

# **FRANKLIN REGIONAL RETIREMENT SYSTEM**

## **REQUEST FOR PROPOSALS**

### **AUDIT SERVICES**

**PROPOSALS DUE: AUGUST 15, 2019 AT 4:00 P.M. EASTERN STANDARD TIME**

**ISSUE DATE: JULY 17, 2019**

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## **BACKGROUND**

The Franklin Regional Retirement System (FRRS) is governed by a five-member Board and is the pension system serving twenty four municipalities, seven regional schools, two housing authorities and six special districts throughout Franklin County, Massachusetts. FRRS manages over \$149 million in assets and employs a staff of five people in its office located in Greenfield, Massachusetts.

As of December 31, 2018, FRRS had 2260 active and inactive members, retirees and beneficiaries within the retirement system. Additional information on the retirement system is available at the FRRS website located at [www.FRRSMA.com](http://www.FRRSMA.com).

The Franklin Regional Retirement Board (Board) is issuing this Request for Proposals (RFP) seeking financial audit services by an independent Certified Public Accounting (CPA) firm. The selected firm will conduct an audit of the retirement system's financial statements and will present an opinion as to whether the financial statements and schedules are fairly presented and in conformity with generally accepted accounting principles. Further, the selected firm will conduct an audit for the purpose of forming an opinion and report on the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer prepared in conformity with Government Accounting Standards Board (GASB) 67 & 68 and all other relevant requirements. In addition, the selected firm will perform other testing on specific areas of retirement system operations as described in this RFP and will issue a report as to whether worked performed in these areas are in conformity to the rules and regulations of the Public Employee Retirement Administration Commission (PERAC) and all relevant best practices. Finally, the selected firm will be responsible for complying with the requirements for performing independent financial audits of public retirement systems as described in PERAC Memo #20 of 2008. A full and detailed scope of services is contained in this RFP.

PERAC Memo #20 of 2008 requires that the selection of a Certified Public Accounting firm to conduct independent financial audits of public retirement systems either in lieu of or in conjunction with the regularly scheduled audits conducted by PERAC, must be done via a competitive procurement process. It is the policy of the Franklin Regional Retirement Board to conduct procurements for all services in accordance Massachusetts General Law (MGL) Chapter 30B. Further, all accounting, actuarial, legal and investment services to be procured by public retirement boards in the Commonwealth of Massachusetts must be done in accordance with the requirements of MGL Chapter 32, Section 23B.

As the procurement of independent financial audit services is associated with the performance of accounting functions, the Franklin Regional Retirement Board has determined that this procurement will be performed to the extent practicable in accordance with the requirements of MGL Chapter 32, Section 23B. All potential offerors should be aware however, that it is the position of the Franklin Regional Retirement Board that MGL Chapter 32, Section 23B does not apply to this procurement.

All potential offerors should also be aware that MGL Chapter 30B, Section 1(a) (15) specifically exempts from the public bidding laws of the Commonwealth contracts with certified public accountants.

Therefore, although it intends to proceed in a manner that meets all of the standards described in the statutes referenced above, the Franklin Regional Retirement Board reserves the right to alter, amend or otherwise adjust its procedures in the procurement of services pursuant to this RFP if its deems such action to be in the best interests of the retirement system.

Work under this RFP is scheduled to begin as of January 1, 2020 and will proceed as follows:

- January 1, 2020 – Audit of calendar year 2019.
- January 1, 2021 – Audit of calendar year 2020.
- January 1, 2022 – Audit of calendar year 2021.
- January 1, 2023 – Audit of calendar year 2022.
- January 1, 2024 – Audit of calendar year 2023
- January 1, 2025 – Audit of calendar year 2024
- January 1, 2026 – Audit of calendar year 2025

### **INSTRUCTIONS TO OFFERORS**

**Designated Contact:** In order to receive a copy of this RFP, an offeror must provide to FRRS the following designated contact information. The designated contact for the offeror will be the individual authorized to receive communications from FRRS during the procurement process. Each offeror must provide the following:

Name  
Title  
Address  
Phone Number  
Email Address

The person listed as the designated contact for the offeror will receive all correspondence from FRRS. FRRS intends to submit all communications relative to this RFP via email. However, FRRS reserves the right to submit correspondence in any manner it deems appropriate.

No person shall receive a copy of this RFP without first providing a designated contact as required in this RFP. The Board will not consider any proposal from any firm who has not registered in the manner required by this RFP.

**Receiving Copies of the RFP:** In order to receive a copy of this RFP you must contact Dale Kowacki, Executive Director at the following email address:

[AuditRFP2019.FRRSMA@gmail.com](mailto:AuditRFP2019.FRRSMA@gmail.com)

This RFP will be available at the FRRS offices located at 278 Main Street, Greenfield, MA 01301. Regular FRRS business hours are: Monday to Friday, 8:30 a.m. to 4:30 p.m. The RFP may be picked up at the FRRS office or emailed at no charge.

The RFP will be available beginning at 8:30 a.m. on July 17, 2019.

