

REQUEST FOR PROPOSAL (RFP)  
FOR  
**INDEPENDENT AUDIT SERVICES  
FOR MISSOURI STATE EMPLOYEES RETIREMENT SYSTEM  
(MOSERS)**

DUE DATE FOR RESPONSES TO RFP:

**December 2, 2013 3:00 p.m. CST**

**GARY FINDLAY**  
Executive Director

**GARY IRWIN**  
Chief Finance Officer

Responses and inquiries should be directed to:

Michele Nix  
Phone: 573-632-6124  
Fax: 573-632-6124  
Email: [michelen@mosers.org](mailto:michelen@mosers.org)

MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM  
REQUEST FOR PROPOSAL (RFP) FOR INDEPENDENT AUDIT SERVICES  
TABLE OF CONTENTS

		Page
I.	INTRODUCTION .....	1
	A. Nature of Request.....	1
	B. General Information.. ..	1
	1. Background Information.....	1
	2. Financial Computer Systems .....	3
	3. Organizational Responsibility.....	3
II.	NATURE OF SERVICES REQUIRED .....	3
	A. Scope of work to be performed.....	3
	1. Audit of financial statements .....	3
	2. Additional professional services .....	4
	B. Auditing standards to be followed .....	4
	C. Reports to be issued .....	4
	1. Independent Audit Report.....	4
	2. Management Letter .....	4
	D. Special considerations .....	5
	E. Work paper retention and access to work papers.....	5
	F. Conferences.....	6
III.	TIME REQUIREMENTS .....	6
	A. RFP calendar .....	6
	B. Schedule for audit .....	6
IV.	ASSISTANCE TO BE PROVIDED TO THE AUDITOR .....	7
	A. MOSERS' staff .....	7
	B. Prior audits .....	7
	C. Statements and schedules to be prepared by MOSERS.....	7
	D. Work area and equipment .....	7
V.	RFP REQUIREMENTS.....	7
	A. General requirements .....	7
	1. Inquiries .....	7
	2. Submission of responses to RFP.....	8
	B. Response to the RFP .....	9
	1. Mandatory elements.....	9
	2. Similar Engagements .....	10
	3. Firm's qualifications and experience .....	11
	5. Professional fees .....	11
VI.	EVALUATION PROCEDURES .....	12
	A. Selection process.....	12
	B. Evaluation criteria .....	12

C.	Verbal presentations.....	12
VII.	FINAL SELECTION .....	13
A.	Contractual agreement .....	13
B.	Right to reject.....	13
C.	Open records .....	14
D.	Competitive negotiation of proposals .....	14
Appendix A:	Pricing Page.....	15
Appendix B	Pricing Analysis.....	16
Appendix C	Federal Work Authorization Policy.....	17
Appendix D	Political Contribution Policy.....	18

MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM  
REQUEST FOR PROPOSAL (RFP) FOR INDEPENDENT AUDIT SERVICES

**I. INTRODUCTION**

**A. Nature of request**

Pursuant to the provisions of Section 104.480, RSMo, the Missouri State Employees' Retirement System (MOSERS) is requesting an offer from independent certified public accountants (Auditor) to perform a financial audit of MOSERS for the fiscal year ended June 30, 2014. The selected Auditor will be awarded a contract of one year. MOSERS shall have the right, at its sole option, to renew the contract for four (4) additional one-year periods, or any portion thereof. MOSERS has no mandatory auditor rotation policy.

To be considered, the proposal must be received no later than 3:00 PM CST on December 2, 2013. Inquiries concerning the request for proposal should be addressed to:

Michele L. Nix  
Assistant Chief Finance Officer  
MOSERS  
P.O. Box 209  
Jefferson City, MO 65102  
[michelen@mosers.org](mailto:michelen@mosers.org)  
(573) 632-6124

Any individual and/or firm notifying MOSERS of its intent to bid will be kept updated with any clarifications or additional information provided to other Auditors. Updates will be posted to the MOSERS website. The retirement system reserves the right, where it may serve the system's best interests, to request additional information or clarification from auditors or to allow corrections of errors or omissions. The retirement system also reserves the right to reject any or all proposals submitted.

