

**Maine Public Employees Retirement System
Request for Proposals 2016-003
Audit Services**

1. The Maine Public Employees Retirement System (MainePERS) is a quasi-governmental agency operating in Augusta, Maine. For more information about MainePERS please visit our website at www.maineopers.org.
2. **Scope:** The objective of this Request for Proposals (“RFP”) is for MainePERS to procure the services of a qualified independent audit firm to perform the independent audit of the Annual Financial Statements and the Schedules of Employer Allocations and Pension Amounts by Employer, as prepared by management, beginning with the fiscal year ending June 30, 2016.
3. **Definition of Parties:** Respondents to this Request for Proposal (RFP) will hereinafter be referred to as “Bidders,” and the Bidder to whom the contract is awarded will hereinafter be referred to as the “Contractor.”
4. **Description of Requirements:** Attachment A describes the products and/or services to be provided by the Contractor to MainePERS pursuant to this RFP.
5. **Terms of Contract:** The Contractor will be required to enter into MainePERS’ standard contract, a copy of which may be found at Attachment B.
6. **Insurance:** The Contractor will be required to obtain, maintain, and provide proof of the following minimum insurance coverage unless the Contractor convinces MainePERS that the Contractor should be exempt from this requirement or subject to a lesser minimum insurance coverage:
 - a. Comprehensive or Commercial General Liability - \$2,000,000;
 - b. Workers’ compensation coverage as required by the insurance laws of the State of Maine.
7. **Qualifications:** Each Bidder must demonstrate a minimum of 10 years of experience in the business of providing the services and products described in this RFP and have access to appropriate resources to perform as necessary to meet the obligations of this RFP. Principal supervisory and management staff, including engagement partners, audit managers, and other supervisors or specialists assigned to the engagement must be properly licensed to practice in the State of Maine.
8. **Substantive Questions:** All substantive questions must be submitted in writing via e-mail to sherry.vandrell@mainepers.org no later than 5:00 p.m. EST on March 25, 2016. Answers to substantive questions will be issued no later than 5:00 p.m. EST on April 1, 2016.
9. **Bidders’ Conference:** A Bidders’ conference call for this RFP will be held at 11:00 a.m. on March 21, 2016. Participants must register in advance for this call by calling (207) 512-3190 no later than March 18, 2016. During the conference questions may be asked regarding the

RFP. MainePERS may provide answers to questions at that time or provide a written response. All participants in the Bidders' conference will receive a copy of the written response to questions.

10. **Evaluation Committee:** An Evaluation Committee or person will review, evaluate and score all proposals. Following a preliminary review of all proposals submitted by the deadline, the Evaluation Committee or person may or may not interview those Bidders whose proposals have received the highest scores. The interview would be an opportunity for a Bidder to respond to questions and to clarify its proposal. It will not be an opportunity for the Bidder to submit new information not included in the original proposal submitted. If interviews of the top scoring Bidders are conducted, the Evaluation Committee or person will conduct a post-interview review of the proposals and any further clarification as conveyed through the interview process. Bids will be evaluated using the following weighted criteria:

CRITERIA	WEIGHT
Qualifications	75%
Price	25%

11. **Proposal Package:** Proposals must be submitted by email and include the following:

- a. Transmittal email which shall include:
 - i. Name and address of the Bidder;
 - ii. Name, title, telephone number, and email address of the contact person for the Bidder;
 - iii. A statement that the proposal is in response to this Request for Proposal; and
 - iv. The Bidder's federal tax I.D. number.

- b. As an attachment to the transmittal email, a PDF file containing the substance of the proposal, including the following mandatory items:
 - i. An executive summary of the proposal;
 - ii. A description of the Bidder's business, a summary of the Bidder's experience (including any experience with MainePERS), any other information that the Bidder believes is material to its qualifications, and at least three (3) government sector client references for whom the Bidder has provided similar services within the past five years;
 - iii. A designation of the individual who will serve as lead auditor/audit manager for the audit and curriculum vitae for each auditor who will work on this project;
 - iv. A statement that all provisions of Attachment B are acceptable or specifically state any objections to any provisions and provide alternative language; and
 - v. A completed and signed Price Sheet (attached hereto as Attachment C), stating a flat rate for all services.

