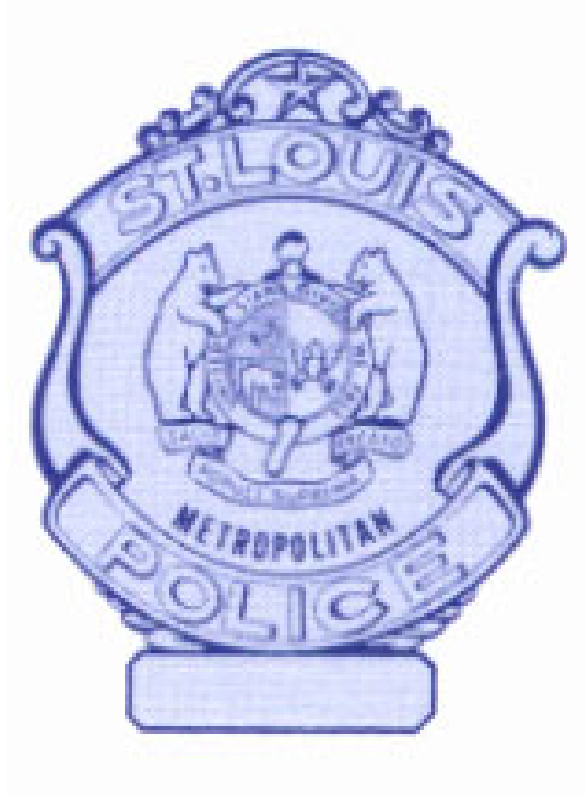


**THE POLICE RETIREMENT SYSTEM
OF ST. LOUIS**

2020 MARKET STREET
SAINT LOUIS, MISSOURI 63103



RFP Audit Services
Issued May 8, 2023

Request for Proposal
Issued: May 8, 2023
Audit Services

Proposal Closing Date/Time: Wednesday, June 14, 2023 at 4:00 PM CDT
Awarded/ Purchase Order Let: Within 60 days of Bid Closing

REQUEST FOR PROPOSALS (RFP)

AUDIT SERVICES

OBJECTIVE

The objective of this Request for Proposals (“RFP”) is to identify the firm that can provide the highest quality audit services to the Board of Trustees (“Board”), Police Retirement System of St. Louis (“PRS-STL”), as outlined herein.

INSTRUCTIONS:

1. SEALED PROPOSALS:

Responses to this proposal shall be submitted in a sealed envelop clearly identified as “PROPOSAL FOR AUDIT SERVICES” and mailed or delivered to:

Mr. Mark Lawson
Executive Director
Police Retirement System of St. Louis
2020 Market Street
St. Louis, MO 63103

Proposals must be labeled on the outside of the package to clearly indicate that they are in response to the RFP FOR PRS-STL AUDIT SERVICES. Proposals submitted via e-mail or facsimile will not be considered.

Each Respondent must submit one (1) sealed, complete, original proposal. Each Respondent must also submit four (4) sealed, complete and exact copies of the original proposal. Each Respondent must also submit a complete and exact electronic copy of the original proposal in portable document format (PDF), placed on a “flash drive” or “thumb drive” which must be accessible through a standard size USB port.

Proposals will be accepted until 4:00 pm, CDT, Wednesday, June 14, 2023, at which time all proposals properly received will be opened.

2. RESPONSES:

- a) 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.
- b) The response should include the background of the firm.
- c) 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

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.

- d) The response should include the turnover rate of key personnel, such as partners, managers, and seniors.
- e) The response should include the extent of minority participation in the firm, in ownership, partnership, professional employment, and support personnel.
- f) 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.)
- g) 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.
- h) Add any conditions or qualifications concerning the audit engagement as may be appropriate.
- i) It is essential that the Independent Public Accountant (“IPA”) certify that it has a certificate and permit to practice, issued by the Missouri State Board of Accountancy.
- j) 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-related departments and/or retirement systems affiliated with the City of St. Louis.
- k) Your proposal must be signed by an officer of your company and indicate that such officer is authorized to commit on behalf of your firm.
- l) In the event PRS-STL receives more than one proposal from any company, it shall request the company to review such proposals and advise which is the one proposal it wishes the PRS-STL to consider. Should the company not advise the PRS-STL, all proposals received from the company shall be rejected.