Audit firms may be invited to interview with certain MOSER'S staff on the evaluation team. It is anticipated the selection of the firm will be completed by January 31, 2014.

**B. General information**

1. Background Information

MOSERS is an instrumentality of the state of Missouri vested with the powers and duties specified in Sections 104.010 and 104.312 through 104.1215, RSMo.

MOSERS is responsible for administering the following state of Missouri employee benefit plans in accordance with the referenced statutes:

- A defined benefit retirement plan for approximately 108,522 retirees, active employees, and vested former employees.
- A defined benefit judicial retirement plan for approximately 928 active and retired employees.
- Two life insurance plans (basic and optional life) for approximately 117,808 active and retired employees.
- An insured long-term disability insurance plan for approximately 34,768 active employees.
- A third party administered defined contribution plan for approximately 1,996 education employees in certain publicly funded state colleges and universities.
- A third-party administered (ICMA-RC) deferred compensation program operated as an internal service fund by MOSERS.

*Note: Numbers are based upon 6/30/13 data and there may be some duplicate employee counts in the totals listed above as some employees participate in more than one plan.*

MOSERS' retirement investments as of June 30, 2013, totaled \$6.9 billion based on market value. The Bank of New York Mellon serves as the master custodian of assets and provides the official book of record for investment valuations and performance reporting.

The life and long-term disability insurance programs are currently insured by The Standard Insurance Company.

The previous audit of MOSERS was performed by Williams-Keepers, LLC for the fiscal year ending June 30, 2013.

Michele Nix, Assistant Chief Finance Officer, will coordinate MOSERS working relationship with the Auditor. Michele Nix and Greg Beck, Chief Auditor will also assist the auditor on day-to-day contacts during the fieldwork.

To assist in the bid preparation process, the Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2012, has been enclosed. Additional information regarding MOSERS may be viewed online at <http://www.mosers.org>. The June 30, 2013 CAFR is currently in the process of being printed.

The state of Missouri Revised Statutes pertaining to MOSERS will be available upon request. All State of Missouri Statutes can be found at the following website: <http://www.moga.mo.gov/statutesearch>.

## 2. Financial Computer Systems

MOSERS uses Oracle owned PeopleSoft accounting software package for most all accounting functions, including general ledger and accounts payable. Payroll is currently outsourced to Columbia EDP. Benefit payments are processed with in-house developed software running on an IBM AS400 I Series.

Investment related transactions are currently posted monthly to the general ledger using reports received from the master custodian.

## 3. Organizational Responsibility for Financial and Facilities Oversight

The Financial and Fiscal Oversight department falls under the general supervision of the Chief Finance Officer who reports to the Deputy Executive Director - Chief Operations Officer. The remaining Finance staff includes the Assistant Chief Finance Officer, Accountant, Payables Specialist, and two Receivables Specialists.

## **II. NATURE OF SERVICES REQUIRED**

### **A. Scope of Work to be performed**

#### 1. Audit of Financial Statements

For the fiscal year ended June 30, 2014, the audit will include an examination of the financial statements of all accounts and funds of MOSERS. Such examination will be made in accordance with Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the laws of the state of Missouri. These standards require that the Auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

MOSERS desires the Auditor to express an opinion on the fair presentation of its financial statements in conformity with Generally Accepted Accounting Principles. Certain supplemental schedules prepared for additional analysis are not a required part of the basic financial statements. Such additional information will be subjected to the auditing procedures applied in the audit of the financial statements. An opinion will be issued on the fair presentation of this additional information, with respect to materiality, when considered in relation to the financial statements taken as a whole.

The Auditor's assistance and consultation may be required in implementing new GASB statements at a date to be determined by MOSERS, even if prior to the required effective date of the statements.

2. Additional Professional Services

From time-to-time, MOSERS may request the Auditor to perform other services not specifically provided for under this section. If such a request is made, the Auditor will submit a separate proposal for completing the engagement, along with a proposed fee schedule. MOSERS reserves the right to contract any additional audits or reviews with whomever it may choose.

**B. Auditing Standards to be followed**

To meet the requirements of this RFP, the audit will be performed in accordance with Generally Accepted Auditing Standards set forth by the AICPA.

