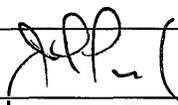


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Alameda Corridor Transportation Authority

June 14, 2018

To:	Governing Board
From:	James P. Preusch, Chief Financial Officer 
Subject:	<i>Approval of Amendment No. 7 to Agreement No. C0788 with Bartel Associates, LLC for Actuary Services (APPROVAL)</i>

Recommendation:

Approve the proposed amendment to Agreement No. C0788 with Bartel Associates, LLC (Bartel) for actuary services in the amount of \$35,000 and extend the term through June 30, 2021 and authorize the Chief Executive Officer or Chief Financial Officer to execute said amendment. It is also recommended that the Board find that conducting a competitive selection process for these services would not be practical or advantageous to ACTA.

Discussion:

At its October 2007 meeting, the Board approved ACTA's participation in the Prefunding Plan administered by the CalPERS Board of Administration for Other Post Employment Benefits (OPEB). The Board also approved making an initial deposit and future annual deposits as necessary to meet continuing obligations.

The Government Accounting Standards Board requires governmental entities to calculate the liability associated with certain retirement benefits to past and present employees. The present value of the obligation must be determined by a licensed actuary, and requires a periodic update (biannual) of the actuarial valuation and determination of an annual payment amount made to the CalPERS OPEB account. Bartel provides services required by GASB 68 including preparation of the draft report. The information is required in order to complete ACTA's annual audit report.

In July 2007, Agreement No. C0788 was entered into with Bartel Associates LLP for the required valuations. Since the date of the original Agreement, changes in Accounting Standards and the implementation of GASB 75, replacing GASB 45, require most public entities to obtain a biannual actuarial valuation. With the substantial growth of business, Bartel Associates, LLP became an LLC.

The current Agreement expires June 30, 2018. The cost of Bartel's actuarial valuation and more recent GASB 68 draft report preparation has been nominal (currently averaging about \$12,000 annually). The service provided by Bartel has been timely and accurate. Some other firms have



begun offering the service in recent years, but because of the size of ACTA's contract, other firms may not compete for such a small amount of business. The time and resources expended in conducting a competitive selection process would likely exceed the value of at least the first year of the contract. For these reasons, it is recommended that the Board find that conducting a competitive selection process would not be practical or advantageous for these services. It is requested that the Board approve the amendment to the Agreement extending the term through June 30, 2021 and increasing the current not-to-exceed contract value by \$35,000 from \$95,000 to \$130,000.

Background:

After a 2007 competitive selection process, Bartel was selected to provide the required GASB 45 actuarial valuations. Agreement No. 788 commenced July 1, 2007 for a term of one year through June 30, 2008 in the amount of \$14,500 with an option to extend an additional two years. Board approval of the agreement was not required in 2007 because the contract amount was within the contracting authority of the Chief Executive Officer, in that the contract was less than the delegated authority amount of \$50,000. Two subsequent amendments extended the term through June 30, 2010 increasing the contract value to \$25,000.

At its August 2009 meeting, the Board approved a six-year extension through June 30, 2016 and a \$50,000 increase in contract value from \$25,000 to \$75,000, and at its June 2016 meeting, the Board approved a two-year extension through June 30, 2018 and a \$20,000 increase in contract value to \$95,000.

In October 2007, the Board approved an appropriation for OPEB payments to CalPERS of \$448,000, comprised of \$392,000 for past liabilities and \$56,000 for the FY08. Since that time, the Board has also authorized staff to make future annual deposits to meet the continuing obligations. Subsequent deposits were: \$82,600 for FY09; \$70,000 for FY10; \$69,000 for FY11; \$77,000 for FY12; \$79,000 for FY13; \$106,000 for FY14; \$110,000 for FY15; \$78,000 for FY16; \$80,000 for FY17, and \$80,000 for FY18. The amount in the proposed budget for FY19 is \$80,000.

Budget Impact:

Funds are included in the FY19 Program Budget.

Transmittal:

Transmittal 1: Seventh Amendment to Agreement C0788