REQUEST FOR PROPOSALS

Employer Census Agreed Upon Procedures
ID: RFP-45-20-01

Issued August 1, 2019

Responses due via email by 4:30 pm CT on August 30, 2019

Please include RFP ID on all correspondence
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I. Introduction

The State Universities Retirement System (SURS or the System) is soliciting proposals from independent public accounting firms to provide employer census data agreed upon procedures for employers (state universities, community colleges and affiliated organizations) with members participating in SURS. Provided services shall include, but not be limited to client meetings and consultations; field testing at employers; and reporting to employers, SURS management, and SURS Audit Committee. The employers will vary in size and complexity and may involve a wide array of manual and automated accounting and recordkeeping systems. SURS expects to sign a multi-year contract (minimum of three years, with an option to extend for fourth and fifth years) for the performance of these agreed upon procedures. SURS reserves the right to contract for all, any or none of the services requested.

All forms and required documents needed for submitting a proposal in response to this request for proposals (RFP) are available on the SURS website at www.surs.org. A firm that submits a proposal in response to this RFP will be henceforth referred to as a respondent.

A respondent’s preparation and submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the System to award a contract or to pay any associated costs. All proposals and related materials will be retained by the System and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act.

II. Description of SURS

SURS is the administrator of a cost-sharing, multiple employer, public employee retirement system that provides retirement, survivor, disability, and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941 by an act of the Illinois General Assembly and is governed by the Illinois Pension Code (40 ILCS 5/15-101 et seq.). SURS provides benefit services to over 230,000 members who work for 61 employers. SURS is responsible for investing assets of more than $19 billion in a diversified portfolio of U.S. and foreign stocks, bonds, real estate, and alternative investments. SURS also administers a defined contribution plan, the Self-Managed Plan, which currently has assets of approximately $2.2 billion. Northern Trust serves as SURS’ master trustee custodian.

An elected and appointed eleven-person board of trustees governs SURS. The chairperson of the board of trustees is, by statute, the chairperson of the Illinois Board of Higher Education. Five
members of the board are appointed by the governor of the state of Illinois. The remaining six members of the board are elected by participating members (four individuals) and annuitants (two individuals). Trustees serve six-year terms. SURS is funded by participant payroll deductions and annual employer contributions provided by the state of Illinois. By statute, SURS is defined as a “body politic and corporate” created by Article 15 of the Illinois Pension Code.

SURS currently employs approximately 148 staff located in two offices in Champaign and Naperville, Illinois. Two SURS employees are in the Naperville office. The remaining SURS employees are currently situated in the Champaign office at 1901 Fox Drive, but many of them will be moved into the new SURS building at 1801 Fox Drive after a renovation project is complete.

A copy of SURS’ most recent comprehensive annual financial report (CAFR) is available for review or download at www.surs.org.

The Illinois Governmental Ethics Act, 40 ILCS 420, provides guidelines for ethical practices concerning state and local pension plans. Respondents should be familiar with the provisions of this Act.

Section 1-109.1(6) of the Illinois Pension Code (40 ILCS 5/1-109.1(6)) encourages Illinois public pension systems like SURS to utilize businesses owned by “minorities,” “women,” and “persons with disabilities” for all contracts and services, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (“BEMWPD”, 30 ILCS 575). Additionally, Section 1-109.1(10) of the Illinois Pension Code (40 ILCS 5/1-109.1(10)) sets an aspirational goal of not less than 20 percent of contracts awarded to such businesses for “information technology services,” “accounting services,” “insurance brokers,” “architectural and engineering services,” and "legal services" as defined by the BEMWPD. Accordingly, businesses that meet these definitions are strongly encouraged to submit responses to this RFP.

A section of the Illinois Procurement Code concerning prohibitions of political contributions for vendors, 30 ILCS 500/50-37, may or may not apply to SURS service providers. However, each service provider should be familiar with the provisions of this section and comply with this section if the service provider deems it appropriate.

SURS is subject to its own procurement statutes and rules. Respondents should be familiar with those procurement requirements as well. The selected respondent will be paid by SURS directly.

Additional legal requirements that respondents should be familiar with are contained in the Addendum to Contract under Appendix D.

III. Services Required

The State Universities Retirement System is looking for an independent public accounting firm to perform agreed upon procedures as detailed in Appendix F.

