



MAYOR GARY O. PHILLIPS
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COUNCILMEMBER KATE COLIN
COUNCILMEMBER DAMON CONNOLLY
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HUMAN RESOURCES
PHONE: 415-485-3069
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March 28, 2013

Name
Company
Street Address
City, State, Zip

To whom it may concern:

The City of San Rafael (City) is requesting proposals for investment management services for a new Other Post-Employment Benefits (OPEB) Trust. The City has been funding for retiree health benefits through an agreement with the Marin County Employee Retirement Association (MCERA) through a 401(h) plan. The Internal Revenue Service (IRS) has recently ruled that MCERA can transfer their portion of the 401(h) into an OPEB trust. The current City portion of the 401(h) plan is currently approximately \$11 million. The City intends to add to the fund by paying the difference between the pay-as-you-go amount (estimated at \$2.3 million) and the Annual Required Contribution (ARC) (estimated at \$2.5 million). That difference of approximately \$200,000 will be added to the fund each year.

The City intends to establish an irrevocable trust for the sole purpose of providing postretirement healthcare benefits. The City has retained the services of SST Benefits Consulting to assist with the selection of a firm to manage the OPEB trust. The City has formed a special Committee with the assistance of SST Benefits Consulting to analyze and recommend investment management and administrative services. This Committee will be making a final recommendation to the City Council.

The City expects the respondents to the Request for Proposal to offer investment and administrative services related to contributions and disbursement of funds to and from the trust. The City is seeking optimal return investments with low to moderate risk and low expenses. The proposals should assume a transition start date of June 4, 2013 with transition of assets on or about July 1, 2013.

The electronic RFP is downloadable from the www.sstbenefits.com website. From the home page, click on 'RFP' in the top ribbon; this will open up a login page and the sign-on information is as follows: User name is "SanRafaelTrust" and the password is "Opeb2013". These are case sensitive.

The following information can be retrieved from the site:

- ❑ Request for Proposal (for downloading)
- ❑ Cover Letter (reprint from hardcopy)
- ❑ Actuarial Study of retiree health liability dated June 30, 2011
- ❑ Draft Professional Services Contract

The RFP must be downloaded and responses entered into the appropriate "grids" for submission.

All information and its contents are presented to you on a confidential basis and may not be used for any purpose other than responding to this RFP nor provided to an outside party except by expressed written approval of the City.

Three (3) copies of your written proposal must be received at the City address below by 4:00 P.M. on April 19, 2013. Proposals received after this date (even if they are postmarked before 4:00 P.M. April 19, 2013) will not be considered.

Proposals should be mailed to:

**Anil Comelo, Human Resources Director
City of San Rafael
1400 Fifth Avenue, Room 210
San Rafael, CA 94901**

Two (2) additional copy of your written proposal must be simultaneously sent to:

**Bill Tugaw, Consultant
SST Benefits Consulting
4364 Town Center Blvd., Suite 315
El Dorado Hills, CA 95762**

In addition to the hardcopy written proposal, respondents must transmit an electronic version of the RFP response grids also by 4:00 P.M. on April 19, 2013 to both Anil Comelo at Anil.Comelo@cityofsanrafael.org and Bill Tugaw at billtugaw@sstbenefits.com.

Proposals should be mailed using certified or registered mail with return receipt requested, sent by overnight delivery services, or hand delivered to the address above (City). Faxed proposals will not be accepted.

The City reserves the right to accept or reject any and all proposals or any items or groups of items offered in response to this RFP. The City reserves the right to negotiate the terms and conditions of the agreement. Please do not contact any employee or officer of the City. Contacting any employee or officer of the City may result in disqualification.

All questions, requests for information and/or clarification should be directed to:

Bill Tugaw, Consultant
SST Benefits Consulting
4364 Town Center Blvd., Suite 315
El Dorado Hills, CA 95762
Phone: (916) 270-2020 ext. 103
Fax: (916) 939-1419
billtugaw@sstbenefits.com

All questions must be submitted by April 5, 2013. Questions and answers will be communicated via the SST RFP website listed above by April 10, 2013 for review by respondents.

If necessary, a finalist meeting will be held on May 13, 2013. Please reserve this date in case you are a finalist and the City wishes to hold a face-to-face interview. Finalists will be notified by April 26, 2013.

Sincerely,



Anil Comelo
Human Resources Director

cc: Bill Tugaw, SST Benefits Consulting

Attachment