**Correspondence and Questions:** All correspondence and questions relating to this RFP will be submitted to the FRRS's designated contact, Dale Kowacki, Executive Director, at the following email address:

[AuditRFP2019.FRRSMA@gmail.com](mailto:AuditRFP2019.FRRSMA@gmail.com)

All questions or comments relative to this RFP shall be in writing and shall be directed to FRRS's designated contact described above. Any changes in the requirements of this RFP will be issued via addenda. All addenda will be sent via email to the addresses provided by the offerors. The Board reserves the right to send addenda by a method other than email if, in its sole discretion, it shall determine that another method of communication is appropriate.

Offerors should acknowledge in their submission that they have received any addenda issued pursuant to this RFP. All addenda will be numbered in the following format: Addendum 1, Addendum 2, etc.

Offerors may call FRRS' designated contact and ask questions orally. FRRS will respond to oral questions but offerors should be cautioned that only written responses will be considered binding on FRRS and only written responses by FRRS will be incorporated into this RFP by reference. FRRS is not liable for any oral communication relative to this RFP.

Offerors should be aware that any response by FRRS to any written question or comment submitted by any offeror will be answered by responding to all registered offerors. All questions or comments on this RFP must be submitted to FRRS's designated contact on or before **4:00 p.m. on Friday, August 2, 2019**. No questions or comments will be accepted after this date and time.

**Proposal Format and Requirements:** Responses to this RFP must be submitted on or before **4:00 p.m. Eastern Standard Time on Thursday, August 15, 2019**. Any proposal not meeting this deadline will not be accepted or considered. All proposals must be submitted via email.

All proposals must be complete in all respects. The Board reserves the right to request additional information or clarifications on any proposal. The Board may, in its sole discretion, determine that a proposal has failed to meet all of the criteria required by this

RFP and may disqualify that proposal, provided, however, that the Board shall notify the respondent in writing prior to the issuance of any award under this RFP.

The Franklin Regional Retirement Board (“Board”) shall unconditionally accept a proposal without alteration or correction, except as provided in clause (f) of subsection (b) of Section 23B of Chapter 32 of the Massachusetts General Laws. An offeror may correct, modify or withdraw a proposal by written notice received by the Executive Director prior to the time and date set for the opening of proposals contained in this RFP. After the opening of proposals, an offeror may not change the price or any other provision of the proposal in a manner prejudicial to the interests of the Board or fair competition.

The Board further reserves the right to waive any minor informality as defined in Massachusetts General Law Chapter 32, Section 23B in any proposals received.<sup>1</sup> The determination as to whether or not to make an award as a result of this RFP shall be at the sole and absolute discretion of the Board. If a mistake is clearly evident on its face, the Board shall correct the mistake to reflect the intended correct proposal and will notify the affected offeror in writing.

Offerors will be required to submit their proposals in two emails. One email will contain the firm’s technical qualifications and the forms as required in this RFP. The second email will contain the price proposal contained as Appendix A in this RFP. The price proposal will be opened separately after the Board has reviewed and completed the final evaluation of the technical qualifications of all firms.

The two emails should be clearly marked, with the email containing the technical qualifications and the response to the requirements of this RFP stating:

***FIRM NAME - AUDIT RFP – TECHNICAL***

And the second email containing your price proposal must clearly state:

***FIRM NAME - AUDIT RFP – PRICE***

Each email must clearly state your firm’s name and be clearly identifiable. Each submission (the technical proposal and the price proposal) must be signed by the individual authorized by your firm for this purpose.

Technical proposals shall be opened privately and in the presence of one (1) or more witnesses on Friday, August 16, 2019.

Offerors must submit all required information, forms and attachments as specified in this RFP. This includes the following:

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<sup>1</sup> Massachusetts General Law Chapter 32, § 23B(b) states that minor informalities are “minor deviations, insignificant mistakes, and matters of form rather than substance of the proposal or contract document which can be waived or corrected without prejudice to other offerors, potential offerors, or the retirement board.”

**Cover Letter:** The proposal must be accompanied by a cover letter, which will be considered an integral part of the proposal, and which shall be signed by at least one individual who is authorized to bind the firm contractually. This cover letter must include the title and position of the authorized representative of the firm and a statement that the proposal is a firm and irrevocable offer.

**Representations and Warranties:** The Proposal must contain a statement or statements indicating that the offeror acknowledges the Representations and Warranties as required by this RFP.

**Attachments and Certifications:** All forms and certifications contained in this RFP in the Appendixes must be signed by an authorized officer of the firm.

**Public Records:** All proposals will become the property of FRRS. Any and all materials provided in response to this RFP shall be deemed to be a public record and shall be subject to disclosure upon request, unless such materials or data are specifically or by necessary implication exempted from disclosure under Massachusetts General Law.

**Incurring Fees:** FRRS will not be liable for any fees incurred prior to entering into an agreement with the successful offeror.

**Award and Agreement:** The successful offeror will be required to enter into an agreement which shall incorporate and be subject to all of the requirements contained in this RFP. Offeror's submission of a proposal in response to this RFP shall constitute its acceptance of all terms and conditions. The proposed agreement under this RFP will be for seven years.

It is the responsibility of each offeror to examine the terms and conditions of this RFP. Failure to do so shall be at the offeror's own risk. The Board will assume that the offeror has made a full investigation so as to be fully informed to the extent and character of the requirements of this RFP. No warranty is made or implied as to the information contained in this document. FRRS does not warranty the accuracy of any information incorporated by reference.