- c. All proposals are due no later than 2:00 p.m. EST on April 18, 2016. Only proposals received as of 2:00 p.m. will be considered. Proposals must be submitted by email to sherry.vandrell@mainepers.org. Mailed, faxed, or hand delivered proposals will not

be considered. Bidders will receive an email acknowledging receipt of their proposal. A Bidder who has submitted a proposal and not received an acknowledgment should call Sherry Vandrell at (207) 512-3320.

12. **Award:** The contract will be awarded to the Bidder whose proposal receives the highest score following the final review.
13. **Award Notification:** All Bidders will be notified of the award decision in writing. MainePERS will initiate contract negotiations with the selected Bidder. Should MainePERS be unable to reach an acceptable contract agreement with the selected Bidder, MainePERS reserves the right to withdraw the award and to make an award in favor of the Bidder whose proposal received the next highest score.
14. **Rights of MainePERS:** The Request for Proposal does not commit MainePERS to award a contract. MainePERS reserves the right to accept or reject any or all proposals received. MainePERS reserves the right not to check any or all references. MainePERS has the right to interview any or all Bidders after the RFP deadline. MainePERS may also cancel or amend this Request for Proposal in part or in its entirety at any time.
15. **Timeline for this RFP:** MainePERS has developed the following list of key events related to this RFP. All dates are subject to change at the discretion of MainePERS.

EVENT	DATE
RFP Issued	March 4, 2016
Registration Deadline for Bidders' Conference	March 18, 2016
Bidders' Conference	March 21, 2016
Deadline for Questions	March 25, 2016
Questions Answered	April 1, 2016
Proposal Due Date	April 18, 2016
Evaluation of Proposals	April 19-22, 2016
Execution of Contract	April 29, 2016
Contract Start Date	May 9, 2016

Attachment A
Specifications of Work to be Performed
and Products to be Provided

The Contractor will perform independent audits of MainePERS' financial statements beginning with those as of and for the year ended June 30, 2016 in accordance with auditing standards generally accepted in the United States of America – *Government Auditing Standards* issued by the Comptroller General of the United States. The audit will include a review and evaluation of internal controls. Additionally, the Contractor will perform an audit of the Schedules of Employer Allocations and Pension Amounts by Employer, prepared by MainePERS to provide pension related financial information for each of its participating employers for use in reporting in accordance with the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

The audits will result in two written reports, addressed to the Board of Trustees of the Maine Public Employees Retirement System, expressing the Contractor's opinion on the financial statements of MainePERS and on the Schedules of Employer Allocations and Pension Amounts by Employer. In addition, the Contractor will issue a written report on internal controls over financial reporting and on compliance and other matters based on the audit performed in accordance with Government Auditing Standards.

Final audited financial statements must be presented to the Finance and Audit Committee of the Board of Trustees and the full Board of Trustees at a special meeting for this purpose expected to be held on the last Friday in October. Final approved audited financial statements are required to be submitted to the State of Maine annually by November 1. Final audited Schedules of Employer Allocations and Pension Amounts by Employer should be complete not later than January 31st of each year.

MainePERS is a participant in the Government Finance Officer's Association's (GFOA) *Certificate for Excellence in Financial Reporting*, having received the certificate for the eleventh consecutive year for the 2014 Comprehensive Annual Financial Report (CAFR). The Contractor, as part of this engagement, will review MainePERS' CAFR in relation to the GFOA requirements for this program and provide reasonable assistance or advise prior to management finalizing the CAFR. To be eligible to participate in this program, MainePERS must finalize and submit its CAFR prior to the last day in December each year.

For more information about the plans administered by MainePERS, please see MainePERS' most recent CAFR and other information posted at www.maineper.org.

