



REQUEST FOR PROPOSALS

**CITY OF MILWAUKEE
457(B) DEFERRED COMPENSATION PLAN
FINANCIAL STATEMENT PREPARATION SERVICES**

**Deferred Compensation Board
March 2018**

1.0 INTRODUCTION

The City of Milwaukee Deferred Compensation Board (Board) invites proposals from qualified proposers on accounting services for the City’s Deferred Compensation Plan (Plan).

The Plan provides tax deferred retirement savings options for City employees, consistent with Section 457 of the Internal Revenue Code. The Plan had 8,757 active and retired participants and assets of \$939 million as of December 31, 2017.

Plan participants can deposit their payroll contributions into seven different investment options, approved by the Board. The Plan’s investment lineup includes mutual fund vehicles (including Target Date Funds), internally managed Stable Income fund, multi-manager separate accounts, and a participant-directed brokerage window. Additional information regarding a description of the Plan can be found in Note 1 (p. 8 – 11) of the Financial Statements for years ended Dec. 31, 2016 and 2015 [Attachment 1]

The following organizations currently provide administrative, custodian, and investment management services to the Plan:

Recordkeeper:	Voya Financial
Custodian/Trustee:	Northern Trust
Independent Consultant:	Callan Associates, Inc.

This RFP does not request any services relating to the defined benefit plan administered by the City of Milwaukee.

This RFP concerns services solely relating to the administration of the 457(b) deferred compensation plan.

2.0 REQUIRED SERVICES

The selected proposer will provide the following accounting services: annually prepare the Plan’s financial statements and footnotes with any adjusting journal entries. These services shall be provided by Wisconsin licensed Certified Public Accountants, in accordance with generally accepted accounting standards.

2.1 Financial Statement Preparation

The selected proposer will, working with the Executive Director (who will oversee the work) and Plan staff, prepare the financial statement and footnote preparation with any adjusting entries (hereinafter referred to as “Financial Statement”) for the

years ending December 31, 2017 through December 31, 2019 and additional years if the contract is extended.

2.2 Meetings and Reports

The selected proposer shall be available for an annual entrance conference with the Executive Director and Plan staff. Additional meetings with Plan staff may be necessary during the preparation of the Financial Statement, but will be kept to a minimum. The selected proposer will present the draft financial statement to the Executive Director prior to its finalization.

The Financial Statements will be presented in a format comparative to the prior year. [Attachment 1] Work should be scheduled to allow for review of the draft Financial Statement by the Executive Director. The Executive Director shall be kept informed during the preparation of the statements.

The selected proposer shall provide the Board with twenty (20) copies of the finalized Financial Statement at a mutually agreed upon time following the audited year.

2.3 Working Papers

The selected proposer shall retain working papers and reports for a minimum of seven years from the date of the issued Financial Statements or longer if requested by the Board. The selected proposer shall make the working papers and reports available for examination by the Board, the City and the City's external auditor.

2.4 Contract Term

The Contract awarded under this RFP will have a term of three calendar years covering 2018 through 2020, for audit services on Plan years 2017 through 2019. The Contract may be extended by mutual agreement for one (1) or two (2) calendar years.

The contract shall be subject to termination by either party upon thirty (30) days written notice.

3.0 PROPOSALS

Proposals should concisely address all requirements of this RFP and include the specific items in this Section. Twelve (12) Proposal copies should be submitted to the Executive Director identified in Section 3.2 by 4:00 PM on March 13, 2010.

3.1 Proposal Calendar

<u>Events</u>	<u>Dates</u>
RFP issued and posted	March 2, 2018
Deadline for Proposal questions (e-mail questions to the Executive Director, identified in Section 3.2)	March 7, 2018 @ noon
Answers to questions posted on website	March 8, 2018
RFP closing date by 4:00 PM on	March 13, 2018
Evaluation of Proposals	March 2018
Selection of highest ranked Proposer(s)	March 2018 EFC meeting*
Follow up interviews (if required)	late March 2018*
Negotiations	March - April 2018*
Award of Contract	late April 2018*

* Tentative dates

3.2 Plan Contact Person

All communications regarding this RFP and any resulting contract should be directed to:

Beth Conradson Cleary
Executive Director
City of Milwaukee
Deferred Compensation Plan
200 E. Wells Street, Room 404(D)
Milwaukee, WI 53202
Office: 414-286-5541
Fax: 414-286-0344
Email: bcleary@milwaukee.gov

3.3 Proposal Title Page and Table of Contents

The title page should be labeled “Proposal for City of Milwaukee Deferred Compensation Financial Statement Services.” It should include the firm’s name, address, and telephone number.

The table of contents should identify the key proposal sections with page numbers.