The Board shall act as the selection committee for the purposes of this procurement. No award shall be made pursuant to this RFP unless upon a majority vote of the Board taken at a properly posted open public meeting. Failure to achieve a majority vote of the Board authorizing a written agreement pursuant to this RFP or the failure to agree on mutually acceptable terms of an agreement will void any designation by the Board of an apparent winning proposal. The Board shall have sole discretion in determining whether the parties are unable to reach an agreement on the mutually acceptable terms of a written agreement pursuant to this RFP.

**Cancellation of the RFP:** The Board reserves the right to cancel this RFP, or to reject any and all proposals, or any portion of any proposal, received in response to this RFP,



upon its determination that such cancellation or rejection is in the best interests of the retirement system. Offerors acknowledge that the Board shall not be liable for any fees incurred in the preparation of their proposal.

**Proposed Time-Line:** The current schedule for this procurement is as follows:

- July 17, 2019 – Issuance of the RFP
- August 2, 2019 @ 4:00 p.m. – Deadline for Questions
- August 9, 2019 – Deadline for Issuing Responses to Questions
- **August 15, 2019 @ 4:00 p.m. (EST) – Deadline for Submission of Proposals**
- August 16, 2019 – Opening of Technical Proposals
- September 25, 2019 – Board Evaluation of Proposals – Tentative Vote to Award
- October 30, 2019 – Interviews (if necessary) Vote to Award<sup>2</sup>
- November 26, 2019 - Contract to be awarded on or before
- December 13, 2019 - Contract signed on or before

**Proposal Contents:** To be considered responsible, responsive, and eligible, each proposer shall submit a proposal that contains information regarding its background and general experience of the firm, which includes but is not limited to the following:

1. The principal accounting, tax and consulting services provided to public sector entities;
2. The firm's size, in terms of employees and number of offices;
3. The ownership structure of the firm;
4. The number of years the firm has been providing audit services, including the years providing audit services to municipalities, public employee retirement systems and any other public sector or tax-exempt clients;
5. The identity of the specific partner and staff that will be assigned to this engagement with their resumes or a complete description of their background, education and experience;
6. A description of the professional quality control program employed by your firm for municipal or public retirement system audits. Include a copy of the results of the last professional peer evaluation of the firm;
7. The name, address, telephone number and years that the firm has worked with at least three (3) other public agency audit client references that FRRS may contact;
8. A work plan that demonstrates the time estimates and staffing requirements for performing the services contained in this RFP;

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<sup>2</sup> The Board reserves the right to schedule a special meeting for the purposes of acting on the proposals submitted in response to this RFP. Any such special meeting will be an open, public meeting.

9. The type and amount of assistance you will require from FRRS in order to perform the services contained in this RFP;
10. Any other information you feel is relevant to the firm's qualifications to perform the services required by this RFP and which is not otherwise requested or required herein.

### **MINIMUM QUALIFICATIONS**

To be considered responsible, responsive, and eligible, each proposer shall meet the following minimum qualifications to be considered by the Board. Failure to meet the minimum required qualifications of this RFP will result in the rejection of a proposal.

The minimum qualifications necessary to be considered under this RFP are the following:

1. As of January 1, 2020, the offeror shall be a Certified Public Accountant (CPA), licensed to practice in the Commonwealth of Massachusetts;
2. As of January 1, 2020, the offeror shall be providing audit services in some capacity to a public employee pension fund, either directly or in connection with the audit of a municipality or other public entity, or shall be providing audit services to at least one (1) municipality or other public entity;
3. The offeror shall maintain an errors and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to the offeror's actions under this RFP and Agreement.
4. The offeror shall have completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government or governmental authority for acts contemplated by this RFP and Agreement.

### **SCOPE OF SERVICES**

The scope of services shall include *but are not limited to*, the following services:

1. Complete an annual audit of FRRS financial statements in accordance with generally accepted audit standards and provide an opinion as to whether the financial statements present fairly, in all material respects, the financial status of the system and, further, that the financial statements are in accordance with PERAC regulations and standards, and further, that FRRS is in substantial compliance with Massachusetts General Law (MGL) Chapter 32;

2. If requested, perform additional audit work in lieu of or in conjunction with the regular or special audits performed by PERAC as authorized under MGL Chapter 32, Section 21(1)(a), and, further, to cooperate in all respects with PERAC in the production of documents, provision of information or in any manner that PERAC may determine and, further comply with the requirements of 840 CMR 25.00 and PERAC Memo #20/2008 and make all audit work papers available to PERAC as necessary and, further that the selected firm will meet as necessary with the Audit Division of PERAC to advise them of any issues related to FRRS;
3. Conduct an annual audit for the purpose of forming an opinion and report on the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer, prepared in compliance with GASB 67 and 68.
4. Provide other accounting, tax or consulting services as requested;
5. Insure that each annual audit is completed and presented to the Board no later than June 30th of each year of the Agreement.
6. The selected offeror must adhere at all times and in all work performed under this agreement to the requirements of Massachusetts General Law Chapter 32 and the rules and regulations promulgated by the Public Employee Retirement Administration Commission (PERAC).
7. The selected offeror will commit to attend meetings of the Board or any other public body designated by the Board that maybe necessary to fulfill the requirements of this RFP and shall do so at the direction and discretion of the Board or the Executive Director. Further, the selected offeror may from time-to-time be asked to undertake tasks not included in this RFP but which are essential to the operation of the retirement system. Such out-of-scope assignments shall be paid for under a negotiated price that shall be approved by the Board in advance of any work performed.

