

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508**  
**County of Cook and State of Illinois**

**Employee Benefit Consulting Agreement**  
**Goldstein & Associates**  
**Office of Finance**

**THE CHANCELLOR**

**REPORTS**

that the City Colleges of Chicago (CCC) is required by the Illinois Public Community College Act to perform an audit each fiscal year which requires the valuation of certain CCC liabilities per Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standard Board (GASB); and

that a Request for Proposal (RFP) for actuarial services to perform valuation of certain CCC liabilities per Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standard Board (GASB) was issued per District Procurement policies which was advertised February 15, 2007, and a pre-proposal conference was conducted on February 21, 2007; and

that the actuarial services to be provided include the following:

Retiree medical and pharmaceutical claims review:

- Evaluation of retiree contributions under and over age 65
- Assistance with any proposed changes in accounting
- Review of active and inactive data for problems
- Provide additional project review as needed
- Other post employment sick plan
- Early retirement sick pay plan
- Workers Compensation Loss Reserves
- Provide timely updates on related governmental regulations

GASB-OPEB Actuarial Valuation and Early Retirement Sick Pay Plan Valuation:

- Collect and analyze data
- Review plan design provisions
- Determine appropriate assumptions
- Perform calculations (including first time set up and testing)
- Prepare preliminary and final reports

Perform the analysis and appropriate steps to develop the information necessary to comply with Medicare Part D:

- Identify groups where Medicare is primary
- Perform actuarial equivalence test
- Retiree communications
- Prepare application for employer subsidy
- Issue Notice of Creditable Coverage
- Develop process for claims data
- Drug cost summary and annual reconciliation

that three (3) firms responded to the RFP on February 28, 2007: AON Consulting Inc., Goldstein & Associates and MWM Consulting Group, and the submitted proposal were reviewed, evaluated and ranked by District Staff in accordance with evaluation criteria outlined in the RFP, which includes Qualifications, Experience in Higher Education, Prior experience with similar projects; and

that based on the results of the evaluation, staff recommended acceptance of the proposal from Goldstein & Associates to provide actuarial services to CCC for a three (3) year period with a one year option to renew; and

that the staff recommends to include a contingency amount not to exceed \$5,000.00 in the event that any research or additional services outside the scope listed above may be needed during the course of the audit : and

that the Office of M/WBE Contract Compliance has reviewed the above referenced actuarial services agreement and has determined that Goldstein & Associates are in full compliance with the 25% certified MBE goal and the 7% certified WBE goal with both being in direct participation with the project and therefore is in compliance with the Board approved Participation Plan.

**THE CHANCELLOR**

**RECOMMENDS**

that the Board of Trustees authorize the Chairman to enter into an agreement with Goldstein & Associates for a three year period beginning May 1, 2007 through June 30, 2010 with an option to renew for an additional one (1) year period to provide the actuarial valuation of the liability under the Early Retirement Sick Pay Plan, perform valuations of post employment benefit plans other than pension plans (OPEB) as of June 30, 2007, June 30, 2008 and June 30, 2009 and to perform services in order for CCC to comply with Medicare Part D requirements, in accordance with RFP# SC0705 dated February 5, 2007 for an amount not to exceed \$20,000.00, plus \$5,000.00 for services outside the aforementioned listed scope for a total annual contract amount not to exceed \$25,000.00.

**FINANCIAL**

\$25,000 FY 07 Educational Fund-00003-0010002-00084-00000-00000000-539100  
\$25,000 FY08 Educational Fund-00003-0010002-00084-00000-00000000-539100  
\$25,000 FY09 Educational Fund-00003-0010002-00084-00000-00000000-539100  
\$25,000 FY10 Educational Fund-00003-0010002-00084-00000-00000000-539100

**Respectfully submitted,  
Wayne Watson**

**Chancellor**

**April 12, 2007-Office of Finance- CFO**