3.4 Letter of Transmittal

The dated Proposal transmittal letter should briefly state the Proposer’s understanding of the work to be performed and a commitment to perform that work and fulfill the requirements of this RFP. The letter should state the all-inclusive cost for the services on a not-to-exceed basis for the first contract year. The letter should identify

the individuals authorized to make representations on behalf of the Proposer and be signed by the appropriate official.

The body of the Proposal should provide the detailed information on fees described in Section 3.8.

3.5 Proposer Profile

Describe the firm, including whether it is local, regional or national, the location of the office that will provide the Plan accounting services and the number of partners, managers, supervisors, seniors and other professionals employed at that office. Describe the relevant firm and assigned office experience on similar engagements. Identify and describe any work performed for the City of Milwaukee or related agencies within the last five (5) years.

Identify and provide resumes for all personnel who will be assigned to the financial preparation services, including each person's engagement role and their relevant professional experience. Provide three (3) client references for similar work by assigned personnel and describe those engagements.

3.6 Approach to Financial Statement Preparation

Provide a preliminary annual work plan and schedule for the services with key work segments and milestones, including the entrance conference, duration of field work, submittal and presentation of draft reports and final deliverables. Indicate the nature and extent of necessary involvement by Plan and City staff throughout the preparation process.

3.7 Questions

Please prepare responses to the following questions:

3.7.1 What qualifications do you have (including licensed and certified professionals)?

3.7.2 What experience do you have with employee benefit plans, specifically government plans, deferred contribution plans and 457 plans?

3.7.3 How will the financial preparation project be staffed? What type of experience do these individuals have?

3.7.4 What internal process does your firm have for purposes of maintain quality reviews?

3.7.5 Is your firm a member of the AICPA Employee Benefit Plan Audit Quality Center?

3.7.6 Please provide three references (and preferably from public/governmental clients).

3.8 Compensation

This section should provide detailed information on the all-inclusive cost for financial preparation services for the 2017 period stated in the Section 3.4 Proposal transmittal letter. Provide the cost for the preparation of the 2017 financial statements described in Section 2.1. Indicate any other chargeable costs, such as out-of-pocket costs.

Provide the 2018 hourly billing rates and any related out-of-pocket costs for each person assigned to Plan accounting services identified in Section 3.6. Indicate whether there are any changes to the costs and rates for the subsequent contract years 2019 and 2020.

3.9 Additional Information

The Proposer can include additional information about its Proposal, but such information should be concise.

4.0 CRITERIA FOR AWARD

Proposals will be evaluated by Plan staff based on the criteria below. The contract for the Financial Statement Preparation Services will be awarded by the Board. As further described in Section 5.3, the Board reserves the right to reject any and all Proposals submitted and to request additional information.

- 4.1 Substantial compliance with RFP Requirements, including independence and objectivity: Pass / Fail
- 4.2 Proposing Firm's Qualifications and Experience: 25 points
- 4.3 Staff Qualifications and Experience: 35 points
- 4.4 Proposing Firm's Estimated Itemized Cost and Rates by type of Professional Service: 40 points

5.0 OTHER

5.1 Jurisdiction, Venue, Choice of Law

This RFP and any resulting contract shall be governed by and construed according to the laws of the State of Wisconsin.

5.2 Incurred Costs

Vendors submitting Proposals do so entirely at their expense. There is no expressed or implied obligation by the Board to reimburse any individual or firm for any costs incurred in preparing or submitting Proposals, for providing additional information when requested by the Board, or for participating in interviews or negotiations.

5.3 Contract Award

The Board will select the Proposer whose Proposal best meets the Plan's needs as defined in this RFP. The Board may at its sole option, open negotiations with the highest ranked Proposer prior to contract award. The Board may also open negotiations with the second highest ranked Proposer if negotiations with the highest ranked Proposer are not successful.

The Board reserves the right to reject any and all Proposals, to waive any informality in the Proposals, and to reject any or all items in the Proposals. The Board reserves the right to make no selection if Proposals are deemed to be outside the fiscal constraint or not in the best interests of the Plan.

The Board reserves the right to award a contract in whole or in part. Once awarded, the Contract will be the final expression of the agreement between the parties and may not be altered, changed or amended except by mutual agreement, in writing.

5.4 Assignment

The successful Proposer may not reassign any contract award made as a result of this RFP without the prior written consent from the Board.

5.5 Confidentiality

All Plan data and information shall be treated by the Proposer and its agents as confidential. The Proposer and its agents shall not disclose or communicate Plan data, information or matters to a third party, nor make use of it in advertising, publicity, propaganda, and/or in another job or jobs, without the prior written consent of the Board.

If any information submitted in the Proposal is confidential or proprietary, the Proposer must clearly designate such information.

Contract Terms and Conditions

The Plan prefers to use the standard agreement utilized by the selected proposer, with certain terms and conditions added, which are attached to this request for proposal as Exhibit A.

