



State of Wisconsin

**REQUEST FOR PROPOSAL (RFP)
LAB-2023-1**

for:

ACTUARIAL AUDIT SERVICES

Issued by:

**STATE OF WISCONSIN
LEGISLATIVE AUDIT BUREAU
October 11, 2023**

**Proposals must be submitted
no later than 12:00 PM, CST
November 14, 2023**

**For further information regarding this
RFP, contact Sheri Conway at (608) 266-2818
or by e-mail at sheri.conway@legis.wisconsin.gov**

LATE PROPOSALS WILL BE REJECTED

Important Dates

DATE	EVENT
October 11, 2023	Date of issuance of RFP
October 23, 2023 4:00 PM, CDT	Last day for submitting written questions concerning the request for RFP and vendor questions
October 26, 2023 12:00 PM, CDT	Responses to vendor questions sent to all RFP recipients
October 3, 2023 12:00 PM, CDT	Last day for submitting vendor follow-up questions
November 1, 2023 4:00 PM, CDT	Responses to vendor follow-up questions sent to all RFP recipients
November 6, 2023	Mail notification to recipients of supplements or revisions to the RFP, if needed
November 14, 2023 12:00 PM, CST	Proposals due from proposers
Estimated – December 2023	Notification of intent to award sent to proposers
Estimated – December 2023	Contract award date

**RFP FOR
ACTUARIAL AUDIT SERVICES**

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SECTION I GENERAL INFORMATION

1.1 INTRODUCTION AND BACKGROUND

The Wisconsin Legislative Audit Bureau (Audit Bureau) is a nonpartisan legislative service agency responsible for conducting financial audits and performance evaluations of state agencies. The Audit Bureau has a statutory responsibility to perform a financial audit of the Employees' Retirement System of the County of Milwaukee (County ERS), and a financial audit of the Employees' Retirement System of the City of Milwaukee (City ERS). These audits include providing our opinion on the financial statements and related notes of these retirement systems under the requirements of Governmental Accounting Standards Board (GASB) Statement Number 67, *Financial Reporting for Pensions*. In addition, for the City ERS, the audit includes providing an opinion on the related schedule of collective pension amounts prepared to provide information needed by employers, under GASB Statement Number 68, *Accounting and Reporting for Pensions*. To provide sufficient and appropriate audit evidence to support our audit opinions, the Audit Bureau contracts with an actuary to ensure the accuracy of the amounts calculated by each entity's consulting actuary that are included in these financial reports.

The purpose of this document is to provide interested parties with information to enable them to prepare and submit a proposal for actuarial audit services for the two components detailed in Section II: County ERS and the City ERS.

1.2 COUNTY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM AND CITY OF MILWAUKEE EMPLOYEE'S RETIREMENT SYSTEM

The County ERS is a single-employer defined benefit plan that was created to encourage qualified personnel to enter and remain in the service of the County of Milwaukee by providing for a system of retirement, disability, and death benefits to or on behalf of its employees. Under Chapter 201 of the Laws of Wisconsin for 1937, the County was mandated to create the Retirement System as a separate legal entity. The County did so by passing Section 201.24 of the General Ordinances of Milwaukee County. The authority to manage and control the Retirement System is vested in the Pension Board.

The City ERS is a multiple-employer defined benefit plan created under Chapter 396 of the Laws of Wisconsin of 1937 and the City of Milwaukee Charter, Chapter 36. The Pension and Annuity Board serves as trustee of the Plan. The system was created to provide retirement, survivor, and disability benefits to eligible employees. Currently, this includes eligible employees of the City of Milwaukee and some of its agencies, such as Milwaukee Metropolitan Sewerage District, Wisconsin Center District, Veolia Water Milwaukee LLC, Housing Authority of the City of Milwaukee, and non-certified staff of Milwaukee Public Schools.

1.3 DOCUMENTS REFERENCED FOR PROPOSER INFORMATION

The following materials are referenced to assist proposers. Due to document size and format, the information is provided as a Web address.

Document	Web Address
County ERS Resources	
County of Milwaukee Human Resources, Retirement Services	https://county.milwaukee.gov/EN/Human-Resources/Retirement-Services
Milwaukee County Code of Ordinances Chapter 201.24	https://library.municode.com/wi/milwaukee_county/codes/code_of_ordinances?nodeId=MICOCOGEOORVOII_CH201COEMRESY_201.24EMRESYCOEFDE241967
County of Milwaukee ERS Financial Reports, Actuarial Valuation Reports, and Investment Policy	https://county.milwaukee.gov/EN/Human-Resources/Retirement-Services/Financial-Reports
County of Milwaukee Pension Board	https://county.milwaukee.gov/files/county/human-resources/Retirement/Meetings/PensionBoardcontactlisteffectiveJune2023.pdf
County of Milwaukee 2023 Annual Pension Board Segal's supplemental Valuation Presentation	https://county.milwaukee.gov/files/county/human-resources/Retirement/Annal-Pension-Board-Meeting/Apr2023_MilwaukeeCounty_SupplementalValuation_Presentation.pdf
City ERS Resources	
City of Milwaukee About ERS and the Fund	https://www.cmers.com/CMERS_RD/About-ERS--The-Fund.htm
City of Milwaukee ERS Financial Reports, Actuarial Valuation Reports, and Policies	https://www.cmers.com/CMERS_RD/About-ERS--The-Fund/Financial-Reports--Policies.htm
City of Milwaukee Employees' Retirement System News and Information	https://www.cmers.com/CMERS_RD/News--Information.htm
Chapter 36 of City of Milwaukee Ordinances, Employees' Retirement System	https://city.milwaukee.gov/ImageLibrary/Groups/ccClerk/Ordinances/City-Charter/CH36.pdf

1.4 DEFINITIONS

Contract - As used in this RFP, "Contract" includes and incorporates the terms and conditions of this RFP and any amendments thereto, the proposal submitted by the successful proposer and any amendments thereto, and any modifications, terms, or conditions agreed to by both parties.

Contractor - As used in this RFP, "Contractor" means the successful proposer selected to contract with the Legislative Audit Bureau.

Proposer - As used in this RFP, "Proposer" includes any person, agency, firm, organization, corporation, association, joint venture, or partnership that submits a proposal in response to this RFP.

State - As used in this RFP, "State" means the State of Wisconsin.

1.5 PROCURING AND CONTRACTING AGENCY

This RFP is issued by the Audit Bureau for actuarial audit services. The Audit Bureau is the sole point of contact for the State of Wisconsin during the selection process. The Contract resulting from this RFP will be administered by the Audit Bureau. The person responsible for managing the procurement process is Sheri Conway.

