

City Council Agenda Report

Meeting Date: April 1, 2025
From: Joaquin Leon, Deputy City Treasurer
Department: Finance
Submitted by: Marisela Martinez, Buyer

Subject

Services Agreement with GovInvest, Inc. for Actuarial Consulting and Technology Services

Recommendation

Approve and authorize the City Administrator to execute a Services Agreement with GovInvest Inc., in substantially the same form as submitted, for Actuarial Consulting and Technology Services for a total amount not-to-exceed \$114,828.43, for a three-year term.

Background

On October 1, 2018, the City entered into an initial agreement with GovInvest, Inc. (GovInvest) for actuarial consulting services and use of its proprietary software solutions designed for California government agencies. GovInvest specializes in analytical software that enables government agencies to proactively manage labor negotiation costs, pension liabilities, and Other Post-Employment Benefits (OPEB). These solutions focus on employee labor and benefits cost analysis as well as pension and OPEB liability modeling. The agreement with GovInvest was essential in the various calculations related to labor costs, pension liabilities, and OPEB needed by the Finance Department and the agreement with GovInvest was renewed on February 1, 2022.

The February 1, 2022, agreement with GovInvest has since expired and the Finance Department is now requesting approval to renew the license agreement with GovInvest for an additional three years. The software solutions available through GovInvest allow staff to project labor negotiations costs and develop alternative funding approaches for current and future pension and OPEB debt. Since 2014, GovInvest has partnered with public sector agencies, offering advanced software and personalized services to help agencies make informed, data-driven decisions. State and local governments face the challenge of balancing complex forecasts, integrating multiple plans, and adapting to unique funding structures. By leveraging GovInvest's projections and comprehensive analyses, the City can better prepare for future obligations, optimize funding strategies, and communicate effectively with stakeholders.

Additionally, GovInvest's proprietary software can incorporate the City's employee-specific data for both OPEB and pension benefits thus enabling management to project and measure labor costs during negotiations and assess the impact on pension and OPEB costs across multiple scenarios. GovInvest will also issue the required Governmental Accounting Standards Board (GASB) 75 reports to measure the OPEB liability on the City's financial statements, also known as the Annual Comprehensive Financial Report (ACFR). The Software will assist City staff in making recommendations to Council, refining policies, and presenting post-employment benefit information in meaningful, easily understood charts and graphs. Pursuant to Vernon Municipal Code (VMC) Section 3.32.110 (A)(2), the proposed licensing agreement with GovInvest is exempt from competitive bidding since the modules are proprietary software that are only available through the consultant.

Staff recommends that the City Council approve the Services Agreement with GovInvest Inc. to provide actuarial consulting and technology services for a total not-to-exceed \$114,828.43 over

a term of three years. Pursuant to VMC 3.32.030 (A), City Council approval is required for the proposed agreement, as the value of the contract exceeds \$100,000.

The proposed agreement has been reviewed and approved as to form by the City Attorney's Office.

Fiscal Impact

The fiscal impact is not-to-exceed \$114,828.43 over three years. Sufficient funds are available in General Fund, Finance Department, Professional Services – Technical Account No.011-010-130-529225, Electric Fund, Administration Department, Professional Services – Technical Account No. 055-050-580-529225, and Water Fund, Water Operations Department, Professional Services – Technical Account No. 058-070-700-529225 for the current fiscal year and will be budgeted in the subsequent years.

Attachments

1. Services Agreement with GovInvest, Inc.