NOTE: At the time of contract award, the firm selected must provide proof that it is current with respect to all-applicable taxes and licenses.

3. QUESTIONS:

Any questions regarding this RFP should be submitted electronically to the Executive Director of the Police Retirement System of St. Louis at the following e-mail address: PRS@stlouisprs.org. All questions received shall be answered, summarized and posted on the following website: www.stlouisprs.org

Questions must be submitted no later than **4:00 p.m. CDT on Friday, June 2, 2023**. Contact with trustees or employees of PRS-STL, other than the aforementioned designated contact person, is strictly prohibited.

Following the submission due date, the trustees will review the proposals. A letter will be sent to the highest ranked respondent identifying who the firm should contact with respect to the engagement. The selection of this firm is tentative unless and until a contract is successfully negotiated and such contract has been approved by PRS-STL, through its Board, which may or may not approve the contract. PRS-STL reserves the right to negotiate any aspect of any proposal whatsoever.

The following tentative schedule has been established for the selection process:

Issue RFP	Monday, May 8, 2023
Last Date for Questions	Friday, June 2, 2023, 4:00 pm CDT
Closing Date for Proposals	Wednesday, June 14, 2023, 4:00 pm CDT
Finalists Scheduled for Presentations	Week of July 10, 2023 (if needed)
Notification of Selection	Thursday/Friday, July 29-30, 2023
Effective Date of Contract	Friday, September 1, 2023

SELECTION CRITERIA:

The following criteria will be used to evaluate responses and to select the finalists:

- A. Complete responses to all items, including the attached questionnaire;
- B. Ability to meet service requirements within specified time limitations;
- C. Experience in providing similar services to other public pension clients;
- D. Specialized experience, qualifications and technical competence of the firm, its principals, and those individuals to be assigned to this engagement;
- E. Quality of written proposals;
- F. Quality of oral presentation, if any;
- G. Service cost for a three-year term;
- H. Proximity of the firm to the City of St. Louis;
- I. Ability to provide innovative solutions;
- J. Past record and performance of the firm to perform the work with respect to schedule compliance, cost control, and quality of work;
- K. Availability of financial and operating resources as required to complete the work;
- L. Other items that arise as the result of the proposal or interview

Following review of the proposals received, PRS-STL may create a short list of proposals to consider based on the above referenced criteria. PRS-STL's Audit Services Committee may ask such proposing firms to make a presentation before the Committee or the Board.

TERMS and CONDITIONS

- A. PRS-STL reserves the right to reject any and all proposals and has the right to waive any irregularities or information at any time during the process until agreement has been executed by the parties.
- B. The award, if any, will be to the proposal which, in the opinion of PRS-STL and its Board, is in the best interest of PRS-STL, taking into consideration all aspects of the response, including but not limited to the total net cost.
- C. PRS-STL will not be responsible for any proposing firm's expenses incurred in the presentation of any proposal or presentation.
- D. PRS-STL and its Board reserve the right to cancel this RFP at any time; to void this RFP and the review process and/or terminate negotiations at any time; to revise any conditions and stipulations contained herein, as convenient or necessary; to further negotiate financial and other arrangements; to establish further criteria for selection; to ask respondent to submit additional information with respect to any aspect of respondent's submission whatsoever; and to negotiate with respondent as to any aspect of respondent's proposal whatsoever.
- E. By accepting this RFP and/or submitting a proposal in response thereto, respondent agrees for itself, its successors and assigns, to release, indemnify, and hold the Board, along with all of its various agents, trustees, directors, consultants, attorneys, officers and employees harmless from and against any and all legal liability such respondent, its representatives, agents, contractors, successors assigns may have against any of them as a result of issuing this RFP, revising this RFP, conducting the selection process and subsequent negotiations, making a final recommendation, selecting a contractor and/or negotiating or executing an agreement incorporating the commitments of the selected contractor.
- F. Respondent shall carefully examine this RFP and shall make all necessary investigations to fully respond and comply with all local conditions and requirements under which is to be performed. Respondent shall familiarize itself with all applicable federal, state and local statutes, regulations, ordinances relating to the conduct of work pursuant to this RFP, and shall comply with all applicable federal, state, and local laws, ordinances, and rules and regulations. No pleas of ignorance of conditions, statutes or ordinances will be accepted as an excuse for any failure or omission on the part of any respondent to comply with all applicable requirements.
- G. No proposal received after the specified date and time will be considered, unless the specified date and time included in this request document is extended or all proposals are rejected and a subsequent RFP is issued.