1.6 CLARIFICATION AND/OR REVISIONS TO THE SPECIFICATIONS AND REQUIREMENTS

Any questions concerning this RFP must be submitted in writing to the procurement manager on or before 4:00 P.M., CDT, **October 23, 2023**, to:

Sheri Conway, Chief Business Officer
Wisconsin Legislative Audit Bureau
22 E. Mifflin Street, Suite 500
Madison, Wisconsin 53703
Telephone: (608) 266-2818
FAX Number: (608) 282-3592
sheri.conway@legis.wisconsin.gov

The correspondence should identify the party requesting the clarification and be signed by an authorized agent of that entity.

Proposers are expected to raise any questions, exceptions, or additions they have concerning the RFP document at this point in the proposal process. If a proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the proposer should immediately notify the above named individual of such error and request modification or clarification of the document.

If prior to the date fixed for submission of proposals, a proposer fails to notify the Audit Bureau of a known error in the proposal or an error that reasonably should have been known to the proposer and if a contract is awarded to the proposer, the proposer shall not be entitled to additional compensation or time by reason of the error or of its later correction.

In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, supplements or revisions will be provided to all recipients of this initial RFP. Failure to acknowledge receipt of revisions or supplements in accordance with the instructions contained in the revision or supplement, may result in proposals being disqualified. Each proposal shall stipulate that it is predicated upon all terms and conditions of the RFP and any revisions or supplements.

Any contact with employees of the City ERS, employees of the County ERS, members of the City of Milwaukee Pension and Annuity Board or the County of Milwaukee Pension Board, related to this proposal is prohibited, except as authorized by the proposal manager during the period from date of release of the proposal until the notice of intent to contract is released.

1.7 VENDOR QUESTIONS

Questions from vendors will be accepted on or before **4:00 p.m. CDT on October 23, 2023**, and the responses to all pertinent written questions received will be provided no later than **12:00 p.m. CDT on October 26, 2023**. Follow-up questions will be accepted on or before **12:00 p.m. CDT on October 31, 2023**. The responses to all pertinent written follow-up questions received will be posted on VendorNet no later than **4:00 p.m. CDT on November 1, 2023**. Questions must be directed to Sheri Conway at the Audit Bureau at sheri.conway@legis.wisconsin.gov.

1.8 REASONABLE ACCOMODATIONS

The Audit Bureau will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request. If you think you need accommodations, contact Sheri Conway at (608) 266-2818 or by email at sheri.conway@legis.wisconsin.gov.

1.9 CALENDAR OF EVENTS

Listed below are specific and estimated dates and times of action related to this RFP. The actions with specific dates must be completed as indicated unless otherwise changed by the Audit Bureau. In the event that the Audit Bureau finds it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing a supplement to this proposal. There may or may not be a formal notification issued for changes in the estimated dates and times.

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Estimated – December 2023	Contract award date

1.10 CONTRACT TERM AND FUNDING

The Contract for actuarial audit services, which includes components enumerated in Section II, shall be effective on the contract execution date.

Services related to work performed for the financial audits, as described in Section II, subsection 2.1, and Section II, subsection 2.2 shall extend for two years from the contract effective date. The contract(s) will include two optional one-year extensions.

In the event that adequate funds are not provided through the State’s budget process, the Audit Bureau reserves the right to cancel the Contract without penalty.

1.11 PUBLIC RECORDS ACCESS

It is the intention of the State to maintain an open and public process in the solicitation, submission, review, and approval of procurement activities. Proposal openings are public, unless otherwise specified. Records may not be available for public inspection prior to issuance of the notice of the intent to award or the award of the contract.

Pursuant to s. 19.36, Wis. Stats., all records of the contractor that are produced or collected under the contract are subject to disclosure pursuant to a public records request. Upon receipt of notice from the State of Wisconsin of a public records request for records produced or collected under the contract, the contractor shall provide the requested records to the contracting agency.

1.12 REGISTRATION

The State of Wisconsin's purchasing information and vendor notification service is available to all businesses and organizations that want to sell to the state. Anyone may access VendorNet on the Internet at <http://vendornet.state.wi.us> to get information on state purchasing practices and policies, goods and services that the state buys, and tips on selling to the state. Vendors may also use <https://eSupplier.wi.gov> for inclusion on the proposers list for goods and services that the organization wants to sell to the state. A subscription with notification guarantees the organization will receive an e-mail message each time a state agency, including any campus of the University of Wisconsin System, posts a RFP or a RFP in their designated commodity/service area(s) with an estimated value over \$50,000. Organizations without Internet access receive paper copies in the mail. Increasingly, state agencies also are using VendorNet to post RFP valued at \$50,000 or less. Vendors also may receive e-mail notices of these proposal opportunities.

SECTION II ACTUARIAL AUDIT SERVICES SPECIFICATIONS

The Audit Bureau is seeking one qualified actuarial firm (contractor) to perform an actuarial audit related to the County ERS and one qualified actuarial firm (contractor) to perform an actuarial audit related to the City ERS. Note that contractors may provide proposals related to either component described in Section II, subsection 2.1 or 2.2, or both.

The actuarial audit services described in this section **must** be performed by a Contractor that is deemed by the Audit Bureau to be independent, in both fact and appearance. For this reason, proposers will be required to identify any conflict of interest conditions that exist as described in Section III, subsection 3.4(a). Failure to adequately demonstrate appropriate independence may result in proposals being disqualified.

The Audit Bureau plans to execute the contract or contracts for these actuarial audit services in December 2023.

2.1 SCOPE OF AUDIT SERVICES, TIMING OF AUDIT SERVICES, AND ANTICIPATED WORK PRODUCTS - COUNTY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

The Audit Bureau is seeking one qualified actuarial firm (contractor) to perform an actuarial audit of the **County ERS** that will include an independent assessment of the actuarial valuation as of January 1, 2023 (valuation date), and the roll-forward of these calculations to December 31, 2023 (measurement date), by the County ERS consulting actuary to meet plan reporting and disclosure requirements under GASB Statement Number 67. The report calculating the December 31, 2023 total pension liability is expected to be available in **April 2024**.

The Contractor will complete a review of the key aspects of the consulting actuary's valuation of the County ERS as of January 1, 2023, and the roll-forward of the January 1, 2023 valuation to December 31, 2023 (the measurement date), that will be used in preparing the County ERS financial statements, as of and for the year ended December 31, 2023.

The Contractor will make an assessment as to whether the consulting actuary's valuation method, procedures, and assumptions were in accordance with actuarial standards of practice, followed the requirements of GASB Statement Number 67, and were applied as stated by the consulting actuary.

The Contractor will assess the reasonableness and the accuracy of the valuation made by the County ERS consulting actuary. It is expected that procedures will include a review of the accuracy of each of the following:

- the calculation of the Total Pension Liability, including amounts calculated for the service cost, assumption changes, and differences between expected and actual experience;
- the calculation of the actuarially determined Pension Expense (Income), Deferred Outflows of Resources, and Deferred Inflows of Resources;
- the calculation of the average expected remaining service lives used in the amortization of the Deferred Outflows of Resources and Deferred Inflows of Resources;
- the calculation of the single blended discount rate, including the cash flow projections used in this determination;
- the roll-forward of the liability from the valuation date to the measurement date;
- the calculations of the Total Pension Liability using a discount rate that is one percentage point higher and one percentage point lower than the stated rate used; and
- all other actuarial calculations necessary for full compliance with GASB Statement Number 67.