Rights Reserved

In order to serve the best interests of the Plan and its participants, the Plan reserves the right to:

1. Postpone or cancel this RFP upon notification to all proposers.
2. Amend the specifications after their release with appropriate notice to all proposers.
3. Request proposers to present supplemental information clarifying their proposal, either in writing or in formal presentation.
4. Ask for a best and final offer from all finalists.
5. Waive or modify minor irregularities in proposals received after prior notification to the proposer.
6. Reject any and all proposals received in response to this RFP.
7. Negotiate with the next highest rated proposer if negotiating a contract with the selected proposer cannot be accomplished within an acceptable time frame. No proposer will have any rights against the Plan arising from such negotiations.
8. Make any payment contingent upon the submission of specific deliverables.

Assurances

The proposer agrees that it will perform all of its obligations in the resultant contract in accordance with all applicable federal, State and local laws, regulations and policies now or hereafter in effect. The proposer affirms that the terms of the RFP and the attachments do not violate any contracts or agreements to which it is a party, and that its other contractual obligations will not adversely influence its capabilities to perform under the contract.

Contract Negotiations

The Plan's selection of the finalist Recordkeeper is subject to the negotiation of a mutually acceptable service agreement based on a form of agreement prepared by the Plan's legal counsel.

Cancellation

The Plan retains the right to cancel the contract without reason on reasonable notice to the Recordkeeper. This provision should not be understood as waiving the Plan's right to terminate the contract for cause or stop work immediately for unsatisfactory work, but is supplementary to that provision.

Contract Extension

Milwaukee's Rules and Regulations provide that the Plan may elect to extend the term of the contract with a service provider for up to two consecutive one-year periods. The contract with the selected Recordkeeper will therefore provide for this possibility of extension at the Milwaukee Plan's election.

Electronic Files or Data

All electronic files or data related to recordkeeping services for the Milwaukee Plan and any call center services for participants and beneficiaries shall be maintained exclusively within the United States.

Conflict of Interest

The successful proposer selected shall not: (i) deal with the assets of the plan in its own interest or for its own account; (ii) in its individual or other capacity act in any transaction involving the Plan on behalf of a party (or represent a party) whose interests are adverse to the interest of the plan or the interest of its participants or beneficiaries; and (iii) receive any consideration for its own personal account from any party dealing with the Plan in connection with the transaction involving the assets of the plan.

Proposers may be requested to provide evidence that the award of the contract from this RFP will not result in a conflict of interest with regard either to other work performed by the contractor, or to potential conflict of interest among specific contractor staff or subcontractors.

Publicity

The Plan is bound by the Wisconsin Public Records Law, Wis. Stat. §§ 19.31-39, and all terms of this process after selection of Recordkeeper, including any and all attachments, addenda, exhibits, and other related documents, as well as any subsequent amendments, are subject to and conditioned upon that law.

Bidders and contractors should not publicize or create publicity regarding their bid, selection or rejection or the terms of the RFP or the Plan or any engagement or interaction with the Milwaukee Plan. Publicity includes, but is not limited to, news conferences, news releases, advertising, brochures, reports, and/or presentations at conferences or meetings or oral or written comments to third parties. The inclusion of materials, the name of the Plan, or other such reference to the Plan or Milwaukee in any document or forum is considered publicity. News releases or any other public announcements regarding work to be performed under the contract may not be released without prior written approval from the Milwaukee Plan.

CONDITIONS

Responding proposers are advised to become familiar with all conditions, instructions, and specifications governing this RFP, as well as Milwaukee's Rules and Regulations and the terms and provisions of the Plan (all of the foregoing hereinafter referred to as the "Conditions"). The Conditions shall be incorporated by reference into the final contract. Once a proposal has been accepted, (i) the selected Recordkeeper shall not refuse to enter into a contract where such refusal is based on an objection to any of the Conditions and (ii) the selected Recordkeeper shall not be entitled to additional compensation, or to alter the terms of its proposal as a result of an objection to any of the Conditions. Responding proposers are further advised that Milwaukee may refuse to accept any proposal not accompanied by a representation that the selected Recordkeeper (i) will provide to Milwaukee's legal counsel within seven days of selection a contract complying with all terms required by this RFP; and (ii) will make available all resources necessary to ensure that an agreement acceptable to Milwaukee is negotiated within thirty days of selection, or such other shorter period as Milwaukee may announce prior to selection.

**MILWAUKEE DEFERRED COMPENSATION PLAN
FINANCIAL STATEMENT PREPERATION SERVICES RFP**

March 2018

- Attachment 1: Financial Statements for years ended Dec. 31, 2016 and 2015
- Appendices and Exhibits:
 - Exhibit A: Clauses for Milwaukee Plan Contracts

ref: DeferredCompFinancialStatementPrepServicesRFP(2018)