The CAFR will be prepared by MOSERS in accordance with the standards promulgated by the GASB, in the format and with the content necessary in the opinion of the Chief Financial Officer to qualify for the Certificate of Achievement for Excellence in Financial Reporting issued by the Government Finance Officers Association of the US and Canada (GFOA).

**C. Reports to be issued**

1. Independent Auditor's Report on the Comprehensive Annual Financial Report (CAFR)

A report on the fair presentation of the financial Statements, in conformity with generally accepted accounting principles is to be issued. MOSERS retains responsibility for the preparation and printing of the CAFR.

Reports of examination of the financial statements will:

- a. state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards, and
- b. include an opinion as to whether the statements present fairly in accordance with generally accepted accounting principles.

2. Management Letter

- a. The management letter will detail audit findings and recommendations regarding financial statements, internal controls, accounting, information systems, and legality of actions, instances of noncompliance with laws and regulations and any other material matters. If no reportable conditions are noted during the audit, the

Auditor will state such in writing in a letter addressed to the Executive Director.

- b. The management letter will be reviewed in draft form with the Chief Finance Officer, the Chief Auditor, and any other applicable member of MOSERS' management in order to determine that the observations reflect an accurate understanding of MOSERS' policies and procedures.
- c. The Auditor will report any significant deficiencies in the design or operation of the internal control structure which could adversely affect MOSERS ability to record, process summarize and report financial data consistent with assertions of management in the financial statements. In addition, the Auditor will report significant opportunities for internal control improvements or increased efficiencies requiring action by MOSERS' management or the Board.
- d. The Auditors will be required to make an immediate, written report to MOSERS' Executive Director if there are any material irregularities and/or illegal acts or indications of illegal acts of which they become aware.
- e. The Auditors will ensure themselves that the Board is informed of each of the following:
  - i. The Auditor's responsibility under Generally Accepted Auditing Standards
  - ii. Significant accounting policies
  - iii. Management judgments and accounting estimates
  - iv. Significant audit adjustments
  - v. Disagreements with management
  - vi. Major issues discussed with management prior to retention
  - vii. Difficulties encountered in performing the audit

#### **D. Special Considerations**

MOSERS has earned the Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA for the past twenty-four years. It is MOSERS' objective to retain the Certificate. The Auditors will provide all reasonable assistance and advice to MOSERS to ensure that the Certificate is retained.

#### **E. Work Paper Retention and Access to Work Papers**

All work papers and reports will be retained, at the Auditor's expense for a minimum of five years unless the Auditor is notified in writing by MOSERS of the need to extend the retention period. The Auditor will be required to make the work papers available upon request of representatives of federal and state agencies, including the State Auditor's Office, and of MOSERS. In addition, the Auditor will respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance.



## **F. Conferences**

The following conferences are to be conducted with the Chief Finance Officer or other MOSERS' personnel as needed:

1. Entrance conference prior to interim work
2. Exit conference at conclusion of interim work
3. Entrance conference at beginning of fieldwork
4. Progress conferences as requested during fieldwork
5. Exit conference at end of fieldwork
6. Conference when draft copy of management letter is prepared
7. Presentation of management letter to the Board, if requested

## **III. TIME REQUIREMENT**

### **A. RFP Calendar**

The following is a list of key dates up to and including the date for notification of the selected Auditor:

RFP issued	October 15, 2013
Due date for response to request	December 2, 2013 3:00 p.m. CST
Interviews with respondents (if necessary)	December 16-18, 2013
RFP response evaluations by MOSERS' staff	December 31, 2013
Board approval	January 2014 Board Meeting
Selected Auditor notified	on or before January 31, 2014

### **B. Schedule for Audit**

The Auditor may begin interim work at any time after the contract is awarded, although MOSERS expects as much advanced notice regarding scheduled audit times as possible. A schedule of required documents to be prepared by the Plan staff and a list of all audit confirmations letters will be prepared after the interim fieldwork is completed.