If deviations from the requirements in GASB Statement Number 67 are found during the audit, the Contractor must obtain the rationale for the deviations, determine their effects, and discuss with the Audit Bureau as soon as practical, but prior to preparation of its report.

The Contractor will also be available to consult on questions raised by the auditors that relate to actuarial related matters, including the reports prepared by the consulting actuary and the Contractor's findings.

Timing and Anticipated Work Product - Following preparation, review, and discussion of a preliminary report with the Audit Bureau, as described below, the final written report must be submitted by **June 14, 2024**.

The Contractor shall submit **an electronic copy, in a PDF format, of the final written report to the Audit Bureau**. The Audit Bureau reserves the right to use and reproduce all reports and data produced and delivered pursuant to this contract, including publication of the report on the Audit Bureau's website, and reserves the right to authorize others to use or reproduce such materials.

The final written report shall include:

1. An overall opinion as to the reasonableness and accuracy of the County ERS consulting actuary's valuation conclusions and roll-forward procedures, and the conformance of the consulting actuary's work with generally accepted actuarial standards and practices and the requirements of GASB Statement Number 67.
2. An overall opinion as to the reasonableness and accuracy of the consulting actuary's calculation of the Total Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

3. An overall opinion as to the reasonableness and accuracy of other amounts calculated by the consulting actuary, including the single blended discount rate, the Total Pension Liability using a discount that is one percentage point higher and one percentage point lower than the stated rate used, and the average expected remaining service lives.

The final written report will be used by the Audit Bureau as evidence to support its opinion on the financial statements of the County ERS, as of and for the year ended December 31, 2023. The financial statements are prepared by Milwaukee County's Retirement Plan Services using information provided by its consulting actuary. The final written report, and any workpapers prepared by the Contractor that may be reviewed and duplicated by the Audit Bureau as a part of assessing the results of the audit, will become a part of our audit workpapers and will be subject to disclosure under Wisconsin open records laws. If the findings and conclusions included in the final written report are used as the basis for a modified opinion on the financial statements of the County ERS, reference to the work of the Contractor may be made in explaining the basis for audit opinion.

Briefings - the Contractor should be prepared to make the following briefings:

1. Audit progress reports to the Audit Bureau staff. These will occur either through a conference call or email correspondence.
2. Presentations of the content of the preliminary and final drafts of the report to the Audit Bureau staff through a conference call prior to their release.

Exit Conference - In addition to the briefings of the preliminary and final drafts with the Audit Bureau, an exit conference may be held to provide an opportunity for the consulting actuary and staff from the County ERS to discuss the preliminary report with the Contractor and the Audit Bureau. The exit conference would be arranged by the Audit Bureau. The purpose of the exit conference would be to identify possible errors in the report and discuss the findings and recommendations.

Workpapers – As a part of reviewing the results of the audit, the Audit Bureau may review and duplicate workpapers prepared by the Contractor. The Contractor's workpapers shall be available for review and duplication by the Audit Bureau and its designees during the period of the Contract and for a period of not less than seven (7) years after the last payment date. The Contractor also shall be available to answer questions by the Audit Bureau staff at no additional cost beyond the contract price through the end of the contract period.

2.2 SCOPE OF AUDIT SERVICES, TIMING OF AUDIT SERVICES, AND ANTICIPATED WORK PRODUCTS – CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

The Audit Bureau is seeking one qualified actuarial firm (contractor) to perform an actuarial audit for the **City ERS** that will include an independent assessment of the actuarial valuation as of January 1, 2023 (valuation date), and the roll-forward of these calculations to December 31, 2023 (measurement date), by the City ERS consulting actuary to meet plan and employer

reporting and disclosure requirements under GASB Statement Number 67 and 68. The report calculating the December 31, 2023 total pension liability is expected to be available in **May 2024**.

The Contractor will complete a review of the key aspects of the consulting actuary's valuation of the City ERS as of January 1, 2023, and the roll-forward of the January 1, 2023 valuation to December 31, 2023 (the measurement date), that will be used in preparing the City ERS financial statements and the schedule of collective pension amounts, as of and for the year ended December 31, 2023.

The Contractor will make an assessment as to whether the consulting actuary's valuation method, procedures, and assumptions were in accordance with actuarial standards of practice, followed the requirements of GASB Statement Number 67 and 68, and were applied as stated by the consulting actuary.

The Contractor will assess the reasonableness and the accuracy of the valuation made by the City ERS consulting actuary. It is expected that procedures will include a review of the accuracy of each of the following:

- the calculation of the collective Total Pension Liability, including amounts calculated for the service cost, assumption changes, and differences between expected and actual experience;
- the calculation of the actuarially determined collective Pension Expense (Income), collective Deferred Outflows of Resources, and collective Deferred Inflows of Resources;
- the calculation of the average expected remaining service lives used in the amortization of the Deferred Outflows of Resources and Deferred Inflows of Resources;
- the calculation of the single blended discount rate, including the cash flow projections used in this determination;
- the roll-forward of the liability from the valuation date to the measurement date;
- the calculations of the Total Pension Liability using a discount rate that is one percentage point higher and one percentage point lower than the stated rate used; and
- all other actuarial calculations necessary for full compliance with GASB Statement Number 67 and 68.

If deviations from the requirements in GASB Statement Number 67 and 68 are found during the audit, the Contractor must obtain the rationale for the deviations, determine their effects, and discuss with the Audit Bureau as soon as practical, but prior to preparation of its report.

The Contractor will also be available to consult on questions raised by the auditors that relate to actuarial related matters including the reports prepared by the consulting actuary and the Contractor's findings.

Timing and Anticipated Work Product - Following preparation, review, and discussion of a preliminary report with the Audit Bureau, as described below, the final written report must be submitted by **June 28, 2024**.

The Contractor shall submit **an electronic copy, in a PDF format, of the final written report to the Audit Bureau.** The Audit Bureau reserves the right to use and reproduce all reports and data produced and delivered pursuant to this contract, including publication of the report on the Audit Bureau's website, and reserves the right to authorize others to use or reproduce such materials.

The final written report shall include:

1. An overall opinion as to the reasonableness and accuracy of the City ERS consulting actuary's valuation conclusions and roll-forward procedures, and the conformance of the consulting actuary's work with generally accepted actuarial standards and practices and the requirements of GASB Statement Number 67 and 68.
2. An overall opinion as to the reasonableness and accuracy of the consulting actuary's calculation of the collective Total Pension Liability, collective Pension Expense (Income), and collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.
3. An overall opinion as to the reasonableness and accuracy of other amounts calculated by the actuary, including the calculation of the single blended discount rate, the Total Pension Liability using a discount that is one percentage point higher and one percentage point lower than the stated rate used, and the average expected remaining service lives.