Background of this RFP

To remain in compliance with Governmental Accounting Standards Board (GASB) Statement Number 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement Number 27, pension plans are required to allocate the liability to the employers for the employers’ financial statements and to maintain controls over the completeness and accuracy of the census data used in the actuarial reports. In order to comply with the standard set forth in GASB 68, the procedures performed to audit the census data have been performed by an independent public accounting firm, and an audit opinion was issued on the census data from 2015 through 2018.
Historically, six to eight employers’ data has been selected by SURS to be tested by the third party. There have been approximately 60 individual employees selected from each type of payroll from each employer to perform the census testing. The testing is required to be performed at the location of the employer. One or two payroll periods are selected for testing from each employer; however, each employer may have more than one payroll type, and each payroll type will be tested.

The current RFP is for employer audits that shall be performed in compliance with the Required Agreed Upon Procedures as detailed in Appendix F. The previous annual payroll periods covered were from November 1 through October 31, with fieldwork being performed January through March and reporting completed by April 30. This timeline will shift under the current RFP. For year one of the contract, the period subjected to the agreed upon procedures will be November 1, 2018, through June 30, 2019, with the audit report to be issued no later than March 31, 2020. In year two the period covered will be from July 1, 2019, through June 30, 2020, with the report to be issued by December 31, 2020. Year three and onwards will follow the July 1 through June 30 timeline. This goal of this shift is to move the onsite visits from the current January through March period to a summer or early fall period.

IV. Minimum Qualifications

- The respondent’s key professionals and/or organization must not have material conflicts with SURS or the SURS board.
- The respondent must be an independent public accounting firm licensed to practice in Illinois.
- At least one member of the respondent’s team assigned to the audit must be licensed to practice as a Certified Public Accountant in Illinois.
- All members of the respondent’s team must be yellow book qualified and have experience working with not-for-profit universities and colleges.
- The respondent must not be in bankruptcy, conservatorship, receivership or in the possession of a regulatory agency.
- The respondent, including any and all persons assigned to work on these agreed upon procedures, must not have been suspended or debarred from performing auditing work.
- The respondent must carry at least $1 million in liability insurance that is in full force at the time the proposal is submitted and maintain the same level or higher throughout the term of the contract. The types and amounts of coverage shall be provided in the respondent’s proposal.

V. Proposal Content

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed separately. All communications regarding this RFP must include the RFP ID shown on the title page.

Cover Letter

A cover letter, which will be considered an integral part of the proposal package, in the form of a standard business letter, must be signed by an individual authorized to bind the respondent contractually. This cover letter must indicate the signer is so authorized and must indicate the signer’s title or position. An unsigned proposal will be rejected. The cover letter must also include:
a. A statement that the proposal meets all requirements of this RFP, and that the offer tendered by the proposal will remain in full force and effect until and may be accepted by SURS at any time prior to 30 days beyond the deadline for proposal submission.

b. A disclosure of any current business relationship or any current negotiations for prospective business with SURS, or with any member of the Surs Board of Trustees or SURS staff, or any party currently rendering services to SURS.

c. A statement that the respondent acknowledges that all documents submitted in response to this RFP may be subject to disclosure under the Illinois Freedom of Information Act and/or the Illinois Open Meetings Act.

**Statement of Minimum Qualifications**  
Respondents must complete and return the Minimum Qualifications Certification in the form contained in Appendix A.

**Reference Checks**  
Reference checks will be conducted for each finalist.

**Company Organization and Diversity Questionnaire**  
The questionnaire contained in Appendix B to this RFP must be completed and returned as part of the proposal.

**Fee Proposal**  
Respondents must submit a fixed-cost proposal in the format prescribed in Appendix C. Any deviation from the prescribed format which in the opinion of SURS is material may result in the rejection of the proposal. The proposed fee shall include all costs and expenses for providing the services, including travel or other administrative fees. Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of the System.

The fee proposal must expressly state that the proposed fees are guaranteed for the term of any resulting contract.

**Candidate Information**  
Respondents should include resumes for potential members of the engagement team, detailing applicable experience and credentials.