During the months of July through October, MOSERS' staff will prepare a draft copy of all the required financial statements as well as the notes to the financial statements of the annual financial report. The Auditor will review this document and assist MOSERS in making changes that will satisfy the requirements of the Certificate of Achievement program. The actuarial valuations are completed in the month of September. The actuarial and statistical sections are updated subsequent to receiving these evaluations. A final CAFR is generally printed by MOSERS' staff by November of each year.

#### **IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

##### **A. MOSERS' Staff**

The Financial and Fiscal Oversight Section staff will be available during the audit to assist the Auditor by providing information, documentation and explanations. MOSERS' Chief Auditor (internal) will also be available to assist with any internal control related issues. Any requirements for computer time and/or system documentation will be coordinated through the Assistant Chief Finance Officer.

##### **B. Prior Audits**

Williams-Keepers, LLC has conducted the audit of the financial records for the fiscal years ended June 30, 2006 through 2013. Prior to fiscal year 2006, the audits were conducted by KPMG, LLP for the fiscal years ended June 30, 1987 through 2005.

##### **C. Statements and Schedules to be prepared by MOSERS**

MOSERS will prepare all financial statements, schedules, footnotes, the introductory, actuarial, investment and statistical sections of the CAFR.

The Chief Finance Officer and the Auditor will decide at the interim and fieldwork conferences which work papers and confirmations are to be prepared by MOSERS' staff.

##### **D. Work Area and Equipment**

MOSERS will provide the on-site space and facilities necessary for the Auditor to conduct the examination. In addition, all information, data, reports and records necessary for carrying out the work will be furnished to the Auditor, and MOSERS will cooperate with the Auditor in every reasonable way to ensure timely completion of the audit. The Auditor will also be provided with access to telephone lines, certain computer systems, photocopying facilities, and a fax machine.

#### **V. RFP REQUIREMENTS**

##### **A. General Requirements**

###### **1. Inquiries**

Please refer any requests for information about this RFP to:

Michele L. Nix, Assistant Chief Finance Officer

PO Box 209

Jefferson City, MO 65102

Phone: 573-632-6124

Fax: 573-632-6124  
Email: [michelen@mosers.org](mailto:michelen@mosers.org)

Any accounting firm notifying the retirement system of its intent to bid will be kept updated with clarifications or additional information provided to other Auditors. The retirement system reserves the right, where it may serve the system's best interests, to request additional information or clarification from auditors or to allow corrections of errors or omissions. The retirement system also reserves the right to reject any or all proposals submitted.

2. Submission of Responses to RFP

- a. To simplify the review process and obtain the maximum degree of comparison, the responses to the RFP should be organized in the following manner:
  - i. Title Page  
Show the RFP subject, the name of the firm, local address, telephone number, fax number, name of contact person, and the date.
  - ii. Table of Contents  
Include a clear identification of the material by section and by page number.
  - iii. Letter of Intent  
Include a signed letter of intent which briefly states the respondent's understanding of the work to be done and a positive commitment to perform the work within the required time period. It will also state that the response to the RFP is a firm and irrevocable offer through January 31, 2014.
  - iv. Detailed Responses  
Follow the order set forth in Section V.B. of this RFP.
  
- b. The Auditor will submit an electronic version of their completed response to the RFP to Michele Nix at [michelen@mosers.org](mailto:michelen@mosers.org). The Auditor will also submit a signed paper copy to Michele Nix at the following US Postal Service address:

**Mailing: Missouri State Employees' Retirement System  
PO Box 209  
Jefferson City, MO 65102  
Attn: Michele L. Nix, Assistant Chief Finance Officer**

**Delivery: 907 Wildwood Drive  
Jefferson City, MO 65109**

If the response to the RFP will be submitted by mail, it must be received by MOSERS no later than the date and time set out in the RFP calendar. Hand carried responses to the RFP may be delivered between 8:00 A.M. and 3:00 p.m. CST through the date set out in the RFP calendar. All responses be in a sealed envelope with the respondent name, address and RFP subject shown on the outside.

**B. Response to the RFP**

The purpose of the response to the RFP is to demonstrate the qualifications and competence of the Auditors seeking to undertake an independent audit of MOSERS in conformity with the requirements of this RFP. As such, the substance of responses will carry more weight than their form or manner of presentation.

