

March 2, 2022

Purpose

The Oklahoma Public Employees Retirement System (OPERS) is seeking proposals from interested auditors for the performance of a financial audit of the two defined benefit pension plans it administers.

Additional information about these plans is provided below.

Plan	Plan Type	Assets as of June 30, 2021	Participants	Number of Employers
Oklahoma Public Employees Retirement System (OPERS)	401(a) Multi-employer Cost Sharing	\$14,221,845,383	Active 31,711 Retired 36,351 Inactive 63,273	287
Uniform Retirement System for Justices and Judges (URSJJ)	401(a) Single-employer	\$487,644,496	Active 264 Retired 306 Inactive 17	

Scope

The audit shall be for the state fiscal year ended June 30, 2022 and shall be conducted in accordance with *Government Auditing Standards*. The engagement for OPERS will also include an audit of the schedule of employer allocations and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the OPERS Pension Plan. The proposal should include census data testing as required by GASB Statement 68 and GASB 75 consistent with the guidance to auditors published by the American Institute of Certified Public Accountants.

The fiscal year 2021 financial statements with independent audit reports for the most current audits are available on the OPERS website www.opers.ok.gov under the "Publications/Forms" link and then "Current Publications."

General Requirements

- 1) The auditor shall, as part of the written audit report, submit to OPERS Board of Trustees and SAI a report containing an expression of an opinion that the financial statements are fairly presented, or an opinion modified as to certain accounts or items in the financial statements, a disclaimer of opinion and the reasons therefore, or an adverse opinion, and shall explain any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed in performing the audit.
- 2) The auditor's opinion shall be expressed on the opinion units as identified in the AICPA Audit and Accounting Guide: Audits of State and Local Governments.

- 3) The auditor shall submit to OPERS Board of Trustees and Oklahoma State Auditor & Inspector (SAI) a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.
- 4) Per 74 O.S. § 212A. 2, the auditor will file the audit with SAI and pay the required \$100 filing fee.
- 5) The audit report shall be submitted by the first Thursday in October 2022. OPERS will provide support in both the preparation of audit schedules and the preparation of financial statement drafts.
- 6) The auditor shall submit to OPERS Board of Trustees and SAI a report containing an expression of opinions on the schedule of employer allocations and on the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the schedule of collective pension amounts for the total of all participating entities for OPERS Pension Plan. This audit report shall be submitted by the second Thursday in December 2022. OPERS will provide support in the preparation of the audit schedules.
- 7) Any management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no material matters not also disclosed in the findings found in the published audit report).
- 8) Audit documentation shall be available for a period of seven years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two years from the date that all issues arising out of the actions are resolved or until the end of the seven-year retention period, whichever is later.
- 9) The contract will be for one year and may be renewed for up to four additional one-year terms.
- 10) The auditor agrees that any pertinent state or federal agency will have the right to examine the audit documentation and other records relevant to the audit. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type, and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- 11) The bids submitted shall be in conformity with the instructions to bidders and shall include all items listed below in the section titled "Bid Proposals." All bids, quotations and contracts shall be typewritten.
- 12) In accordance with 74 O.S. § 85.40, all travel expenses to be incurred by the vendor that are part of the service for the contract shall be included in the total bid price/contract amount.
- 13) No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the bid and/or the resultant contract. All modifications to the bid/contract shall be agreed to in writing.
- 14) SAI and OPERS reserve the right to reject any bid that does not comply with the requirements and specifications of the bid. A bid may be rejected when the bidder imposes terms and conditions that would modify requirements of the bid or limit the bidder's liability to the State.

Q & A Process

In an effort to clarify any issues in this RFP, the SAI and the OPERS staff will respond only to questions that are presented through e-mail in a Microsoft Word document. Questions should be submitted to **Lindsie Lundy, Business Manager** at llundy@opers.ok.gov. These questions will be consolidated into a single Q&A document.

All questions must be received by **4:30 p.m. Central Time on Thursday, March 10, 2022**. The Q&A document will be posted on the OPERS website (www.opers.ok.gov) on or after **Tuesday, March 15, 2022**. This will be the only distribution method for the Q&A document.