- H. All permits or licenses required by all applicable federal, state, local governments for conduct of work and provision of products pursuant to this RFP shall be obtained and paid for by the respondent.
- I. By submitting a response to this RFP, respondent acknowledges having read this RFP in its entirety and agrees to all terms and conditions set out in this RFP.
- J. By submitting a response to this RFP, respondent acknowledges and agrees that PRS-STL, through its Board, has the right to make any additional inquiry or investigation they deem appropriate to substantiate or supplement information contained in respondent's proposal, and authorizes the release to the Board and/or Board personnel and/or consultants of any and all information sought in such inquiry or investigation.
- K. Any misrepresentations or false statements contained in a response to this RFP, whether intentional or unintentional, shall be sufficient grounds for the PRS-STL to remove respondents from competitions for selection at any time.
- L. By submitting a response to the RFP, respondent commits that, if selected, respondent is willing and able to carry out the work proposed in accordance with the schedule proposed and as described in respondent's proposal.
- M. By submitting a response to this RFP, respondent acknowledges that:
 - a. This RFP is not a contract or a commitment of any kind by PRS-STL and/or its Board and does not oblige the Board to award a contract or to pay any cost incurred in the submission of a response. PRS-STL, through its Board, reserves the right to accept or reject in whole or in part, submittals received in response to this RFP, to negotiate with any qualified sources, to request and received additional information with respect to the respondent and/or respondent's proposal, or to cancel in whole or in part this RFP. Failure to provide any of the requested data within the specified submission period may cause PRS-STL to reject the submittal or require the data to be submitted forthwith.
 - b. All submitted materials will become the property of PRS-STL, may become public documents at any time during the selection process, and will become public documents at the conclusion of the selection process. Any and all documents submitted by the respondent may become public if and when they are submitted to any advisory or legislative public body, or pursuant to the Missouri Sunshine Law. All materials submitted in accordance with the RFP will become and remain the property of PRS-STL and will not be returned.

- c. The qualifications of each corporate and individual member of the respondent team are important criteria in the selection process. Any successfully negotiated contract as a result of this RFP shall state that the selected respondent will not be allowed to substitute any member of the respondent team without prior approval by PRS-STL and its Board. PRS-STL, through its Board, in its sole discretion, reserves the right to accept or reject proposed changes to the respondent team and/or to negotiate the composition of respondent teams. PRS-STL is not requiring respondent team members to form exclusive relationships with any one respondent for purposes of responding to this RFP. Team members may participate in multiple team submittals.
- d. By submitting a response to this RFP, respondent expressly waives any and all rights that it may have to object to, protest or judicially challenge the following:
 - i. Any part of this solicitation and RFP process, including but not limited to the selection procedure sections for the RFP; and
 - ii. The invitation, evaluation and award process, including but not limited to the review and analysis of qualifications of the respondents, evaluation of proposals, tentative or final selection of successful respondents, evaluation of proposal, or other aspects of the respondent selection and award.
- N. A respondent may submit an amended proposal before the deadline for receipt of proposal. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. PRS-STL will not merge, collate or assemble proposal materials.
- O. Respondents will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The respondent must submit a written withdrawal request signed by the respondent's duly authorized representative(s) addressed to PRS-STL's representative previously identified.
- P. In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. There are no designated dates for release of addenda. Therefore, interested respondents should check PRS-STL's website on a daily basis from time of RFP issuance through the closing date for submitting proposals as listed herein. It is the sole responsibility of the respondent to be knowledgeable of all addenda related to this RFP.
- Q. Any cost incurred in preparation, transmittal, or presentation of any proposal or material submitted in response to this RFP, including oral presentation and demonstration if required, shall be borne solely by the respondent.