Attachment B
AUDIT SERVICES AGREEMENT

THIS AUDIT SERVICES AGREEMENT (“Agreement”) is made this ____ day of _____, 2016 by and between the MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (“MainePERS”) and _____ (the “Contractor”).

NOW, THEREFORE, MainePERS and the Contractor hereby agree as follows:

Section 1 SERVICES OF THE CONTRACTOR

- 1.1 Scope of Services. The Contractor shall furnish services as requested by MainePERS and as set forth in the Audit Services Request for Proposals, Number 2016-003, issued February 17, 2016 (“RFP”) and the Contractor’s proposal in response to the RFP, which are incorporated herein by reference and portions of which are attached hereto as Exhibits 1 and 2, respectively.
- 1.2 Compliance with Law. The Contractor warrants and represents that it will comply with all governmental ordinances, laws and regulations. This Agreement shall be governed in all respects by the laws, statutes and regulations of the United States of America and the State of Maine. Any judicial proceeding brought by one party against the other party shall be brought in the courts of the State of Maine.
- 1.3 Licenses, Permits, and Fees. The Contractor shall obtain, at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.
- 1.4 Insurance. The Contractor shall keep in force insurance as specified in the RFP issued by a company licensed to do business in the State of Maine. Prior to the execution of this Agreement, and subsequently at the request of MainePERS, the Contractor shall furnish MainePERS with written or photocopied verification of the existence of such insurance.

Section 2 COMPENSATION

- 2.1 Contract Pricing. [To be filled in.]
- 2.2 Method of Payment. [Invoicing and payment terms to be filled in.]
- 2.3 Independent Contractor. In the performance of this Agreement, the parties hereto agree that the Contractor, and any agents and employees of the Contractor, shall act in the capacity of an independent contractor and not as officers or employees or agents of MainePERS.

Section 3 COORDINATION OF WORK

3.1 Agreement Administrator. Sherry Vandrell is hereby designated to be the MainePERS Agreement Administrator during the term of this Agreement (“Agreement Administrator”). MainePERS shall have the right to designate another Agreement Administrator upon written notice to the Contractor. All invoices, correspondence and related submission from the Contractor shall be submitted to:

Sherry Vandrell, Agreement Administrator
Maine Public Employees Retirement System
P.O. Box 349
Augusta, ME 04332-0349

3.2 Amendments. This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto, if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

3.3 Assignment. The Contractor shall not assign or subcontract the whole or any part of this Agreement without the prior written consent of MainePERS, and any attempt to so assign or subcontract shall be invalid. No assignment shall relieve the Contractor of its obligations hereunder. This Agreement will be binding upon the Contractor’s successors and permitted assignees.

Section 4 TERM

4.1 Term. Unless earlier terminated by MainePERS in accordance with subsection 4.2 below, the term for this Contract shall begin on May 9, 2016, and shall continue until March 1, 2021 unless renewed, except that subsections 5.5, 5.7, 5.8, and 5.9 below shall survive.

4.2 Termination. MainePERS may terminate this agreement for any reason by giving the Contractor at least 30 days written notice of termination.

Section 5 MISCELLANEOUS PROVISIONS

5.1 Conflicts of Interest. No member of the MainePERS Board of Trustees or individual employed by MainePERS at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly that would constitute a violation of 17 M.R.S. § 3104. No other individual employed by MainePERS at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly due to the individual’s employment by or financial interest in the Contractor or any affiliate of the Contractor, without the written consent of MainePERS.

5.2 Background Checks. The Contractor shall perform a criminal background check on all of its employees who perform work on MainePERS’ property. The Contractor’s employees performing work on MainePERS’ property must not have been convicted of a felony or any

crime involving theft. A list of employees authorized to work on MainePERS' property and the results of their background checks shall be provided to MainePERS by the Contractor upon request.