The final written report will be used by the Audit Bureau as evidence to support our opinion on the financial statements of the City ERS and the schedule of collective pension amounts, as of and for the year ended December 31, 2023. The financial statements and the schedule of collective pension amounts are prepared by the City ERS using information provided by its consulting actuary. The final written report, and any workpapers prepared by the Contractor that may be reviewed and duplicated by the Audit Bureau as a part of assessing the results of the audit, will become a part of our audit workpapers and will be subject to disclosure under Wisconsin open records laws. If the findings and conclusions included in the final written report are used as the basis for a modified opinion on either the financial statements of the City ERS or the schedule of collective pension amounts, reference to the work of the Contractor may be made in explaining the basis for audit opinion.

Briefings - the Contractor should be prepared to make the following briefings:

1. Audit progress reports to the Audit Bureau staff. These will occur either through a conference call or email correspondence.
2. Presentations of the content of the preliminary and final drafts of the report to the Audit Bureau staff through a conference call prior to their release.

Exit Conference - In addition to the briefings of the preliminary and final drafts with the Audit Bureau, an exit conference may be held to provide an opportunity for the consulting actuary and staff from the City ERS Plan Administrator to discuss the preliminary report with the Contractor and the Audit Bureau. The exit conference would be arranged by the Audit Bureau. The purpose

of the exit conference would be to identify possible errors in the report and discuss the findings and recommendations.

Workpapers – As a part of reviewing the results of the audit, the Audit Bureau may review and duplicate workpapers prepared by the Contractor. The Contractor's workpapers shall be available for review and duplication by the Audit Bureau and its designees during the period of the Contract and for a period of not less than seven (7) years after the last payment date. The Contractor also shall be available to answer questions by the Audit Bureau staff at no additional cost beyond the contract price through the end of the contract period.

2.3 PROJECT EXECUTION AND ADMINISTRATION

The Contractor will be responsible for arranging needed meetings with the consulting actuaries, the County ERS, and the City ERS. The County ERS and City ERS will each designate a liaison to assist in scheduling these meetings. The Contractor will be responsible for all travel arrangements and expenses, and clerical support. No Audit Bureau staff will be involved in conducting the field work, analysis, or writing of the required reports.

SECTION III PREPARING AND SUBMITTING A BID PROPOSAL

3.1 GENERAL INSTRUCTIONS

The evaluation and selection of a Contractor will be based on the information submitted in the proposal plus references. Proposers should respond clearly and completely to all requirements. Failure to respond completely may be the basis for rejecting a proposal.

Any proposal submitted should provide a straightforward, concise description of the proposer's proposed delivery of services and ability to achieve the same. Brochures or other presentations, beyond that sufficient to present a complete and effective proposal, are not desired. Elaborate art work, expensive paper and binders, and expensive visual and other presentation aids are not necessary or desired.

3.2 INCURRING COSTS

The State of Wisconsin is not responsible for the payment of any cost incurred by proposers in responding to this RFP.

3.3 SUBMITTING THE PROPOSAL

Proposers **must** submit the original proposal and three (3) copies of all materials required for acceptance of their proposal, and the proposal must be date and time stamped by the Audit Bureau, by **12:00 P.M., CST, November 14, 2023**, to:

Sheri Conway, Chief Business Officer
Wisconsin Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, Wisconsin 53703

To ensure confidentiality of the document, all proposals **must** be packaged, sealed and show the following information on the outside of the package:

1. Proposer's Name and Address
2. Proposal for Actuarial Audit
3. Date and Time of opening of proposals

Pricing **must** be addressed in a separate, sealed envelope, with the envelope clearly labeled with the words “Cost Proposal.” Cost figures for the proposal must not be presented or discussed in any other section of the proposal. Costs must be specific to each component, as described in Section II, subsection 2.1 and 2.2.

Proposers mailing their proposals **must** allow sufficient time for delivery of their proposals by the time specified. Proposals that are not received on time will not be accepted. Duplicate copies of the proposal should be delivered at the time and place the original proposal is due. The proposals will be opened at **12:00 p.m., CST, November 14, 2023**, at the previously noted address.

3.4 PROPOSAL ORGANIZATION, FORMAT, AND CONTENT

Proposals should be typed and submitted on 8.5 by 11 inch paper and bound securely. Proposers responding to this proposal should comply with the following format and content requirements:

- Tab 1 - **COVER LETTER/PROPOSER CERTIFICATIONS:** Include here a cover letter and the following certifications required for submittal of a proposal.

The proposer **must** provide a written statement certifying that the proposer can and will perform the audit services according to generally accepted actuarial standards and practices and the American Academy of Actuaries *Code of Professional Conduct*.

The proposer **must** disclose any actual or potential conflicts of interest, as required by the American Academy of Actuaries *Code of Professional Conduct* or, if no known conflicts exist, **must** include a written statement indicating such, using the *Independence and Conflict of Interest Form* — Attachment C. Proposers also should clearly specify current and prior relationships of the proposer’s firm or professional personnel assigned to a component of the project with the City of Milwaukee, City ERS, the City of Milwaukee Annuity and Pension Board, or its consulting actuary (Cavanaugh Macdonald); the County of Milwaukee, the County ERS, the Milwaukee County Pension Board, or its consulting actuary (The Segal Group, LLC); the Wisconsin Legislature’s Joint Legislative Audit Committee; or any others identified. Professional or personal involvement by the proposer, any senior personnel employed by the proposer, or by persons or firms subcontracting with the proposer for the audit, with any entity listed above or committee, task force, or commission relating to any of the listed entities should be disclosed in the proposal. Information that would be relevant in assessing the impact of any conflict of interest on the objectivity of the proposer or the assigned professional personnel, including safeguards that may be in place to mitigate the conflict, should also be disclosed.

Proposals submitted in response to this proposal **must** be signed by the person in the proposer’s organization who is responsible for the decisions as to the prices being offered in the proposal or by a person who has been authorized in writing to act as agent for the

person responsible for the decision on prices. Each proposal should stipulate that it is predicated upon the terms and conditions of this proposal and any supplements or revisions thereof.

By submitting a signed proposal, the proposer's signatories certify that in connection with this procurement: (a) the proposer's organization or an agent of the proposer's organization has reviewed the submitted questions and the responses provided under Section I, subsection 1.7; (b) the proposer's organization or an agent of the proposer's organization has arrived at the prices in its proposal without consultation, communication, or agreement with any other respondent or with any competitor for the purpose of restricting competition; (c) the prices quoted in the proposal have not been knowingly disclosed by the proposer's organization or by any agent of the proposer's organization and will not be knowingly disclosed by the same, directly or indirectly, to any other respondent or to any competitor; and (d) no attempt has been made or will be made by the proposer's organization to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

- Tab 2 – **PROPOSER INFORMATION SHEET/SIGNED STATE AGREEMENTS:** Complete and include here the *Bidder Required Form*—Attachment A (DOA-3832).