- R. This RFP in no manner obligates PRS-STL and/or its Board to the eventual purchase of services offered until confirmed by an executed written contract approved by the Board, and has achieved any other required approvals. Progress toward this end is solely at the discretion of PRS-STL and its Board and may be terminated at any time prior to the signing of the Contract.
- S. This RFP, and any contract or agreement with respondents that may result, shall be governed by the laws of the State of Missouri.
- T. In connection with the contract resulting from this RFP, the firm agrees that in performing any services resulting from this Request for Proposals, neither he/she nor anyone under his/her control will permit discrimination against any business, employee, applicant, client or subscriber because of race, color, national origin, ancestry, religion, age disability, sex or sexual orientation, gender identity or expression, genetic information, marital status or retaliation.
- U. In connection with the furnishing of goods and services under any contract resulting from this RFP, the firm shall comply with all applicable requirements and provision of the Americans with Disabilities Act (ADA).
- V. As a condition for the award of this contract, the chosen respondent shall, pursuant to the provisions of Sections 285.530 through 285.555 of the Revised Statutes of Missouri 2000, as amended, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with this Agreement. It shall also sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with this Agreement.
- W. PRS-STL reserves the right to interview, or call for a presentation from, any respondent submitting a proposal, as well as form additional evaluation criteria for the presentations. PRS-STL also reserves the right to discuss the proposals with any or all respondents. Nothing in this RFP is intended to be, nor should anything herein be construed, as an offer of engagement. A selection or designation of a successful respondent shall not be construed as an offer of engagement until and unless a contract is fully negotiated and approved. For the contract to take effect, all applicable parties with the authority to bind the respective entity must sign the agreement.
- X. Any successfully negotiated contract resulting from this RFP process shall require the selected firm to procure and maintain insurance in amounts acceptable to PRS-STL and its Board, and the selected firm shall be required to indemnify, PRS-STL, its Board, and all its trustees, officials and employees for any and all liability resulting or to result from the acts or omissions of the firm's agents, directors, officers and employees.

INTRODUCTION:

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS (“PRS-STL”) administers a single employer defined benefit pension plan providing pension benefits to the City of St. Louis police officers (the Members). Membership in the System as of the fiscal year ended September 30, 2022 consists of:

Benefit status:

Retirees	1,432
Beneficiaries	<u>495</u>
Total Benefit Status	1,927

Current active Members:

Vested - participating in DROP	44
Vested - non-DROP	<u>256</u>
Total Vested	300
Nonvested	888
Total Current Active Members	1,188
Total Membership	3,115

PRS-STL provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of twenty (20) years of service or attaining age fifty-five (55), whichever comes first. The monthly allowance consists of forty percent (40%) of the two-year average final compensation at twenty years of service, plus an additional two percent (2%) of such final average compensation for each of the next five (5) years of service, plus four percent (4%) of average final compensation for each additional year of service after twenty-five years up to a maximum of thirty (30) years. The monthly allowance of Members who have in excess of thirty (30) years of service is increased by five percent (5%). The maximum pension is seventy-five percent (75%) of average final compensation. Covered Members contribute seven percent (7%) of their salary as specified by Section 86.320, RSMo. Upon leaving employment due to service retirement, death, or disability due to an accident in the actual performance of duty, the Member’s contributions are refunded. In addition, terminated Members receive a refund of their contributions, plus interest.

The System implemented a Deferred Retirement Option Plan (DROP) feature during the System’s fiscal year ended September 30, 1996. The DROP option is available to Members of the System who have at least twenty (20) years of creditable service and have achieved eligibility for retirement. Those Members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the Member, and will no longer make contributions to the System. During participation in DROP, the Member will not earn creditable service and the Member shall not share in any benefit improvement that is enacted or

becomes effective while such Member is participating in DROP. A Member may participate in DROP only once for a period of up to five (5) years, at which point the Member may re-enter the System and again earn creditable service. At retirement the funds in the Member's DROP account plus interest is available to the Member in a lump sum or in installments.