- 5.3 ID Badges. All employees of the Contractor shall wear on their person an ID badge or wear a uniform containing the Contractor's business name.
- 5.4 Unauthorized Persons. Unless specifically authorized by the Agreement Administrator, under no circumstance shall another person or persons accompany the Contractor or the Contractor's employees onto MainePERS' property while the Contractor is conducting work under this contract.
- 5.5 Confidential Information/Security. Confidentiality of MainePERS information is required. All materials and documents located in MainePERS buildings shall constitute confidential information. The Contractor shall maintain confidentiality in accordance with industry standards and State and federal law. Neither the Contractor nor its employees will disclose, release or communicate any confidential information to any third person, individual, organization or entity without specific authorization by MainePERS. Any violation or breach of this provision will constitute grounds for immediate termination of the Agreement and shall entitle MainePERS to all remedies available in law or equity.
- 5.6 Solicitors. The Contractor warrants that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement and that it has not paid, or agreed to pay, any company or person, other than a bona fide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon, or resulting from the award for making this Agreement. For breach or violation of this warranty, MainePERS shall have the right to annul this Agreement without liability or, in its discretion to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.
- 5.7 Access to Records. The Contractor shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to this Agreement for a period of seven (7) years following termination of this Agreement. The Contractor shall allow inspection of pertinent documents by MainePERS or its authorized representatives at the Contractor's office upon reasonable notice and shall furnish copies of the documents if requested.
- 5.8 MainePERS Held Harmless. The Contractor agrees to indemnify, defend, save and hold harmless MainePERS and its officers, trustees, agents and employees from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description (hereinafter in this paragraph referred to as "claims") resulting from or arising out of the performance of this Agreement by the Contractor, its employees, agents, or subcontractors. Claims to which this indemnification applies include, but without limitation, the following: (i) claims suffered or incurred by any contractor, subcontractor, material provider, laborer and any other person, firm, corporation or other legal entity (hereinafter in this paragraph referred to as "Person") providing work, services, materials, equipment or supplies in connection with the performance of this Agreement; (ii) claims suffered or incurred by any Person who may be otherwise injured or damaged in the

performance of this Agreement; and (iii) all legal costs and other expenses of defense against any asserted claims to which this indemnification applies. This indemnification does not extend to a claim that results solely and directly from (i) MainePERS negligence or unlawful act, or (ii) action by the Contractor taken in reasonable reliance upon an instruction or direction given by an authorized person acting on behalf of MainePERS in accordance with this Agreement.

- 5.9 Notice of Claims. The Contractor shall give the Agreement Administrator immediate notice in writing of any legal action or suit filed related in any way to this Agreement or which may affect the performance of the Contractor under this Agreement.
- 5.10 Severability. The invalidity or unenforceability of any particular provision or part thereof of this Agreement shall not affect the remainder of said provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.
- 5.11 Force Majeure. The performance of an obligation by a party under this Agreement shall be excused in the event that performance of that obligation by that party is prevented by an act of God, act of war, riot, fire, explosion, flood or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, or strike or labor dispute, provided that any such event and the delay caused thereby is beyond the control of, and could not reasonably be avoided by, that party. In the event of the Contractor's non-performance caused by any of the foregoing reasons, MainePERS may, at its discretion, extend the time period for performance of the obligation excused under this section by the period of the excused delay together with a reasonable period to reinstate compliance with the terms of this Agreement.
- 5.12 Entire Agreement. This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to the Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of the Agreement, or to exercise an option or election under the Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option or election, but the same shall continue in full force and effect, and no waiver by any party of any one or more of its rights or remedies under the Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy under the Agreement or at law.

IN WITNESS WHEREOF, MainePERS and the Contractor, by their representatives duly authorized, have entered into this Agreement as of the date first written above.

Maine Public Employees
Retirement System

Company Name

Its:

Its:

EIN or SSN: _____

**Attachment C
Price Sheet**

First Year Price: _____
Second Year Price: _____
Third Year Price: _____
Fourth Year Price: _____
Fifth Year Price: _____

Any Special Payment Terms: _____

Any Additional or Explanatory Information: _____

Bidder Name: _____

Bidder Signature (written): _____ Date: _____

Bidder Address: _____

