNTY.

The COMPTROLLER, COUNTY and the CONSULTANT shall comply with all applicable provisions of Chapter 119, Florida Statutes (Public Records Law), and CONSULTANT in particular to Section 119.0701(2), Florida Statutes, as follows:

- A. keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service.
- B. provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- C. ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- D. meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency.

Should CONSULTANT receive a public records request relating to this Contract, CONSULTANT shall immediately contact the COMPTROLLER to assure full compliance with Public Records Law.

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

ARTICLE 17 – INDEPENDENT CONTRACTOR RELATIONSHIP

The CONSULTANT is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent or servant of the COMPTROLLER. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONSULTANT’S sole direction, supervision, and control. The CONSULTANT shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONSULTANT’S relationship and the relationship of its employees to the COMPTROLLER shall be that of an Independent Contractor and not as employees or agents of the COMPTROLLER.

The CONSULTANT does not have the power or authority to bind the COMPTROLLER in any promise, agreement or representation other than as specifically provided for in this Contract.

ARTICLE 18 – CONTINGENT FEES

The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 19 – ACCESS AND AUDITS

The CONSULTANT shall establish and maintain a reasonable accounting system, which enables ready identification of CONSULTANT’S cost of goods and use of funds. Such accounting system shall also include adequate records and documents to justify all prices for all items invoiced as well as all charges, expenses and costs incurred in providing the goods for at least five (5) years after completion of this Contract. The COMPTROLLER or its designee shall have access to such books, records, financial operations, and documents of the CONSULTANT as required to comply with this Article for the purpose of inspection or audit anytime during normal business hours at the CONSULTANT’S place of business. This right to audit shall include the CONSULTANT’S sub-consultants used to procure goods or services under the contract with the COMPTROLLER. CONSULTANT shall ensure the COMPTROLLER has these same rights with sub-consultant(s) and suppliers.

ARTICLE 20 – ENTIRETY OF CONTRACTUAL AGREEMENT

The COMPTROLLER and the CONSULTANT agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, deleted, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

ARTICLE 21 – ENFORCEMENT COSTS

If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

ARTICLE 22 – AUTHORITY TO PRACTICE

The CONSULTANT hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the COMPTROLLER upon request.

ARTICLE 23 – SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 24 – MODIFICATIONS OF WORK

The COMPTROLLER reserves the right to make changes in the Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the CONSULTANT of the COMPTROLLER'S notification of a contemplated change, the CONSULTANT shall (1) if requested by COMPTROLLER, provide an estimate for the increase or decrease in cost due to the contemplated change, (2) notify the COMPTROLLER of any estimated change in the completion date, and (3) advise the COMPTROLLER in writing if the contemplated change shall affect the CONSULTANT'S ability to meet the completion dates or schedules of this Contract.

If the COMPTROLLER so instructs in writing, the CONSULTANT shall suspend work on that portion of the work affected by a contemplated change, pending the COMPTROLLER'S decision to proceed with the change.

If the COMPTROLLER elects to make the change, the COMPTROLLER shall issue a Contract Amendment and the CONSULTANT shall not commence work on any such change until such written amendment has been issued and signed by each of the parties.

ARTICLE 25 – CONTRACT CLAIMS

“Claim” as used in this provision means a written demand or written assertion by one of the contracting parties seeking as a matter of right, the payment of a certain sum of money, the adjustment or interpretation of Contract terms, or other relief arising under or relating to this Contract.

Claims made by the CONSULTANT against the COMPTROLLER relating to this Contract shall be submitted to the Chief Deputy Comptroller in writing clearly labeled “Contract Claim” requesting a final decision. The CONSULTANT also shall provide with the claim a certification as follows: “I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the CONSULTANT believes the COMPTROLLER is liable; and that I am duly authorized to certify the claim on behalf of the CONSULTANT.”

Failure to document a claim in this manner shall render the claim null and void. Moreover, no claim shall be accepted after final payment of the Contract.

The decision of the Chief Deputy Comptroller shall be issued in writing and shall be furnished to the CONSULTANT. The decision shall state the reasons for the decision reached. The Chief Deputy Comptroller shall render the final decision within sixty (60) days after receipt of CONSULTANT’S written request for a final decision. The Chief Deputy Comptroller’s decision shall be final and conclusive.

The CONSULTANT shall proceed diligently with performance of this Contract pending final resolution of any request for relief, claim, appeal or action arising under the Contract and shall comply with any final decision rendered by the Chief Deputy Comptroller.

ARTICLE 26 – ADDENDA

All requirements contained in any addenda to the solicitation for this procurement are part of and hereby incorporated into this Contract.

ARTICLE 27 – LAWS AND REGULATIONS

All applicable Federal and State laws, municipal and County ordinances shall apply to the solicitation and Contract.

ARTICLE 28 – USE OF CONTRACT BY OTHER GOVERNMENT AGENCIES

At the option of the CONSULTANT, the use of this Contract may be extended to other governmental agencies, including the State of Florida, its agencies, political subdivisions, counties and cities.