## **AGREEMENT**

The Board will enter into a seven-year agreement.

A sample agreement is included as Attachment D to this RFP. Each offeror shall state in their cover letter submitted as part of their proposal that it will agree to and execute a contract containing the provisions substantially similar to those set forth in Attachment D. The offeror shall state any specific objections to the sample agreement in their proposal.

The agreement entered into pursuant to this RFP is subject to 840 CMR 25.00 and the selected firm shall comply with all aspects of 840 CMR 25.00.

## **PRICE PROPOSAL**

A price proposal form is contained in this RFP as Appendix A. Offerors must complete the price proposal form in full. The price proposal should account for all of the services required in this RFP.

## **REPRESENTATIONS AND WARRANTIES**

Each offeror will acknowledge in their proposal the following:

1. That it maintains an errors and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to the offeror's actions under this RFP and Agreement;
2. That it maintains workers compensation and liability insurance providing a prudent amount of coverage and that such coverage will be applicable to the offeror's actions under this RFP and Agreement.
3. That it has completed all forms contained in this RFP as attachments and as required.

## **RULE FOR AWARD**

The technical proposals will be opened privately on the date indicated in this RFP by the Executive Director acting as the Chief Procurement Officer and in front of at least one witness. At the time of the opening of the proposals, the Executive Director shall register each proposal and shall note any modifications that may have been submitted. The register of proposals shall be open for public inspection.

The Board will review the technical proposals and their individual evaluations at a properly posted open public meeting. The Board will develop a composite ranking of each technical proposal based on the individual evaluations. If the Board requires clarification or additional information, the request will be communicated to the designated contact of the offeror by the Executive Director. The Board reserves the right to interview one or more offerors to seek clarification during the evaluation process.

Upon completion of the evaluation of the technical proposals by the Board, the cost proposals shall be opened. The Board Chair, or his/her designee shall open the cost proposals during the public meeting and with all members of the Board present.

The Board shall review the cost proposals. The Board, by a majority vote of those members present and voting, shall determine the most advantageous proposal from a responsible and responsive offeror. The most advantageous proposal shall be based on the Board's composite ratings of the technical and cost proposals. The most advantageous proposal may not be the lowest cost proposal and it may not have the

highest composite ranking of the technical proposal. The most advantageous proposal will be based on the Board's evaluation of the costs and benefits associated with each proposal. The proposal selected by the Board will be that which provides the best combination of quality and price for the Franklin Regional Retirement System.

No agreement for services under this RFP shall be executed until such agreement is authorized by a majority vote of the Board. The Board reserves the right to cancel this RFP, or to reject any and all proposals, or any portion of any proposal, received in response to this RFP, upon its determination that such cancellation or rejection is in the best interests of the retirement system.

All information submitted by each offeror pursuant to this RFP will be released publicly upon completion of the selection process.

### **EVALUATION CRITERIA**

Each proposal will be rated in the following manner and on the following criteria.

- 1. Experience of the Proposer in providing services similar in scope and size. Please provide a list of all similar audits completed in the last 7 years.**

**Highly Advantageous:** Ten (10) or more years of experience in performing complex audits of municipalities and public employee retirement systems.

**Advantageous:** Five (5) or more years, but less than ten (10) years, of experience in performing complex audits of municipalities and public employee retirement systems.

**Not Advantageous:** Five (5) years or less experience in performing complex audits of municipalities and public employee retirement systems.

**Unacceptable:** No experience in performing audits for municipalities and public employee retirement systems.

- 2. Proposed Staffing and methodology for delivery of services – please list all personnel that will be involved, including level of education and duties on these audits.**

**Highly Advantageous:** Significant demonstrated experience in performing auditing, tax and accounting services for regional or county public employee retirement systems.

**Advantageous:** Demonstrated experience in performing auditing, tax and accounting services for multiple municipalities and/or municipal public employee retirement systems.

**Not Advantageous:** Limited experience in performing auditing, tax and accounting services for some municipalities and/or public employee retirement systems.

**Unacceptable:** No experience in performing auditing, tax and accounting service for some municipalities and/or public retirement systems.

### 3. Quality of the Proposal.

**Highly Advantageous:** The proposal that is complete in all respects, follows the organization of the RFP and responds to all requirements. The proposal is clear, concise and easy to understand.

**Advantageous:** The proposal is generally considered complete in all respects, with some areas in question, but generally follows the organization of the RFP and responds to nearly all requirements.

**Not Advantageous:** The proposal is nearly complete in all respects, although it does not follow the organization of the RFP but responds to most of the requirements.

**Unacceptable:** The proposal is clearly incomplete and does not respond to a majority of the requirements of the RFP, and it is disorganized and non-responsive.

### 4. Experience with PERAC and MGL Chapter 32.

**Highly Advantageous:** The offeror has performed at least one audit for at least ten (10) years that have been accepted by PERAC, has demonstrated a long-standing ability to respond to direction from PERAC in the conduct of audits of public employee retirement boards and has ten (10) years of evaluating public employee retirement board compliance with MGL Chapter 32, and 840 CMR 25.00.