The response will provide a straightforward, concise description of the respondent capabilities. The response will include at least the following:

1. **Mandatory Elements**

a. *Independence*

The Auditor will provide an affirmative statement that it is independent as defined by the Comptroller General of the United States in the Government Auditing Standards of MOSERS as to relationships between MOSERS management and the Auditor and members of the Auditor's staff with regard to any other work performed by the Auditor for MOSERS which might impair the Auditor's independence and objectivity.

b. *No Conflict of Interest*

The Auditor will also list and describe any professional relationships involving MOSERS or its management staff for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

c. *Licensed to Practice in Missouri*

The Auditor will provide an affirmative statement indicating that the Auditor is properly licensed to practice in Missouri.

d. *Business Continuity*

Describe the firm's business continuity plan and how the plan considers audit engagement.

e. *Quality Control Review*

The Auditor will submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

- f. *Quality Record*  
The Auditor will provide information on the results of any federal or state desk reviews or field reviews of its local office audits during the past three years. In addition, the Auditor will provide information on the circumstances and status of any disciplinary action taken or pending against the Auditor during the past three years with state regulatory bodies or professional organizations. The Auditor will identify any pending litigation involving the firm.

- g. *Ethics*  
The Auditor will provide the name of their ethics officer or the person responsible for overseeing firm compliance with the firm's ethics policies. The Auditor will also provide a brief description of the duties of the ethics officer or the person assigned the task of overseeing the firm's ethics policy.

The Auditor will provide a summary of any published articles (written in the past 5 years) relating to alleged ethical lapses at the firm and provide a firm's response to the alleged allegations whether published or non-published. If there have been no allegations of ethical lapses in the past 5 years, the Auditor must state so in the response to the RFP.

The Auditor must state whether or not the firm is subject to any on-going investigation by any regulatory agency. Regulatory agencies include, but are not limited to the following: Securities and Exchange Commission, New York Attorney General's Office, Public Company Accounting Oversight Board (PCAOB), New York Stock Exchange (NYSE), National Association of Securities Dealers, Inc. (NASD), Office of the Comptroller of Currency or any of the commodity clearing houses.

- h. *Equal Employment Opportunity (EEO)*  
The Auditor will provide a statement describing the Auditor's commitment to Equal Employment Opportunity.
- i. *Affirmative Action Program*  
The Auditor will provide a statement describing the Auditor's commitment to develop, implement, and maintain an affirmative action program.
- j. *RFP Instruction Adherence*  
The Auditor must adhere to the instructions in this RFP on preparing and submitting the response.
- k. *Political Contribution Policy (see Appendix D)*  
The Auditor must abide by MOSERS' Political Contribution policy.

2. Similar Engagements with Other Retirement Systems or Plans

The Auditor will list all retirement plans or similar audit engagements performed in the last three years. For each engagement, the Auditor will

indicate the scope of work, date, engagement partners, the number of years served and manager assigned for most recent year, whether the firm continues to serve as the auditor, and the name and telephone number of the principal client contact.

### 3. Firm's Qualifications and Experience

- a. The Auditor will state whether it is local, regional, national or international firm.
- b. The Auditor will state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time and a part-time basis.
- c. The Auditor will state the number of partners, managers, supervisors, seniors and other professional staff employed at the performing office.
- d. If the Auditor is a joint venture or consortium, the qualifications of each Auditor comprising the joint venture or consortium will be separately identified; and the Auditor that is to serve as the principal Auditor will be noted, if applicable.
- e. The Auditor will describe the range of activities and the percentage of professional billings performed by the firm such as auditing, accounting, tax service or management advisory services.
- f. The Auditor will discuss policies regarding staff education and development.
- g. The Auditor will identify the principal supervisory and management staff, including engagement partners, audit managers, other supervisors and specialists, who would be assigned to the engagement and an affirmative statement indicating current license to practice within the state of Missouri.
- h. The Auditor will describe firm's experience using and evaluating actuarial information.
- i. The Auditor will demonstrate a commitment to governments by identifying participation in activities such as Special Review Committees of the GFOA Certificate of Achievement Program and active participation in the governmental accounting standards process.