The following supplemental information is available on the PRS-STL website at:

www.stlouisprs.org/Resources/Related-Information

- ✓ Sections 86.200 - .366, RSMo.
- ✓ Copy of the Fiscal Year ended September 30, 2021 Audit Report
- ✓ Copy of the Fiscal Year ended September 30, 2021 GASB Reporting
- ✓ Copy of the Fiscal Year ended September 30, 2022 Actuarial Valuation

GENERAL INFORMATION:

- A. The selected firm will perform an annual audit for an initial three (3)-year period of:
 - ❖ October 1, 2023 thru September 30, 2024;
 - ❖ October 1, 2024 thru September 30, 2025;
 - ❖ October 1, 2025 thru September 30, 2026.
- B. The agreement may be extended beyond the initial three (3)-year period on such terms that are mutually agreed upon.
- C. The annual audit fee will be paid on a mutually agreeable basis.
- D. All information, data, reports and records as they exist in PRS-STL's files necessary for carrying out the work requested shall be furnished to the selected firm and PRS-STL trustees and employees will cooperate in every way possible to assure prompt completion of services enumerated herein.
- E. Upon expiration or termination of the contract, the auditor shall agree to make available to PRS-STL or its designee all working papers.
- F. Either party shall have the privilege with or without cause to terminate the relationship at any time upon one hundred eighty (180) days prior written notice by certified mail, return receipt requested, or personal delivery.
- G. PRS-STL reserves the right to contact clients listed in your proposal to determine the scope of your work for those clients and to secure evaluations of your services. By submission of your proposal, you are authorizing the PRS-STL to contact such clients.
- H. Costs will not be the sole factor used by PRS-STL and its Board in determining which firm is to be awarded the contract. It may consider any and all factors it deems necessary and proper, including but not limited to cost, contractual limitations on liability, if any, responses to this request, experience with governmental defined benefit plans, and general reputation.

AUDIT SERVICES REQUIREMENTS:

A. 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 and the General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. The report of the examination must include an opinion as to whether the statements conform to generally accepted accounting principles.
- b. Each year, prior to beginning the Audit according to the timetable set forth below, the selected firm shall meet with interested PRS-STL trustees to address any matters concerning the upcoming audit.
- c. The audit is expected to begin in early- to mid-November and should be completed within sixty (60) days. The on-site audit work 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.
- d. Prior to submission of the completed report a review of a draft of the proposed report with trustees and employees of PRS-STL is required. Audit findings and recommendations should be readily understood as to the basis for and significance of the findings.
- e. Twelve (12) 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.
- f. Each year the Auditor for the City of St. Louis will request a compliance statement from the Plan's Auditors. The Plan's Auditors must supply such records and information requested on behalf of the City of St. Louis within thirty (30) days of the request.
- g. 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 five (5) years after issuance of audit report for the review of the administrative staff, the Board, or any designated representative of the Board.
- h. Auditors may be requested to present the final audit to the Board at a regularly scheduled meeting.

- i. Auditors shall conduct PRS Trustee elections, after September 2023, with the assistance of the PRS staff. This shall include:
 - (i) Verifying the eligibility of candidates;
 - (ii) Preparing and tabulating ballots;
 - (iii) Verifying the results of the elections; and
 - (iv) Performing any other necessary task(s) related to the election, as requested by the PRS.

RFP AUDIT SERVICES
Police Retirement System of St. Louis
Questionnaire

1. What are your firm's qualifications to provide audit services?
2. What is your experience and background in auditing public pension funds?
Please list other public funds you have worked with.
3. What is the size and organizational structure of your firm?
4. What is your proposed fee structure for each of the three (3) years?
5. Are there any additional costs?
6. What is your fee for assistance with procedural or technical questions that may come up during the year?
7. Please list the names of the partner, audit manager, and field staff who will be assigned to our audit and provide biographies?
8. Where is your office located?
9. How many governmental accounts have you lost in the past three (3) years?
10. Have you had any major turnover in partners or principals in the past three (3) years?
11. Does your firm have any lawsuits pending related to audits you have performed in the past five (5) years? Any felony convictions of any officers or senior staff?
12. Please provide references and contact information on three (3) similar size clients.
13. Please provide a copy of your firm's most recent peer review report, letter of comments, and your firm's response to the letter of comments.