



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2024-0528

TO: Mayor and City Council Members
FROM: Joe Snyder, Chief Financial Officer
DATE: December 2, 2024
SUBJECT: Actuarial Services

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for actuarial valuation and reporting in accordance with the Governmental Accounts Standards Board (GASB) for the City's Retiree Health Care Benefit Trust – Supplemental Plan and other actuarial consulting services as may be requested by the City to Lauterbach and Amen, Naperville, Illinois in the amount not-to-exceed \$37,500.00 for a six-year term to expire after services provided for fiscal year ending 2029 actuarial report.

City Council is requested to waive Section 2-273(b) the 3-year requirement for long term contracts, under Section 2–281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City to allow a 6-year contract.

REASON FOR PURCHASE:

In response to the City's Request for Proposals for actuarial services (issued via the MITN system), three proposals were received. A committee composed of Fiscal and Accounting staff reviewed these proposals, utilizing the following criteria: qualifications, experience, capacity, comparable projects/references, work plan, and cost proposal. Based on this thorough evaluation, the committee recommends awarding the contract to Lauterbach and Amen. This recommendation is based on the firm's exceptional qualifications, extensive experience, proven capacity, and overall cost-effectiveness.

To optimize the value and cost-efficiency of these services, the City proposes a six-year contract structured in two-year succession cycles. This structure capitalizes on the comprehensive audit conducted in the first year, leading to reduced costs in the subsequent year, repeating this cycle every 2-years. This necessitates a waiver of the City ordinance requiring an initial three-year contract term for this type of agreement.

PROCESS:

Vendor Name and Address:

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding is included in the FY 2025 Adopted Budget and FY 2026-2030 Projected Budgets.

Fund Name	Department Account No	Account No. Description	6-Year Budget Amount	6-Year Cost	6-Year Remaining Budget
Retiree Healthcare Trust Fund	736.801000	Professional Services	\$37,500	\$37,500	\$0

RECOMMENDATION:

It is recommended that City Council authorize a contract/blanket purchase order for actuarial valuation and reporting in accordance with the Governmental Accounts Standards Board (GASB) for the City's Retiree Health Care Benefit Trust – Supplemental Plan and other actuarial consulting services as may be requested by the City to Lauterbach and Amen, Naperville, Illinois in the amount not-to-exceed \$37,500.00 for a six-year term to expire after services provided for fiscal year ending 2029 actuarial report.

It is also recommended that City Council waive Section 2-273(b) the 3-year requirement for long term contracts, under Section 2–281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City to allow a 6-year contract.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A