### 4. Professional Fees

- a. The Auditor must provide price(s) for all requirements as set forth in this Request for Proposal. All prices must be shown on the *Pricing Page*, Exhibit A, of this RFP which must be completed, signed, and returned with the Auditor's proposal.
- b. The Auditor should provide an itemized breakdown of the quoted price for the fiscal year 2013 audit on the attached sheet, entitled *Price Analysis*, Exhibit B.

- c. The original contract period shall be as stated in the Request for Proposal (RFP). The contract shall not bind, nor purport to bind, the Plan for any contractual commitment in excess of the original contract period. The Plan shall have the right, at its sole option to renew the contract for four (4) additional one-year periods, or any portion thereof.

In the event the Plan exercises such right, all terms, conditions, and provisions of the contract shall remain the same and apply during the renewal period, pursuant to applicable option clauses of this document.

If the option for renewal is exercised by the Plan, the Auditor shall agree that the prices stated in the original contract shall not be increased in excess of the maximum price stated for the applicable renewal period stated on the pricing page, Exhibit A, of the contract.

If the renewal prices are left blank on the pricing page then prices during renewal periods shall be the same as during the original contract period.

The Plan does not automatically exercise its option for renewal based upon the maximum increase and reserves the right to offer or to request renewal of the contract at a price less than the maximum

## **VI. EVALUATION PROCEDURES**

### **A. Selection Process**

Responses to the RFP will be reviewed by MOSERS' staff. Based on this review, interviews with MOSERS' staff may be scheduled with the Auditors considered to be the best qualified.

### **B. Evaluation Criteria**

Responses to the RFP will be evaluated using the criteria noted in Section V.B. The Auditors meeting these mandatory criteria will have their responses evaluated and scored for both technical qualifications and fees.

The award of any contract will be made on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price.

### **C. Verbal Presentations**

At the discretion of the Plan, the Auditors submitting responses may be requested to

make verbal presentations as part of the evaluation process.

In all interviews held with the Auditor, the proposed audit partner and manager for the Plan's engagement and the individual who will have on-site responsibility for the audit (if a person other than the partner or manager) must be present.

## **VII. FINAL SELECTION**

Final selection of the Auditor will be made by the MOSERS Board of Trustees.

### **A. Contractual Agreement**

The contract to be awarded by the Plan for audit services, as identified in this RFP, will be for a period of one year.

The Respondent will include certification that the person signing the response for RFP is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with MOSERS by including the following wording:

*"I hereby certify that I have read all items of this RFP and fully understand the requirements listed herein. I further certify that I am an authorized agent of the Respondent empowered to submit the response to the RFP, and authorized to sign a contract with the Plan."*

A copy of this RFP as well as the successful response to the RFP will be attached to the contract.

### **B. Right to Reject**

Submission of a response to the RFP indicates acceptance by the Respondent of the conditions contained in this RFP unless clearly and specifically noted in the response submitted and confirmed in the contract between MOSERS and the Respondent selected.

MOSERS reserves the right to reject any and all responses to the RFP submitted without any obligation or payment for costs incurred by proposing Respondents. MOSERS reserves the right, where it may serve MOSERS' best interest, to request additional information or clarification from any respondent, to allow corrections of errors or omissions, or to discuss points in the response to the RFP before and after submission, all of which may be used in forming a recommendation. MOSERS reserves the right to waive any and all formalities contained within this RFP except for the deadline for filing. Responses to the RFP received late will not be considered. MOSERS reserves the right to retain each response submitted and to use any aspect of the response to the RFP regardless of whether that respondent is selected.



### C. **Open Records**

Copyrighted proposals are unacceptable and will be disqualified as non-responsive. Following the award of a contract, responses to this RFP are subject to release as public information unless the response or specific parts of the response can be clearly shown to be exempt from the “Open Records” law of the state of Missouri. Respondents are advised to consult with their legal counsel regarding disclosure issues and take the appropriate precautions to safeguard proprietary information. The Plan assumes no obligation or responsibility for asserting legal arguments on behalf of any respondent to this RFP.