Any restrictions on the use of data contained within a request, must be clearly stated in the proposal itself. Proprietary information submitted in response to a request will be handled in accordance with applicable State of Wisconsin procurement regulations and Wisconsin public records law. Proprietary restrictions normally are not accepted. However, when accepted, it is the vendor's responsibility to defend the determination in the event of an appeal or litigation.

Data contained in a proposal, all documentation provide therein, and innovations developed as a result of the contracted commodities or services cannot be copyrighted or patented. All data, documentation, and innovations become the property of the Audit Bureau.

Any material submitted by the vendor in response to this request that the vendor considers confidential and proprietary information and which qualifies as a trade secret, as provided in s. 19.36 (5), Wis. Stats., or materials which may be kept confidential under the Wisconsin public records law, must be designated on the *Bidder Required Form*—Attachment A (DOA-3832) and must be submitted in a separate envelope in each proposal marked "Confidential."

- Tab 3 - **EXECUTIVE SUMMARY:** Provide a narrative summary of the proposal being submitted. This summary should identify all the services and work products that are being offered in the proposal and should demonstrate the proposer's understanding of the project.

- **Tab 4 - PROPOSER CAPABILITIES AND EXPERIENCE:** The proposer **must** have experience in doing actuarial valuations, actuarial audits, or studies of public employee retirement systems. Describe the proposer's capabilities and recent experience (at least during the last five years) in performing actuarial valuations, actuarial audits, or studies of public employee retirement systems. The proposer should include information on the types and sizes of public employee retirement systems for which past work has been performed, including the following information about each system:
 - whether it is a defined benefit or defined contribution plan;
 - whether it is a cost-sharing, single employer, or agent plan;
 - the types and number of participating employers;
 - the types and number of participants;
 - the type of work and year(s) that the work was performed; and
 - other relevant indicators of plan type, size, and comparability to the County ERS and City ERS.

The proposer is advised to be as complete as possible in describing all valuations, actuarial audits, or studies of public retirement systems it has completed in the last five years. The proposer is encouraged to highlight work performed for public employee retirement systems having qualities comparable to the County ERS and/or City ERS plans.

The proposer should include other information it believes may be relevant in demonstrating its capabilities in performing each actuarial audit, including other professional experience and data processing capabilities, and experiences related to performing actuarial valuations or actuarial reviews for the purposes of financial reporting under the requirements of GASB Statement Number 67 and 68.

- **Tab 5 - PROPOSER REFERENCES:** The proposer **must** include a list of organizations that may be used as references for its work on actuarial valuations, actuarial audits, or studies of public employee retirements systems. Selected organizations may be contacted to determine the quality of the work performed, personnel assigned to the project, and contract adherence. Reference information may be summarized on *Vendor Reference Sheet - Attachment B (DOA-3478)*. The following should be included for the references listed:
 - date of the actuarial work or valuation;
 - name and address of client;
 - name and telephone number of the individual in the client organization who is familiar with the actuarial work; and
 - description of work performed.
- **Tab 6 - STAFF QUALIFICATIONS:** Describe the qualifications of all management and lead professional personnel who will participate in each component of the actuarial audit Include: 1) a resume; 2) a summary of experience each has had in performing actuarial valuations, actuarial audits, or studies of public employee retirement systems, as well as any

relevant continuing education; and 3) a management plan identifying the responsibilities each will have on the audit and the percentage of the audit each is anticipated to complete.

The **resume** should include information on the current and past positions held with the proposer, educational background, actuarial and other relevant credentials, and other relevant information to demonstrate the personnel's qualifications.

The **experience summaries** should be provided and include:

- the types and sizes of public employee retirement systems for which the designated staff have completed actuarial work, including whether the systems were defined benefit or defined contribution plans, the types and number of participating employers, the types and number of participants, and other relevant indicators of plan type, size, and comparability to the County ERS and City ERS. The proposer may reference, rather than repeat, duplicative information provided in the PROPOSER EXPERIENCE section; and
- the work performed and detail the roles and responsibilities that the individual staff had on the projects as well as relevant continuing education. The proposer is advised to be as complete as possible in describing all actuarial work on public retirement systems, specifically experience with a full replication, completed by designated staff during the last five years.

The **management plan** should specify the roles and responsibilities each of the management and professional staff will have on the actuarial audit and include an estimated percentage of the audit's time that will be spent by each on the audit.

Actuaries included on the project team must satisfy the general qualification standard of the American Academy of Actuaries *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*. The lead actuary performing these services should be a Fellow of the Society of Actuaries, with five (5) years of public pension consulting experience.

- **Tab 7 - PROPOSED METHODOLOGY, WORK PRODUCTS, AND TIMELINE:** Describe the proposed **methodology** for addressing each of the components of the audit specified in Section II, Actuarial Audit Services Specifications. The description should include specific techniques that will be used, including anticipated sampling techniques and sizes, and proposed sources of data and information. Proposers may propose alternative ways of addressing the elements of the audit scope.

In describing its proposed methodology, the proposer also should identify the type and level of assistance the proposer anticipates will be needed from the staff of the County ERS, the City ERS, and the respective consulting actuaries, including assistance to understand the operations and records; to understand the actuarial assumptions, methods, and procedures; and to access, obtain, and analyze information needed for the audit. The proposer should identify meetings and interviews it anticipates with the County ERS, the City ERS, and the consulting actuaries.

Describe the final **work products**, including written reports, briefings, and availability of workpapers as described in Section II. Include one or more examples of work products for actuarial valuations, actuarial audits, or studies of public employee retirement systems that may help to illustrate the proposed methodology and final work product.

Subject to the timeline provisions in this RFP, provide an estimated date that each of the final reports will be submitted and the projected **timeline** or the anticipated work requirements and milestone dates to reach each reporting timeline.

- Tab 8 - **ADDITIONAL INFORMATION:** Include additional information that will be essential to an understanding of the proposal. This may include diagrams, excerpts from reports, or other explanatory documentation that would clarify and/or substantiate the proposal. Any material included here should be specifically referenced elsewhere in the proposal.
- Tab 9 - **GLOSSARY:** Provide a glossary of all abbreviations, acronyms, and technical terms used to describe the services or products proposed. This glossary should be provided even if the terms are described or defined when first used in the proposal response.
- Separate Envelope - **COST INFORMATION:** - The cost proposal(s) **must** be submitted in a separate sealed envelope. The Audit Bureau reserves the right to contract with the selected proper for as many or as few of the specific components and activities listed in Section II, Actuarial Audit Services Specifications. As such, the proposer should include a separate pricing summary for each of the components listed.

