

**REQUEST FOR PROPOSALS**

**TO PROVIDE**

**AUDIT SERVICES**

Issued by

Employees Retirement System  
City of Saint Louis

Date of Issue  
April 6, 2016

Date of Closing  
**3:00 P.M., CDT**  
**MAY 10, 2016**

The Employees Retirement System of the City of St. Louis (System) is presently seeking proposals on a competitive basis to perform an annual audit for a three-year period beginning October 1, 2015 through September 30, 2016; October 1, 2016 through September 30, 2017; and October 1, 2017 through September 30, 2018. The System has been audited each year since inception with the latest audit covering the year ending September 30, 2015. In evaluating the proposals, particular attention will be given to your expertise and experience in such audits, as well as the fees charged.

I. Scope of Services:

- (a) The examination of the financial statements is to be performed in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants. The report of the examination must include an opinion as to whether the statements conform to generally accepted accounting principles.
- (b) The audit is expected to begin in December or early January and should be completed by February 28. The on-site audit must be performed and completed in two weeks. No time extensions are contemplated. Non-compliance with this due date, unless extended with our written approval, may be considered to be cause for contract termination.
- (c) Prior to submission of the completed report a review of a draft of the proposed report with personnel of this office will be required. Audit findings and recommendations should be readily understood as to the basis for and significance of the findings.
- (d) Fifteen (15) copies of the final audit report and report of management findings should be furnished. In addition, a computerized file of the report should be submitted in the current standard format, such as Adobe Acrobat PDF.
- (e) The proposal must state that working papers will be made available at the Independent Public Accountant's (IPA) office during normal business hours for a period of three (3) years after issuance of audit report for the review of the administrative staff, the Board of Trustees, or any designated representative of the Board.
- (f) Auditors may be requested to present the final audit to the Board of Trustees at a regularly scheduled meeting.

II. Form of Proposal:

- (a) The proposal must be in writing.
- (b) The proposal must be submitted in a sealed envelope clearly identified as "**AUDIT PROPOSAL**" and mailed or delivered to:

Mr. Richard R. Frank, Secretary  
Employees Retirement System  
of the City of St. Louis  
1114 Market Street, Room 900  
St. Louis, MO 63101

Proposals will be accepted until **3:00 p.m., CDT, May 10, 2016.**

All who respond must submit four (4) copies of their proposal and an electronic file copy.

- (c) The proposal must clearly describe the scope of the services to be provided and a positive commitment to perform the work within the time period.
- (d) The response should include the background of the firm.
- (e) The response should include the names of each individual to be assigned along with the relevant experience of each individual. List training and experience with other governmental or municipal organizations that engage in similar activities; include name(s) of municipal pension funds audited by personnel staffing the job. Particular attention will be given to the expertise of the assigned personnel, no reassignments of individuals will be allowed without prior approval.
- (f) The response should include the turnover rate of key personnel, such as partners, managers and seniors.
- (g) The response should include the extent of minority and women participation in the firm, ownership, partnership, professional employment, and support personnel.
- (h) The response should include a list of retirement systems audited over the last three (3) years by the St. Louis based office. (Public funds preferred.)

- (i) The response must include the compensation for each employee per hour, the estimated hours for each employee and maximum costs which will not be exceeded for each of the three periods under audit. The amount of out-of-pocket expenses should also be noted, however, all out-of-pocket expenses should be included in the maximum fee quoted for each period under audit.
- (j) The response should include the fee schedule for assistance on special issues that may come up during the period of the contract. The proposed fee must be submitted in writing and approved by the Board.
- (k) The response should list any lawsuits pending related to audits your firm has performed in the last five years.
- (l) Add any conditions or qualifications concerning the audit engagement as may be appropriate.
- (m) Your proposal should include a copy of your firms' most recent peer review, letter of comments, and your firm's response to the comments.
- (n) In the event the Board receives more than one proposal from any firm, the Board shall request the firm to review such proposals and advise the Board as to the one proposal it wishes the Board to consider. Should the firm not advise the Board, all proposals received from the company shall be rejected.
- (o) Your proposal must be signed by an officer of your firm and indicate that such officer is authorized to commit on behalf of your firm.

### III. Independence, License and Tax Issues:

- (a) It is essential that the IPA certify that it has a certificate and permit to practice, issued by the Missouri State Board of Accountancy. The audit must be made by an independent auditor or auditors. Further, the IPA should indicate the extent to which it is involved as auditors or consultants for other City of St. Louis departments and/or retirement systems.
- (b) If the firm is currently auditing a participating employer of the Retirement System, explain the procedures

that will be employed to maintain independence and avoid any conflicts of interest among the Retirement System, the participating employer and your firm.

- (c) The firm selected must provide an affirmation that it is current in all applicable taxes and licenses due the City of St. Louis.

IV. Selection Criteria:

All proposals will be evaluated on the following criteria:

- (a) Complete responses to all items;
- (b) Ability to meet service requirements, with emphasis placed on GASB Statements 67,68 and any subsequent standards;
- (c) Expertise of the firm;
- (d) Expertise of assigned personnel;
- (e) Experience in providing similar services to other clients;
- (f) Quality of written proposal;
- (g) Aggregate service cost, for three-year term.

V. Other Items:

- (a) The System reserves the right to negotiate with any or all bidders regarding the proposals, to award the contract to other than the firm submitting the lowest cost proposal, without negotiation, and to reject any or all bids.
- (b) The System may at any time, with or without cause, terminate the contract as to the second audit period when it is in the best interest of the Employees Retirement System of the City of St. Louis.
- (c) The IPA must state that in performing any services pursuant to a contract or agreement awarded pursuant to this Request for Proposals that neither the IPA nor anyone under the IPA's control, will permit

discrimination against any employee, worker or applicant for employment because of race, color, age, religion, sex, familial status, disability, sexual orientation, gender identity or expression, national origin or ancestry. IPA must agree that IPA will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, age, religion, sex, familial status, disability, sexual orientation, gender identity or expression, national origin or ancestry.

- (d) The total fee for the 2015 annual audit of the System was \$19,000.
- (e) Documents included on the enclosed CD-ROM:
  - 1. Audited financial statements as of September 30, 2015
  - 2. Auditor's reports for GASB 68 at September 30, 2015
  - 3. Actuarial Valuation Report at October 1, 2015
  - 4. Actuary's GASB report at September 30, 2015
  - 5. ERS Plan Document (Chapter 4.16)
  - 6. Ordinance No. 70154 (not included in Plan Document)
- (f) As a condition for the award of this contract, IPA, shall, pursuant to the provisions of Sections 285.530 through 285.555 of the Missouri Revised Statutes 2000, as amended, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with any contract or agreement awarded through this Request for Proposals. IPA's authorized agent shall also sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with any contract or agreement awarded through this Request for Proposals.
- (g) Any questions regarding this invitation may be directed to Richard Olliges, Accounting Officer, at (314) 622-5735.