### D. **Competitive Negotiation of Proposals**

The Auditor is advised that under the provisions of this RFP, MOSERS reserves the right to conduct negotiations of the proposals received or to award a contract without negotiations. If such negotiations are conducted, the following conditions shall apply:

1. Negotiations may be conducted in person, in writing, or by telephone.
2. Negotiations will only be conducted with potentially acceptable proposals. MOSERS reserves the right to limit negotiations to those proposals which received the highest rankings during the initial evaluation phase.
3. Terms, conditions, prices, methodology, or other features of the Auditor’s proposal may be subject to negotiation and subsequent revision.
4. The mandatory requirements of the RFP shall not be negotiable and shall remain unchanged unless MOSERS determines that a change in such requirements is in the best interest of MOSERS. In such case, the change(s) shall apply to all proposals.
5. As part of the negotiations, the Auditor may be required to submit supporting financial, pricing and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
6. All Auditors involved in the negotiation process will be invited to submit a best and **final** offer.

**APPENDIX A**  
**PRICING PAGE**

1. The Auditor must state a firm, fixed price for the audit to provide audit services as described herein, in accordance with the terms and conditions of this document.

Firm, Fixed price for Financial and Compliance Audit of the Fiscal Year Ended June 30, 2014:

\$\_\_\_\_\_ Total

2. The Auditor must state a maximum price for each audit listed below for each contract renewal option period. Before completing this section, the Auditor should review the provisions for renewal options contained in Section V.B.3 of this document.

First Renewal Period

Maximum price for Financial and Compliance Audit of the Fiscal Year Ended June 30, 2015:

\$\_\_\_\_\_ Total

Second Renewal Period

Maximum price for Financial and Compliance Audit of the Fiscal Year Ended June 30, 2016:

\$\_\_\_\_\_ Total

Third Renewal Period

Maximum price for Financial and Compliance Audit of the Fiscal Year Ended June 30, 2017:

\$\_\_\_\_\_ Total

Fourth Renewal Period

Maximum price for Financial and Compliance Audit of the Fiscal Year Ended June 30, 2017:

\$\_\_\_\_\_ Total

---

AUTHORIZED SIGNATURE

DATE

## APPENDIX B

### Pricing Analysis

#### Individual Pricing Components:

##### Professional Personnel:

NAME	RATE/HOUR	EST. NUMBER OF HOURS
1. Audit Partner(s)		
2. Audit Manager		
3. Audit Senior		
4.		
5.		
6.		
7.		
8.		
9.		

##### Support Personnel:

NAME	RATE/HOUR	EST. NUMBER OF HOURS
1.		
2.		
3.		
4.		
5.		

**Specify cost for any materials, equipment & supplies: \$**

**Specify cost detail for any additional work necessary: \$**

**Travel and other costs associated with audit: \$**

**Other components not included above: \$**

**Total number of hours for audit:**

**Total Price: \$**

*(Total price must agree with year one bid with changes for each year following.)*

## **Appendix C**

### **Federal Work Authorization Program Policy**

Effective January 1, 2009, MOSERS is notifying any vendor where the purchase of goods or services is in excess of five thousand dollars that as a condition for the award of contract, the vendor shall be enrolled and participate in a federal work authorization program with respect to the employees working in connection with the contracted services and shall not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

We appreciate your cooperation with MOSERS to prevent and discourage the employment of unauthorized aliens within the state of Missouri. If you have any questions, please refer them to Jake McMahon, our internal legal counsel, at (573) 632-6114 or jakem@mosers.org.

## **Appendix D**

### **Political Contribution Policy**

The Executive Director shall advise all external service providers in writing that the Board of Trustees has taken the position that it is inappropriate and unethical for any outside service provider to make any political contribution with the intent of influencing a purchasing, hiring or firing decision made at MOSERS and shall provide a copy of this policy to all current service providers. The Executive Director shall also notify all external service providers that a violation of this policy may lead to termination of employment or prohibition from hiring. If the Executive Director has reason to believe that this policy may or will be violated by an external service provider, the Executive Director shall require the external service provider (including owners and key employees) to disclose political contributions made to any incumbent or candidate for state office in the last two years and shall provide written notice to the Board in the event the disclosure reveals any such contributions were so made.