The cost estimates in the cost proposal **must** include all necessary charges and **must** be a “not to exceed” figure. The cost proposal should include per component: personnel costs (including hourly rates and estimated hours for professional and clerical staff assigned to the audit), travel and lodging, data processing costs, materials, and any other potential costs.

3.5 MULTIPLE PROPOSALS

Multiple proposals from a proposer will be permissible. However, each proposal must conform fully to the requirements for proposal submission. Each such proposal must be separately submitted and labeled as Proposal #1, Proposal #2, etc. on each page included in the response. Proposers may submit a proposal for one or both components described in Section II.

3.6 WITHDRAWAL OF PROPOSALS

Proposals shall be irrevocable until contract award unless the proposal is withdrawn. Proposers may withdraw a proposal in writing at any time up to the RFP closing date and time. To accomplish this, a written request must be signed by an authorized representative of the proposer and submitted to:

Sheri Conway, Chief Business Officer
Wisconsin Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, Wisconsin 53703

If a previously submitted proposal is withdrawn before the proposal due date and time, the proposer may submit another proposal at any time up to the RFP closing date and time.

SECTION IV SELECTION AND AWARD PROCESS

4.1 EVALUATION TEAM

The Audit Bureau's evaluation team will consist of members who have been selected because of their expertise or understanding of the Audit Bureau's financial audit, the programs, and/or the State's proposal process. Proposers may not contact members of the evaluation team except at the Audit Bureau's request.

4.2 PRELIMINARY EVALUATION

The proposals first will be reviewed to determine if the following **mandatory** requirements are met:

- 1) The proposer **must** have experience in performing actuarial valuations, actuarial audits, or studies of public employee pension plans.
- 2) The proposer **must** provide a written statement stating that the audit will be performed according to generally accepted actuarial standards and practices.
- 3) The proposer **must** complete all sections of the required form *Independence and Conflict of Interest*— Attachment C to identify any potential conflict of interest conditions and/or participation in insurance pools or to certify that no known condition exist.
- 4) The proposer **must** include a list of organizations that may be used as references.
- 5) The proposer **must** submit the cost proposal(s) in a separate sealed envelope.

Failure to meet these mandatory requirements may result in the proposal being rejected. Accepted proposals will be graded by the Audit Bureau's evaluation team on a preliminary basis as to their qualifications and responsiveness to the requirements in this RFP. In the event that all proposals fail to meet at least one mandatory requirement, the Audit Bureau reserves the right to continue the evaluation of the proposals and to select the proposal that most closely meets the requirements specified in this RFP.

4.3 EVALUATION CRITERIA

Those proposers who have met the mandatory criteria will be scored by each evaluator using the following criteria:

- | | | |
|------|--|-------------|
| I. | The general quality and adequacy of the response, including a clear understanding of the work to be performed, thoroughness and reasonableness of proposed methodology and work product, and responsiveness to the terms and conditions of the proposal. | 350 points |
| II. | The past experience and performance of the proposer firm in performing actuarial valuations, actuarial audits, or studies of public employee pension plans, with emphasis on those performed under GASB Statement Number 67 and 68. | 200 points |
| III. | Qualifications and independence of staff to be assigned to perform the actuarial audit services. Education, actuarial credentials, position in the firm, years and types of experience will be considered, with emphasis on the general qualification standards of the American Academy of Actuaries. The actuarial audit services described in this section must be performed by a Contractor that is deemed by the Audit Bureau to be independent, in both fact and appearance. In making the assessment, the Audit Bureau will consider the conflicts of interest that exist and any safeguards in place, as required to be disclosed in Section III, subsection 3.4. | 450 points |
| | Total | 1000 points |

In addition to the evaluators' scores, up to 100 points per evaluator will be given to the proposer based on the cost of the actuarial audit services. Proposals from certified Minority Business Enterprises may have points weighted by a factor of 1.00 to 1.05 to provide up to a five percent (5 percent) preference to these businesses (s. 16.75 (3m), Wis. Stats.).

The evaluation committee's scoring will be tabulated and proposals ranked based on the numerical scores received.

4.4 FINAL EVALUATION

The Audit Bureau's evaluation team will review the preliminary evaluation and make adjustments based on the information obtained in the proposals and reference.

After the final grading of the proposal requirements, costs will be included in the final evaluation. The cost proposals will be scored using a standard quantitative calculation where the most points will be awarded to the proposal with the lowest costs. Various costing methodologies are available to analyze the cost information submitted to determine the lowest costs to the Audit Bureau. The Audit Bureau will select one method for scoring costs and will use it consistently throughout its analysis of all the cost proposals.

If the Audit Bureau determines that sufficient funds have not been appropriated through the State's budget process to contract for all the elements of this RFP, it will determine what elements are most likely to be included in the final contract and then will assign points based on proposed costs for those elements. If the proposer has included separate costs for alternatives that represent a major departure from the approach and procedures specified in the proposal, the costs considered for this part of the evaluation will be based on the alternatives most apt to be chosen.

4.5 AWARD AND FINAL OFFERS

The Audit Bureau will compile the final scores for each proposal and the award will be granted in one of two ways. The award may be granted to the highest-scoring responsive and responsible proposer. Alternatively, the highest-scoring proposer or proposers may be requested to submit best and final offers. If best and final offers are requested, they will be evaluated against the stated criteria, scored, and ranked. The award will then be granted to the highest-scoring proposer. However, a proposer should not expect that the Audit Bureau will request a best and final offer.

4.6 RIGHT TO ACCEPT OR REJECT PROPOSALS AND TO NEGOTIATE CONTRACT TERMS

The Audit Bureau reserves the right to accept or reject any or all proposals, to waive any technicality in any proposal submitted, and to accept any part of a proposal deemed to be in the best interests of the State of Wisconsin. In addition, the Audit Bureau reserves the right to negotiate the terms of the contract, including the award amount, with the selected proposer prior to entering into a contract. If contract negotiations cannot be concluded successfully with the highest-scoring proposer, the Audit Bureau may negotiate a contract with the next highest-scoring proposer.

4.7 NOTIFICATION OF INTENT TO AWARD

All proposers who respond to this RFP will be notified in writing of the State's intent to award the contract as a result of this RFP. After notification of the intent to award is made, and under the supervision of Audit Bureau staff, copies of proposals (excluding information designated by the proposers as confidential and proprietary) will be available for public inspection between 8:00 A.M. to 4:30 P.M., Monday through Friday, at the Audit Bureau. Proposers are encouraged to make appointments to ensure that space is available for the review.

4.8 APPEALS PROCESS

Notices of intent to protest and protests must be made in writing. Protesters should make their protests as specific as possible and should identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated.