Bid Proposals

Proposals must include and will be evaluated on the following:

- 1) The audit fee and estimated hours to complete for this engagement for current and subsequent years. Although there is no commitment on the State’s part for the subsequent years, these will be considered in reviewing and selecting the best value (please use the following format to bid)

OPERS Plan	Audit Fee		Estimated hours to complete
	\$		
	\$	Year 1	
	\$	Year 2	
	\$	Year 3	
	\$	Year 4	
	\$	Year 5	

URSJJ Plan	Audit Fee		Estimated hours to complete
	\$		
	\$	Year 1	
	\$	Year 2	
	\$	Year 3	
	\$	Year 4	
	\$	Year 5	

- 2) Nature and extent of the firm’s governmental auditing experience, including retirement plan experience and GASB 67/74 and GASB 68/75 experience
- 3) A copy of the audit firm’s most recent external quality control review report
- 4) Composition of the audit team including relevant experience and hourly billing rates of team members
- 5) Evidence of good standing (copy of annual permit card issued by the Oklahoma Accountancy Board for principal partner or engagement manager)
- 6) Affirmation of understanding of the audit scope and required completion date
- 7) Completed non-collusion certification and the supplier contract certification (attached).

Please note that information received from state agencies regarding their experience with audit firms will also be considered during the evaluation of bids. This information may relate to timely completion of the audit as well as other issues.

General Terms and Conditions

Applicable Law and Courts – This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District Court of Oklahoma County, Oklahoma. The auditing firm shall comply with all applicable federal, state and local laws, rules and regulations.

Limitation of Liability, Hold Harmless Clauses and Indemnity – The State of Oklahoma and its agencies are constitutionally barred from limiting the liability of a private vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. The contract between the successful auditing firm and OPERS will not have any such terms.

Contract Termination –

- **For Default** – Consistent failure by the vendor to respond to or to meet its obligations under this contract may place the vendor in default and subject to cancellation of the purchase order. In the event the contractor fails to meet the terms and conditions of this contract or fails to provide services in accordance with the provisions of the contract, OPERS at its sole discretion, may withhold payments claimed by the contractor or cancel this contract by written notice of default to the contractor. Cancellation due to default shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law. In the event a Notice of Cancellation is issued, the Contractor shall have the right to request a review of such decision as provided by the rules and regulations promulgated by the Office of Management Enterprise and Services, Central Purchasing.
- **For Convenience** – This contract shall be in force until the expiration date, or until 30 days after written notice has been given by either party of its desire to cancel without cause. Notification of cancellation shall be by certified mail to the business address of record. In the event this contract is canceled by either party, OPERS shall be responsible for reimbursement for goods or services received or provided prior to cancellation date. OPERS shall not be responsible for reimbursement of unreasonable or unnecessary expenditures incurred after receipt of the cancellation notice.

Business Continuity

The vendor must indicate any recent or anticipated changes in its firm structure such as mergers, acquisitions, new venture capital, stock issue, etc. The vendor agrees to present to OPERS a business continuation plan in the event of natural or other disaster.

Assignment of Contract

A contract shall not be assignable by the vendor in whole or in part without the written consent of OPERS.

Confidentiality

The vendor is expected to comply with provisions of Oklahoma statutes regarding confidentiality of membership data and agrees not to disclose confidential membership information to other parties

without OPERS' prior authorization and approval.

Access to Data and Work Product

OPERS must be given reasonable access to all work product or data compiled by the vendor in the performance of this contract.

Ethics in Public Contracting

By submitting bids or proposals, vendors certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other vendor, supplier, manufacturer or subcontractor in connection with their bid/proposal. Vendors must further certify that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract.

Submittal Information

Proposals are to be submitted no later than **5:00 p.m. on Thursday, March 31, 2022**. Proposals must be received by the deadline by following the instructions located at: www.opers.ok.gov/rfp-external-audit.

Bid Award

The Oklahoma State Auditor & Inspector's Office and OPERS will evaluate all bids that have been received. Finalists may be asked to make a presentation to the OPERS Board of Trustees meeting on April 21, 2022 before a selection is made. It is anticipated that the award of the bid by OPERS will take place following the OPERS Board of Trustees meeting on April 21, 2022. Each bidder will be notified by OPERS in writing as to the award of the bid. Upon acceptance of the contract, payment will be made by OPERS via progress billings with 25 percent being retained until submission of the final report. Thank you for your time and consideration.

Sincerely,

Lindsie Lundy
Business Manager, OPERS