**Advantageous:** The offeror has performed more than five (5) but less than ten (10) audits within the last fifteen (15) years that have been accepted by PERAC, has demonstrated a long-standing ability to respond to direction from PERAC in the conduct of audits of public employee retirement boards and has many years of evaluating public employee retirement board compliance with MGL Chapter 32, and 840 CMR 25.00.

**Not Advantageous:** The offeror has not performed many audits of public employee pension systems or has performed such audits for less than five (5) years and has demonstrated little, if any, experience with PERAC requirements, MGL Chapter 32, or 840 CMR 25.00.

**Unacceptable:** The offeror has not demonstrated any experience performing audits of public employee pension systems or that it has any experience with PERAC requirements, MGL Chapter 32, or 840 CMR 25.00.

**5. Understanding of Massachusetts public retirement systems and the laws and regulations applicable to Massachusetts public retirement systems.**

**Highly Advantageous:** The offeror has ten (10) years or more experience in providing auditing, tax and accounting services to public employee retirement systems in Massachusetts.

**Advantageous:** The offeror has at least five (5) years, but less than ten (10) years, experience in providing auditing, tax and accounting services to public employee retirement systems in Massachusetts.

**Not Advantageous:** The offeror has less than five (5) years in providing auditing, tax and accounting services to public employee retirement systems in Massachusetts.

**Unacceptable:** The offeror has no experience providing auditing, tax and accounting services to public employee retirement systems in Massachusetts.

**6. Experience performing retirement system audits in compliance with GASB 67 & 68 and demonstrated experience in coordinating GASB 68 reports with retirement system actuaries.**

**Highly Advantageous:** The offeror has experience providing GASB 67 & 68 compliant reports to four (4) or more public retirement systems with at least one being a regional or county public retirement system.

**Advantageous:** The offeror has experience providing GASB 67 & 68 compliant reports to at least two (2), but less than four (4), public retirement systems.

**Not Advantageous:** The offeror does not have experience providing GASB 67 & 68 compliant reports to at least two (2) public retirement systems.

**Unacceptable:** The offeror has no experience providing GASB 67 & 68 compliant reports to public retirement systems.

**APPENDIX A  
PRICE PROPOSAL FORM**

Please complete item number one (1) by listing the total cost for each year of the contract. This amount will be the total paid to your firm for all work included in this RFP for each calendar year that the agreement is in effect. Please total the amount of all years listed below as indicated. The total price of your proposal will be the total cumulative amount for all seven (7) years listed below.

1. Annual Independent Financial Auditing Consulting Fees:

Year 1 (Commencing 1/1/2020):     \$ \_\_\_\_\_  
Year 2 (Commencing 1/1/2021):     \$ \_\_\_\_\_  
Year 3 (Commencing 1/1/2022):     \$ \_\_\_\_\_  
Year 4 (Commencing 1/1/2023):     \$ \_\_\_\_\_  
Year 5 (Commencing 1/1/2024):     \$ \_\_\_\_\_  
Year 6 (Commencing 1/1/2025):     \$ \_\_\_\_\_  
Year 7 (Commencing 1/1/2026):     \$ \_\_\_\_\_

Total Auditing Consulting Fees (Add Years 1 to 7)<sup>3</sup> \$ \_\_\_\_\_

2. All payments will be made only upon receipt by the Board of a properly submitted and approved payment request and only after a vote of the Board approving said payment at a properly posted meeting held in accordance with the Open Meeting Law of the Commonwealth of Massachusetts.
3. Please state your fee structure for work that is out-of-scope of this agreement. No invoice will be paid for any out-of-scope work for which there is no prior approval by the Board for either the work assigned or the fee to be paid.

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<sup>3</sup> Total Actuarial Fees for Years 1-7 will be considered the firm's total fee for purposes of evaluating this proposal.



## APPENDIX B



PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION  
FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145



6052281

# Vendor Contact Information

Please print or type all entries in blue or black ink.

Fund Name:

Name of Retirement Board:

### 1. Company/Entity Information:

Company/Entity Name:

CRD# (if Applicable):

Address:

City:

State:

Zip:

Country:

Phone:

Fax:

URL:

### 2. Contact Information:

Name, First:

Last:

Suffix:

Title:

Department:

Phone:

Fax:

Email:

### 3. Contact Address:

Same as Company Address?  No  Yes

Address:

City:

State:

Zip:

Country:

Form C-2281 (rev. 4-2016)

# APPENDIX C



PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION  
FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145



## Vendor Certification

In all circumstances Massachusetts Law (Chapter 32, Section 23B) requires service providers to complete this form and submit it to the retirement board. The board must file the completed form with PERAC. In the case of investment managers upon acknowledgement from PERAC that this and other filings have been received, the board may retain the service provider.

Please print or type all entries in blue or black ink.

### 1. Retirement Board

Retirement Board to which proposal is being submitted:

### 2. Service Provider

Business Name:

Address:

City:

State:

Zip:

Services Being Proposed:

Dates of Services (MM/DD/YYYY)

From:

To:

### 3. Individual Submitting Proposal

Name, First:

Last:

Suffix:

Title:

The undersigned certifies that this proposal has been made and submitted in good faith and without collusion or fraud with any person. As used in this certification, the word "person" shall mean a natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

Signature:

Date:

## APPENDIX D

### SAMPLEE AGREEMENT

This Agreement (“Agreement”), dated as of the day of \_\_\_\_\_, \_\_, 2018, is made by and between the Franklin Regional Retirement System (FRRS) 278 Main Street, Suite 278, Greenfield, MA 01301 and [Firm], a [ ] corporation having its principal place of business at \_\_\_\_\_ [ ] (“Firm”).