Each governmental agency allowed by the CONSULTANT to use this Contract shall do so independent of any other governmental agency. Each agency shall be responsible for its own purchases and shall be liable only for services received and accepted. No agency receives any liability by virtue of this Contract

ARTICLE 29 – NOTICE

All notices required in this Contract shall be sent by certified mail, return receipt requested, and if sent to the COMPTROLLER or COUNTY shall be mailed to:

Orange County Comptroller
Attn: Chief Deputy Comptroller
P. O. Box 38
Orlando, FL 32802-0038

and if sent to the CONSULTANT shall be mailed to:

Aon Hewitt
Attn: Michael Schooley, Associate Partner
7650 West Courtney Campbell Causeway, Suite 1000
Tampa, FL 33607

IN WITNESS WHEREOF, the Orange County Comptroller has made and executed this Contract # **2013-001-FIS** on behalf of the COMPTROLLER and CONSULTANT has hereunto set its hand the day and year above written.

CONSULTANT

Aon Consulting, Inc.
Company Name

By: Michael J. Schooley
Signature

Michael Schooley
Typed Name

Associate Partner
Title

October 29, 2013
Date

ORANGE COUNTY COMPTROLLER

By: Martha O. Haynie
Martha O. Haynie
County Comptroller

October 30, 2013
Date

EXHIBIT "A"
SCOPE OF WORK
CONTRACT # 2013-001-FIS

Objective

The Orange County Comptroller, a constitutional officer of the State of Florida, hereinafter referred to as the "Comptroller", acting as Trustee for the Orange County Retiree Health Care Benefit Trust created by the Orange County Board of County Commissioners, hereinafter referred to as the "County", for other postemployment benefits (OPEB), has engaged Aon Hewitt, a qualified actuarial firm, hereinafter referred to as the "Consultant", on a continuing contractual basis to perform annual actuarial valuations and issue reports in compliance with the Governmental Accounting Standards Board's (GASB) Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

On an annual basis, beginning with the fiscal year ending September 30, 2014, the Consultant will prepare two separate actuarial valuations, one (County Report) covering the County and four of its constitutional officers (Comptroller, Property Appraiser, Supervisor of Elections, Tax Collector), and the second (Sheriff Report) covering the Sheriff's Office. The County Report will also require a supplemental allocation page to provide information for distribution of OPEB contribution charges in its annual operating budget. These reports and the supplemental allocation page shall contain all of the information and be in a similar format as the most recent actuarial valuation reports for Fiscal Year 2013, which are included as **Exhibit B** in the Request for Proposal document, and incorporated herein by reference.

County Profile

Orange County is in the approximate center of the State of Florida and encompasses an area of about 1,000 square miles. Orlando, the County seat, is its principal city. Including Orlando, there are 13 incorporated municipalities throughout the County. The County's population growth rate for 2012 was nearly two percent as compared to one percent for the State as a whole. The 2012 population estimate was 1,175,941, making Orange County the fifth largest County in the State. Nearly two-thirds of the County's population resides in its unincorporated areas.

Orange County was established in 1824 and currently operates under a charter that was originally enacted by the voters effective January 1, 1987 and subsequently amended by the voters in 1988, 1992, 1996, 1998, 2004, 2008 and 2012. Charter powers address self-government and cannot conflict with general law or special law approved by the voters. The established legislative body of the County is the Board of County Commissioners, which consists of the County Mayor elected at-large and six single-member district Commissioners. Specifically designated governmental functions are performed by separately elected constitutional officers, who are elected Countywide. The constitutional officers are the Clerk of the Circuit and County Courts, Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. All elected officials serve four-year terms.

The County provides its citizens with a wide range of services that include law enforcement, corrections facilities, civil and criminal justice, fire and EMS services, health and social services,

housing assistance, animal services, parks and recreation operations, children's programs, environmental regulation and protection, road, bridge and drainage maintenance and construction, and other general and administrative support services. Additionally, the County owns and operates a water and wastewater utility, a solid waste landfill and recycling program, and the Orange County Convention Center.

Background

In 2004, the GASB issued Statement No. 45, together with Statement No. 43, to establish new requirements for reporting and disclosing information about OPEB plans. In general, employers must account for and report the costs and obligations of OPEB in a similar manner as what is required for pensions. The County elected to implement the requirements of GASB Statement No. 45 in the fiscal year ended September 30, 2007.

The County approved an irrevocable trust agreement, with the Comptroller as Trustee, on September 18, 2007 with an effective date of October 1, 2006. The irrevocable trust agreement was created for the sole purpose of providing funding for and payment of OPEB to beneficiaries. The County made an initial deposit for Fiscal Year 2007 that represented the annual required contribution as determined by an actuarial firm. The County has also appropriated funds for deposit in subsequent fiscal years that approximate the annual OPEB cost.