The written notice of intent to protest the intent to award a contract must be filed with:

Joe Chrisman, State Auditor
Wisconsin Legislative Audit Bureau
22 E. Mifflin Street, Suite 500
Madison, Wisconsin 53703

and received by his office no later than five (5) working days after the notice of intent to award is issued. The written protest must be received by his office no later than ten (10) working days after the notice of intent to award is issued.

**SECTION V
STANDARD CONTRACT TERMS AND CONDITIONS**

The State of Wisconsin reserves the right to incorporate standard State contract provisions into any contract negotiated with any proposal submitted. These standard terms and conditions are included in the following provisions:

5.1 ACCEPTANCE OF PROPOSAL CONTENT

The contents of the proposal of the successful contractor will become contractual obligations if procurement action ensues.

5.2 AMENDMENTS

Unless specifically prohibited by this RFP, the Contract may be amended, in writing, by mutual consent of the parties with the same degree of formality evidenced in the Contract.

5.3 ASSIGNMENT

No right or duty in whole or in part of the Contractor under this Contract may be assigned or delegated without the prior written consent of the Audit Bureau.

5.4 BILLING AND REIMBURSEMENT FOR AUTHORIZED EXPENSES

If provided for by the terms of the Contract, the Contractor shall be reimbursed for approved expenses incurred pursuant to performance of the Contract. Approved expenses shall mean those expenses specifically authorized by the Contract, or those expenses for which the Contractor has sought and obtained, prior to the expense being incurred, written authorization and approval on a specific item basis from the Audit Bureau.

The Contractor will be paid as each component of the actuarial audit is completed and upon submission and acceptance of the final reports by the Audit Bureau. The payment will provide 80.0 percent of the amounts attributable to each component of the audit, as described in Section II, with 20 percent of the payment for each component of the audit being retained for any remaining approved expenses incurred by the Contractor which will be paid upon completion of the report briefings.

The Contractor must submit a billing for each installment that provides sufficient detail to show the following:

- 1) the hourly rate and number of hours worked on the audit by specific personnel;
- 2) the amount of travel costs incurred; and
- 3) the amount of other expenses incurred.

The Contractor shall provide any additional information or supporting data for the purposes of verifying charges upon request by the Audit Bureau.

All invoices and requests for reimbursement shall be submitted and records maintained in compliance with all applicable state and federal laws, rules, regulations, guidelines, and policies of the Audit Bureau.

5.5 CONFIDENTIALITY

The Contractor acknowledges that some of the data it may become privy to in the performance of this Contract is of a confidential nature and may be protected under statutory provisions. The Contractor agrees to observe complete confidentiality with respect to all aspects of any confidential information, proprietary data and/or trade secrets and any parts thereof, whether such contents are the State's, consulting actuary's, or other vendors' whereby the Contractor or any Contractor's personnel may gain access while engaged by the State or while on State premises. The restrictions herein shall survive the termination of this Contract for any reason and shall continue in full force and effect and shall be binding upon the Contractor or its agents, employees, successors, assignees, subcontractors, or any party claiming an interest in this Contract on behalf of or under the rights of the Contractor following any termination. The Contractor shall advise all Contractor's agents, employees, successors, assignees, and subcontractors that are engaged by the State of the restrictions, present and continuing, set forth herein. The Contractor shall defend and incur all costs, if any, for actions that arise as a result of noncompliance by the Contractor, its agents, employees, successors, assignees, and subcontractors regarding the restrictions herein.

5.6 CONFLICT OF INTEREST

Private and non-profit corporations are bound by ss. 180.0831, 180.1911(1), and 181.0831, Wis. Stats., regarding conflicts of interest by directors in the conduct of state contracts.

5.7 CONSENT TO BREACH NOT WAIVER

The waiver by the Audit Bureau of any breach of any provision contained in this Contract shall not be deemed to be a waiver of such provision on any subsequent breach of the same or any other provision contained in this Contract. Likewise, such a waiver shall not establish a course of

performance between the parties contradictory to the terms of this Contract.

5.8 DISCLOSURE OF INDEPENDENCE AND RELATIONSHIP

- a) Prior to award of the Contract, a potential Contractor shall certify, in writing, to the Audit Bureau that no relationship exists between the potential Contractor and the Audit Bureau that interferes with fair competition or is a conflict of interest, and no relationship exists between the Contractor and another person or organization that constitutes a conflict of interest with respect to a state contract. The Audit Bureau may waive this provision, in writing, if those activities of the potential Contractor will not be adverse to the interests of the State.
- b) Contractors shall agree as part of the Contract for services that during performance of the Contract, the Contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that has interests that are adverse to the Audit Bureau. The Audit Bureau may waive this provision, in writing, if those activities of the Contractor will not be adverse to the interests of the State.
- c) If a state public official (s. 19.42, Wis. Stats.), a member of a state public official's immediate family, or any organization in which a state public official or member of the official's immediate family owns or controls a ten percent (10 percent) interest, is a party to this Contract, the Contract is voidable by the State, unless appropriate disclosure is made according to s. 19.45 (6), Wis. Stats., before signing the Contract. Disclosure must be made to the State of Wisconsin Ethics Commission, PO Box 7125, Madison, WI 53707-7125 (Telephone 608-266-8123).

State classified and former employees and certain University of Wisconsin faculty/staff are subject to separate disclosure requirements see s. 16.417, Wis. Stats.

5.9 EMPLOYMENT AND DUAL EMPLOYMENT

The Contractor will not engage the services of any person or persons now employed by the State, including any department, commission or board thereof, or employed by the consulting actuaries to provide services relating to this agreement without the written consent of the employer of such person or persons and of the Audit Bureau.

Section 16.417, Wis. Stats., prohibits an individual who is a State of Wisconsin employee or who is retained as a contractor full-time by a State agency from being retained as a contractor by the same or another State agency where the individual receives more than \$12,000 as compensation for the individual's services during the same year. This prohibition does not apply to individuals who have full-time appointments for less than twelve (12) months during any period of time that is not included in the appointment. It does not include corporations or partnerships.

5.10 RECORDKEEPING AND RECORD RETENTION AND EXAMINATION

The Contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records should be in accordance with generally accepted accounting principles. All procedures must be in accordance with federal, state, and local ordinances.

The Audit Bureau and its designees shall have access to and the right to audit, review, examine, excerpt, copy and transcribe any pertinent books, records, papers or documents relating to the Contract resulting from this request for RFP held by the contractor. The Contractor will retain all documents applicable to this Contract during the contract period and for a period of not less than seven (7) years after final payment is made.

5.11 EXECUTED CONTRACT TO CONSTITUTE ENTIRE AGREEMENT

In the event of a contract award, the contents of this proposal (including all attachments), RFP addenda and revisions, the proposal of the successful proposer, and any additional terms agreed to, in writing, by the Audit Bureau and the Contractor shall become part of the Contract. Failure of the successful proposer to accept these as a contractual agreement may result in a cancellation of award.