**WHEREAS**, the Board (“Board”) of FRRS desires to obtain the services of a qualified public accounting firm, licensed to practice in the Commonwealth of Massachusetts, to conduct an annual financial audit of the financial statements of the system, and;

**WHEREAS**, FRRS issued a Request for Proposals (“RFP”) entitled Independent Financial Audit Services dated August 15, 2019, a copy of which is incorporated herein by reference, to provide such audit services, and;

**WHEREAS**, the Firm submitted a response (“Proposal”) to said RFP, a copy of which is incorporated herein by reference, and;

**WHEREAS**, the parties desire to enter into an agreement for said audit services under the terms thereof;

**NOW THEREFORE**, in consideration for the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**1. Incorporated Documents:** The terms of the RFP and the Proposal are incorporated herein by reference. In the event that there is any conflict or inconsistency in any of the documents that make up this Agreement, the order of priority for interpretation shall be first, this Agreement; second, the RFP; and third, the Proposal.

**2. Retention of the Firm.** The Board hereby appoints and retains the Firm to provide (a) the professional audit services set forth and described in the Scope of Services in the RFP; (b) such related services not otherwise defined as may be required to carry out the objectives set forth in said Scope of Services; and (c) its services in accordance with the requirements, duties and responsibilities set forth in the RFP as are not specifically inconsistent herewith. The Firm shall have their final audit report on the financial statements available for review by the Board by the scheduled monthly meeting in **JULY**.

The Firm hereby accepts said appointment and agrees to provide the said professional audit services in accordance with (a) this Agreement, (b) generally accepted audit standards, and (c) any supplementary directions of the Board or its designee.

3 **Term:** The term of this Agreement shall commence on January 1, 2020 and shall continue through December 31, 2026.

#### 4. **Termination**

a. **Without Cause:** This Agreement may be terminated at any time without cause by either party upon at least sixty (60) calendar days prior written notice to the other, effective as of the date set forth in such notice.

b. **With Cause:** The Board may, by written notice of default to the Firm, terminate this Agreement for cause in any one of the following circumstances:

(a) if the Firm fails to perform the services in a timely and professional fashion; or;

(b) if the Firm fails to fulfill any material term of this Agreement or so fails to make progress in the engagement as to endanger performance of this Agreement; and;

(c) in either of these instances does not cure such failure within a period of thirty (30) calendar days after receipt of prior written notice from the Board specifying such failure; provided however, that the Firm shall not be in default if any such failure to perform or make progress arises out of causes beyond the control and without the fault or negligence of the Firm. In the event of such termination, the Board may, but need not, procure, upon such terms and in such manner as it shall deem appropriate, services similar to those so terminated without prejudice to any other rights and remedies for default the Board may have. Firm shall be liable to the Board for any excess costs for such similar services.

Any termination of this Agreement shall be without payment of any penalty by FRRS.

Upon termination, all documents, data, studies, reports and the like, finished and unfinished, prepared by the Firm pursuant to this Agreement shall become the property of FRRS and shall be transferred to FRRS; provided, however, that the Firm may retain copies of any such documents required for its own record keeping purposes. The Board shall, upon receipt of said work, pay the Firm the reasonable value of said work less any set-off for damages caused by the Firm in the event that termination is for cause as set forth above.

A pro rata determination of fees, if appropriate, will be made for any period in which this Agreement has been terminated.

In the event of termination, the Firm shall not be relieved of any liability to FRRS for injury or damages sustained by FRRS by virtue of any breach of the Agreement by the Firm. In the event of termination pursuant to this section, FRRS may withhold any payments to the Firm for the purpose of set-off until such time as the exact amount of damages due to FRRS from the Firm is determined.

**5. Fees and Expenses.** The Firm will be entitled to receive from the Board as complete compensation for services rendered hereunder the fees set forth in Fee Proposal hereto (“Fee Proposal”), and such fees will be paid by the Board at the times and in the manner specified in the Fee Proposal. The Fee Proposal may be modified by mutual agreement of the parties in writing. The Firm will not be paid or reimbursed for any expenses except to the extent permitted by the Board in writing.

In no event shall the liability of FRRS in connection with this Agreement exceed the compensation provided for under this paragraph. In no event shall FRRS be liable to the Firm for damages for loss resulting from causes beyond the reasonable control of FRRS, and in no event shall FRRS be liable for incidental, special or consequential damages, including loss of anticipated revenues or profits, whatever the cause.

In the event that an unforeseen miscellaneous expense is incurred, the Firm shall receive FRRS’s approval in writing prior to incurring the expense if it will subsequently seek payment of said expense from FRRS.

Payment shall be made to the Firm for work completed in accordance with this Agreement. All requests for payment shall be submitted to FRRS as an invoice and shall specify work completed, progress made toward completing deliverables, the number of hours worked, the classification of each employee who performed work, and the billing rate for each employee who performed work on the project.

Payment will be due sixty (60) calendar days after receipt of the Firm’s invoice by FRRS for services rendered in accordance with this Agreement. FRRS shall not make payments in advance.