Plan Description

For a full plan description, see **Exhibit C** in the Request for Proposal document, incorporated herein by reference, which is the County's approved irrevocable trust agreement. In summary, benefits offered by the County, Sheriff's Office, and other constitutional officers that are subject to GASB Statement No. 45 include: 1) the right of certain retired employees to continue in the County's health insurance plan (Sheriff's Office maintains a separate health insurance plan) at the same group rate as for active employees (as required per Section 112.0801, Florida Statutes), and 2) payment of a defined monthly health insurance subsidy to certain retirees who have met a specified combined term of service with the County and/or one or more of its constitutional officers, with the exception of the Clerk of Courts.

Performance

Consultant shall perform actuarial valuations and reports on the OPEB plan as follows. By mid-October of each year, the County and the five constitutional officers will each provide to the Consultant, in their own respective formats, all necessary data to complete the County Report, Sheriff Report, and the supplemental allocation page. Data provided by the County will be at the level of detail needed to produce the supplemental allocation page. Preliminary draft reports must be made available to the Comptroller three weeks after the Consultant receives all necessary data from the County and the five constitutional officers. The Comptroller will schedule an onsite meeting with the Consultant to discuss the draft County Report and Sheriff Report, and to resolve all outstanding issues. The Consultant must then provide eight bound final reports and an electronic PDF file of each report, together with an electronic PDF file of the supplemental allocation page, to the Comptroller no later than December 15th of each year. The final reports

shall include an Actuarial Certification from the principal of the firm affirming the findings of the actuarial valuations.

All of the above constitutes the required Scope of Work included in the fixed fee identified in Article 3 and **Exhibit "B"** of this Contract. Additional services, if any, will be subject to negotiation as described in Article 2 of this Contract.

(Remainder of this page intentionally left blank)

EXHIBIT "B"

**FEE SCHEDULE
CONTRACT # 2013-001-FIS**

The CONSULTANT shall provide all plant, labor, equipment, manpower and other resources necessary to provide all services in strict accordance with the Scope of Work defined in Exhibit "A" of this Contract for the amounts specified in this Fee Schedule. The below fixed fee includes all costs associated with performance of the required scope of services in this Contract, including lodging, travel and out-of-pocket expenses. This includes all onsite meetings.

I. Firm Fixed Fee for Fiscal Year 2014 Actuarial Valuations: \$ 33,000.00

II. Estimated Hours by Classification

Estimated number of hours of work by classification to complete the annual actuarial valuations under the fixed fee stated above.

<u>CLASSIFICATION/TITLE</u>	<u>HOURS</u>
<u>Associate Partner</u>	<u>15</u>
<u>Consultant</u>	<u>10</u>
<u>Senior Analyst</u>	<u>32</u>
<u>Associate</u>	<u>38</u>
<u>Administrative</u>	<u>5</u>

III. Schedule of Hourly Rates by Classification for additional services, if any:

<u>CLASSIFICATION/TITLE</u>	<u>RATE</u>
<u>Associate Partner</u>	\$ <u>410</u>
<u>Consultant</u>	\$ <u>385</u>
<u>Senior Analyst</u>	\$ <u>355</u>
<u>Associate</u>	\$ <u>300</u>
<u>Administrative</u>	\$ <u>110</u>



OFFICE OF COMPTROLLER

ORANGE
COUNTY
FLORIDA

Phil Diamond, CPA
County Comptroller
201 South Rosalind Avenue
Post Office Box 38
Orlando, FL 32802
Telephone: (407) 836-5690
Fax: (407) 836-5599
Website: www.occompt.com

AMENDMENT #4

CONTRACT # 2013-001-FIS

TO PROVIDE OPEB CONSULTING SERVICES FOR THE ORANGE COUNTY
RETIREE HEALTH CARE BENEFIT TRUST

The contract is changed as follows:

- a. The subject contract is hereby renewed for the period September 1, 2017 through August 31, 2018 at the same terms and conditions, except as noted below.
- b. In accordance with Article 2, the contract shall be adjusted each year up to the percentage increase/decrease in the CPI-U. The EXHIBIT "B" fixed fee amount is changed to read \$34,619, an increase of \$555, and the hourly rates are changed to read as per the attached sheet.
- c. All other terms and conditions remain unchanged.

Aon Consulting, Inc.
DBA Aon Hewitt

By: Mitzi McLean
Mitzi McLean
Senior Consultant

8/17/17
Date

Orange County Comptroller
Orange County, FL

By: Phil Diamond
Phil Diamond
Orange County Comptroller

8-16-17
Date

Hourly Rates in Exhibit "B" - Calculation for FY 2017-18

<u>Classification/Title</u>	FY 2017 <u>Rate</u>	FY 2018 Rate <u>(+1.63%)</u>
Associate Partner	\$423	\$430
Consultant	\$397	\$404
Senior Analyst	\$367	\$373
Associate	\$310	\$315
Administrative	\$114	\$115