5.12 FORCE MAJEURE

Neither party shall be in default by reason of any failure in performance of this Contract in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or a public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.

5.13 HOLD HARMLESS AND INDEMNIFICATION

The Contractor will indemnify and save harmless the Audit Bureau, the State of Wisconsin, and all of its officers, agents, and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the Contractor, or of any of its contractors, in performing work under this Contract.

5.14 INDEPENDENT CAPACITY OF CONTRACTOR

The parties hereto agree that the Contractor, its officers, agents, and employees, in the performance of this Contract, shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the State. The Contractor agrees to take such steps as may be

necessary to ensure that it will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the State.

5.15 INSURANCE RESPONSIBILITY

The Contractor performing services for the State of Wisconsin shall:

- a) Maintain worker's compensation insurance as required by Wisconsin Statutes, for all employees engaged in the work.
- b) Maintain commercial liability, bodily injury and property damage insurance against any claim(s) which might occur in carrying out this Contract. Minimum coverage shall be one million dollars (\$1,000,000) liability for bodily injury and property damage including products liability and completed operations. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this contract. Minimum coverage shall be one million dollars (\$1,000,000) per occurrence combined single limit for automobile liability and property damage.
- c) The Audit Bureau reserves the right to require higher or lower limits where warranted.

5.16 LEGAL RELATIONS AND COMPLIANCE

This contract shall be governed under the laws of the State of Wisconsin. The Contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct.

The State of Wisconsin reserves the right to cancel this contract if the contractor fails to follow the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax. The Audit Bureau also reserves the right to cancel this contract with any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.

In carrying out any provisions of this Contract or in exercising any power or authority granted to the Contractor thereby, there will be no personal liability upon the Audit Bureau, it being that in such matters the Audit Bureau acts as agent and representative of the State.

5.17 NONDISCRIMINATION/AFFIRMATIVE ACTION

In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation as defined in s. 111.32 (13m), Wis. Stats., military or veteran status,

gender identity or expression, marital or familial status, genetic information, political affiliation, or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Contractor further agrees to take affirmative action to ensure equal employment opportunities.

- a) Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan by the Contractor. An exemption occurs from this requirement if the Contractor has a workforce of less than fifty (50) employees. Within fifteen (15) working days after the Contract is awarded, the Contractor must submit the plan to the Audit Bureau for approval. Instructions on preparing the plan and technical assistance regarding this clause are available from the Audit Bureau.
- b) The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, a notice to be provided by the Audit Bureau that sets forth the provisions of the State of Wisconsin's nondiscrimination law.
- c) Failure to comply with the conditions of this clause may result in the Contractor becoming declared an "ineligible" contractor, termination of the Contract, or withholding of payment.

5.18 NOTICES

All notices provided for herein shall be deemed duly given upon delivery if delivered by hand, or upon (3) three days after posting if sent by certified mail, return receipt requested. Notice shall be given to the person(s) or officials who are the signatories of this Contract.

5.19 PERSONNEL

The personnel as named in the Contractor's proposal shall be available to complete the tasks within the specified time frame. It is understood that in the event of personnel turnover, the Contractor may need to substitute personnel of equivalent experience and performance capabilities. Any personnel changes must be approved by the Audit Bureau.

5.20 GUARANTEED DELIVERY

Failure of the contractor to adhere to the schedule as specified shall render the contractor liable for all costs in excess of the contract prices when alternative procurement is necessary. Excess shall include the administrative costs.

5.21 PRIME CONTRACTOR AND SUBCONTRACTORS

Subcontractors must abide by all terms and conditions of the contracts. When subcontractors are used, this should be clearly explained in the proposal. However, the prime contractor will be responsible for contract performance whether or not subcontractors are used.

5.22 PROMOTIONAL ADVERTISING/NEWS RELEASES

Reference to the use of the State of Wisconsin, any of its departments, agencies, or other subunits, or any state official or employee for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without the prior approval of the Audit Bureau. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the Audit Bureau.

5.23 RIGHT TO PUBLISH

The Contractor will be allowed to write and have such writing published provided the Contractor has written approval from the Audit Bureau before publishing such writings on subjects associated with the work under this Contract.

5.24 SITE RULES AND REGULATIONS

The Contractor shall use its best efforts to assure that its employees and agents, while on the State's premises or in the presence of State employees, shall comply with the State's work rules, and regulations applicable to the work site.

5.25 TERMINATION OF AGREEMENT

The Audit Bureau reserves the right to terminate the Contract in whole or in part without penalty due to nonappropriation of funds or for failure of the Contractor to comply with terms, conditions, and specifications of this Contract. Upon termination, the Audit Bureau's liability will be limited to the pro rata cost of the services performed and deemed acceptable as of the date of the termination plus expenses incurred with the prior written approval of the Audit Bureau. In the event that the Contractor terminates this Contract, for any reason whatsoever, it will refund to the Audit Bureau within 48 hours of said termination, all payments made hereunder by the Audit Bureau to the Contractor for services not delivered. Such termination will require written notice to that effect to be delivered by the Contractor to the Audit Bureau not less than sixty (60) days prior to said termination.

5.26 VENDOR TAX DELINQUENCY

Vendors who have a delinquent Wisconsin tax liability may have their payments offset by the State of Wisconsin.

5.27 APPLICABLE LAW AND COMPLIANCE

This contract shall be governed under the laws of the State of Wisconsin. The contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct. The State of Wisconsin reserves the right to cancel this contract if the contractor fails to follow the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax. The State of Wisconsin also reserves the right to cancel this contract with any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.

5.28 FOREIGN CORPORATION

A foreign corporation (any corporation other than a Wisconsin corporation) that becomes a party to this agreement is required to conform to all the requirements of ch. 180, Wis. Stats., relating to a foreign corporation and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority. Any foreign corporation which desires to apply for a certificate of authority should contact the Department of Financial Institutions, Division of Corporate and Consumer Services, P.O. Box 93348, Milwaukee, WI 53293-0348 (Telephone (608) 261-7577).

5.29 ANTITRUST ASSIGNMENT

The Contractor and the State of Wisconsin recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Wisconsin (purchaser). Therefore, the Contractor hereby assigns to the State of Wisconsin any and all claims for such overcharges as to goods, materials or services purchased in connection with this Contract.

5.30 DEVIATIONS AND EXCEPTIONS

Deviations and exceptions from original text, terms, conditions, or specifications shall be described fully, on the proposer's letterhead, signed, and attached to the request. In the absence of such statement, the proposal shall be accepted as in strict compliance with all terms, conditions, and specifications and the proposers shall be held liable.

5.31 TAXES

The State of Wisconsin and its agencies are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes as described below.

The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel, and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchases. The State of Wisconsin may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Contractors performing construction activities are required to pay state use tax on the cost of materials.