If FRRS objects to all or part of any invoice, FRRS shall notify the Firm in writing within two (2) weeks of the date of receipt of the invoice, and shall pay that portion of the invoice not in dispute within sixty (60) calendar days after the date of receipt of the invoice.

Should it be necessary for the Firm to engage the services of a specialized Firm or companies other than those originally proposed in the Firm’s response to FRRS’s Request for Proposals, the Firm shall take such measures only with FRRS’s prior written approval. Charges for such services, with no mark-up, shall be billed directly to FRRS unless otherwise agreed upon by the parties.

Payment of the amounts due under this Agreement shall release FRRS and its officers, employees, boards, commissions, committees, agents and representatives, from any and all claims and liability in any way relating to this Agreement or anything done in pursuance thereof.

No payment by FRRS to the Firm shall be deemed to be a waiver of any right of FRRS under this Agreement or a ratification by FRRS of any breach hereof by the Firm.

**6. Records.** The Firm shall maintain such books, records and other compilations of data as are sufficient to substantiate the performance of its duties hereunder, and to document the procedures followed. The Firm shall make all such records available to FRRS at the Firm's offices during office hours upon reasonable notice and the Firm shall provide copies to FRRS upon request. The Firm shall keep all such records for a period of six (6) years or for such longer period as is specified by the Board. All retention periods start on the first day after final payment under this Agreement. If any litigation, claim, negotiation, audit or other action involving the records is commenced prior to the expiration of the applicable retention period, all records shall be retained until completion of the action and resolution of all issues resulting therefrom, or until the end of the applicable retention period, whichever is later.

**7. Services Not Exclusive.** The services of the Firm and its personnel to be provided under this Agreement are not exclusive, and the Firm may provide services to others and engage in other activities, but the Firm will allocate such personnel and devote such efforts as are necessary for it to carry out its duties under this Agreement.

**8. Status of Firm.** Firm is engaged under this Agreement as an independent contractor and not as an agent or employee of FRRS. No employee, agent or representative of the Firm shall be entitled to receive any benefits of employment with FRRS, including without limitation salary, overtime, vacation pay, holiday pay, sick leave, health insurance, life insurance, pension or deferred compensation.

**9. Indemnification.** Firm agrees to defend, indemnify and hold harmless FRRS and its officers, employees, boards, commissions, committees, agents and representatives from and against all claims, causes of action, suits, costs, damages, and liability of any kind which arise out of the breach by the Firm of its obligations under this Agreement, or the act or omission of the Firm, its subcontractors, or their officers, employees, agents and representatives or anyone directly or indirectly employed by them, or anyone for whose acts or omissions they may be liable, regarding the work to be performed by the Firm under the Agreement, or which arise out of the violation of any federal, Massachusetts or local statute, by-law, rule, regulation, order or directive. Said costs shall include, without limitation, reasonable legal costs, collections fees, and counsel fees incurred in defending any claim or suit that may be brought against FRRS and any judgment that may be obtained in any such claim or suit. The Firm shall provide and maintain throughout the term of the Agreement and any extension or renewal thereof the following insurance with companies that are authorized and licensed in the Commonwealth of Massachusetts to issue policies for the coverages and limits so required.

**10. Persons Authorized to Act for the Firm.** The Firm will from time to time certify to the Board the name of the person or persons authorized to act on its behalf. Any person so certified will be an authorized representative of the Firm for purposes of this Agreement and his authority to act on behalf of the Firm will continue until notice to the contrary is given by the Firm and received by the Board.

**11. Persons Authorized to Act for the Board.** The Board has designated the Executive Director to act on its behalf in giving instructions, directions, notices or other communications to the Firm. The authority of any such person to act on behalf of the Board will continue until notice to the contrary is given by the Board and received by the Firm. All oral instructions shall be promptly confirmed in writing.

**12. Authority.** Each of the parties to this Agreement represents that it is duly authorized and empowered to execute, deliver and perform this Agreement, that such action does not materially conflict with or violate any provision of law, rule or regulation, contract, deed of trust, or other instrument to which it is a party or to which any of its property is subject, and that this Agreement is a valid and binding obligation, enforceable against such party in accordance with its terms. The undersigned for each party represents that he/she is authorized to execute this Agreement on behalf of that party.

**13. Communication.** Any approvals, instructions, directions, notices or other communications (other than oral instructions described in Section 11) pursuant to this Agreement will be mailed or delivered:

a) to the Board at:

Dale Kowacki  
Executive Director  
Franklin Regional Retirement System  
278 Main Street, Suite 311  
Greenfield, MA 01301

b) to the Firm at:

Either party may change the address for notices or other communications to it by written notice to the other stating the new address. Notices from either party to the other will be effective when received by the addressee.

The Firm shall promptly notify the Board in writing of: (1) any change in the Firm's representations in this Agreement during the term of this Agreement; (2) any change in the senior management or material changes in ownership of the Firm's organization; (3) any change in Firm's senior staff assigned to the System; (4) any other material change in the Firm's business activities or circumstances; (5) any action taken by the Firm that is contrary to or inconsistent with this Agreement; and (6) the commencement by any governmental regulatory or law enforcement agency of any investigation, examination or other proceeding directly involving the Firm, its owners, or employees, except such investigations, examinations or other proceedings as are routinely conducted in the ordinary course of the Firm's business.

14. **Assignment, etc.** The Firm shall not assign this Agreement without the prior written consent of the Board. The Firm shall not subcontract or delegate any of the services provided for under this Agreement, in whole or in part, to any other person or entity without the prior written approval of the Board. No subcontract or delegation shall relieve or discharge the Firm from any obligation or liability under this Agreement.

15. **No Waiver.** Any failure by FRRS to assert its rights for or upon any default of this Agreement shall not be deemed a waiver of such rights, nor shall any waiver be implied from the making of any payment hereunder.

16. **Personal Liability Excluded.** Neither the FRRS, nor its officers, employees, boards, committees, commissions, agents and representatives shall be under any personal obligation or incur any personal liability by reason of this Agreement, the execution thereof or anything relating thereto which arises out of the breach or violation of any provision of this Agreement, or the violation of any Federal, Massachusetts or local statute, by-law, rule, regulation, order or directive, regarding the subject matter of this Agreement

17. **Confidentiality Agreement:** The Firm acknowledges that the records of the Franklin Regional Retirement System (FRRS) contain documents and other data which are considered under the law to be personal and confidential information which is exempt from public disclosure. Such data includes, but is not limited to, medical records, tax returns, domestic relations orders, residential addresses, telephone numbers, dates of birth, and social security numbers of members and beneficiaries of FRRS.

The Firm acknowledges that as a vendor/consultant providing services to FRRS, the Firm has a duty to hold and maintain the confidentiality of all personal and confidential information pertaining to the members and beneficiaries of FRRS; and that, further, the Firm hereby agrees that it will hold and maintain the confidentiality of all personal information as confidential to those outside of FRRS.

The Firm hereby agrees to indemnify and hold harmless the Franklin Regional Retirement System, its Board, officers, employees, boards, commissions, attorneys, committees, agents and representatives from and against all claims, causes of action, suits, costs, damages, and liability of any kind whatsoever arising from, directly or indirectly, the Firm's release of personal and medical information and documents contained in the System's records and files.

18. **Entire Agreement/Severability/Amendment.** This Agreement and the documents incorporated by reference as stated herein set forth the entire understanding between the parties as to the subject matter hereof and supersedes all prior or collateral agreements and representations. To the extent that there is any conflict between the Agreement and any provisions of any other document incorporated by reference, the Agreement shall prevail. If any provision, or portion thereof, of this Agreement shall be adjudged to be invalid or unenforceable by final judgment or order of a court of competent jurisdiction



the remaining provisions shall continue in effect to the extent permitted by law. This Agreement may not be amended or modified except by a writing signed by both parties and upon a vote of the Board specifically authorizing the amendment or modification.

**19. Delays/Force Majeure.** Except as specifically set forth in this Agreement, neither party shall hold the other responsible or liable for damages or delays in performance caused by acts of God, interruptions in the availability of labor, or other events beyond the control of the other party, or that could not have been reasonably foreseen or prevented. For this purpose, such acts or events shall include unusually severe weather affecting performance of services, floods, epidemics, wars, riots, strikes, lockouts, or other industrial disturbances, protest demonstrations, and project site conditions which could not have been reasonably anticipated. Should such acts or events occur, both parties shall use their best efforts to overcome the difficulties arising and to resume, as soon as reasonably possible, the normal pursuit of performance under the Agreement.

**20. Venue/Applicable Law.** Any action at law or suit in equity instituted by the Firm as a result of the performance, non-performance or alleged breach of this Agreement shall be filed in the Superior Court of the Commonwealth of Massachusetts for Franklin County, MA, and in no other court or jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, regardless of choice of law issues or principles.

**21. Certifications.** By entering into this Agreement, the Firm certifies under penalties of perjury that its entry was made and submitted in good faith and without collusion or fraud with any person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals. The Firm also certifies under the penalties of perjury, pursuant to M.G.L. c.62C, Section 49A (b), that it has complied with all laws of the Commonwealth relating to taxes, to reporting of employees and contractors, and to withholding and remitting child support. The Firm also represents that, pursuant to M.G.L. c. 268A, the Firm and its officers, employees, agents, subcontractors and affiliated agencies shall not participate in any activity which constitutes a violation of the Massachusetts Conflict of Interest Law or which creates an appearance of a violation of the Massachusetts Conflict of Interest Law.

**22. Non-Discrimination.** The Firm shall not discriminate against or exclude any person from participation herein on grounds of race, color, religious creed, national origin, sex, gender identity, sexual orientation (which shall not include persons whose sexual orientation involves minor children as the sex object), age, genetic information, ancestry, children, marital status, veteran status or membership in the armed services, the receiving of public assistance, and handicap. The previous sentence shall include, but not be limited to, the following: advertising, recruitment; hiring; rates of pay or other forms of compensation; terms; conditions or privileges of employment; employment upgrading; transfer; demotion; layoff; and termination.

**23. Successors and Assigns.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, assigns and successors in interest of the parties.

**IN WITNESS WHEREOF**, the Firm and FRRS have executed this Agreement as of the date first above written.

Franklin Regional Retirement System:

BY: \_\_\_\_\_  
Sandra A. Hanks, Chair

Firm

BY: \_\_\_\_\_  
Name  
Title