**Contract**  
This request for proposals is neither a contract nor meant to serve as a contract. It is anticipated that one of the proposals submitted in response to this request for proposals may be selected as the basis for negotiation of a contract with the respondent. Such a contract is presently contemplated to contain, at a minimum, the terms of the proposal submitted, as finally negotiated and approved by the System. SURS reserves the right to negotiate additions, deletions or modifications to the terms of proposals submitted. The terms contained in Appendix D, Addendum to Contract, must be agreed to and accepted by the candidate or organization selected to perform the work contemplated by this RFP, unless exceptions are noted as part of the proposer’s response.

**Project Schedule**  
Submitted proposals must include a preliminary project schedule based on the number of calendar days required to perform the work following the award of the contract.
VI. Submission of Proposals

All proposals must be received no later than the deadline stated in the Anticipated Timeline and Contact Information section. Submissions must be made via email to the identified contact person by the stated deadline. **Only email submissions will be accepted.**

The proposals become the property of SURS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the respondent and shall not be chargeable to SURS.

Only one proposal from an individual, firm, partnership, corporation, or combination thereof will be considered for this assignment.

VII. Evaluation Process

Pre-Evaluation Review
All proposals will be reviewed to determine if they contain all the required submittals specified in this RFP. Those not submitting all required information in the prescribed format will be rejected.

Proposal Evaluation
All proposals received by the SURS representative on or before the deadline stated in the Anticipated Timeline and Contact Information section will be reviewed to determine whether they meet the minimum requirements of this RFP.

All proposals received by the deadline that pass the pre-evaluation review will undergo an evaluation process conducted by SURS staff. They will be reviewed to determine whether they meet the requirements of this RFP. SURS will consider the following factors in the evaluation process, ranked in no specific order, and will render a decision based on the perceived best fit and best value for the engagement. Fees will be one of the determining factors in this decision but will not be the primary determinant. Proposals will be evaluated based on criteria including:

- Quality, conciseness, clarity and completeness of the proposal, including a demonstrated understanding of the scope of the engagement and the specific responsibilities which it entails
- Possibly qualification as an MWDBE vendor, as defined in the SURS Inclusion Policy
- Proposed fees and work schedules
- Understanding of the services requested
- Relevant knowledge, experience and qualification of firm and team members including established record of success in similar work
- Willingness to negotiate contract terms
- Independence
- References
- Adherence to RFP submission requirements
- Proposed methodology and work plan to be used in the process
- Proposed deliverables

Proposals that contain false or misleading statements or that provide references which do not support an attribute or condition claimed by the respondent will be rejected. Issuance of the request for proposals creates no obligation to award a contract or to pay any costs incurred in the preparation of a proposal. Nothing in this RFP or any resulting contract shall preclude SURS from procuring services similar to those described herein from other sources.
During the evaluation process, respondents may be requested to provide additional information and/or clarify contents of their proposal. Other than information requested by SURS, no respondent will be allowed to alter the proposal or add new information after the submission deadline.

Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of SURS.

Any respondent selected by SURS will be subject to the terms of the SURS Travel Policy, which are attached hereto as Appendix E. Respondents should be familiar with these terms as they will be included in any contract awarded by SURS. Respondents may include all expected travel costs as part of their overall “not to exceed” cost for the work to be performed under this RFP, or they must provide their best estimate for all travel expenses they expect to incur in performing the services required by this RFP.

VIII. Anticipated Timeline and Contact Information

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiet Period Begins</td>
<td>August 1, 2019</td>
</tr>
<tr>
<td>RFP Issued</td>
<td>August 1, 2019</td>
</tr>
<tr>
<td>Questions Due from Potential Respondents</td>
<td>August 15, 2019, 4:30 p.m. CT</td>
</tr>
<tr>
<td>SURS Posts Responses to Questions</td>
<td>August 22, 2019, 4:30 p.m. CT</td>
</tr>
<tr>
<td>Proposals Due On or Before</td>
<td>August 30, 2019, 4:30 p.m. CT</td>
</tr>
<tr>
<td>Selection of Firm</td>
<td>September 2019</td>
</tr>
<tr>
<td>Anticipated Project Start</td>
<td>November 2019</td>
</tr>
</tbody>
</table>

SURS may extend these deadlines at its discretion. Any such extensions will be posted to the SURS website.

**SURS RFP Contact Information**
Procurement Officer  
Procurement_Officer@surs.org  
SURS  
1901 Fox Drive  
Champaign, IL 61825-2710

IX. Submission Process

**Deadline**
To be considered for selection, proposals **must be received via email in Adobe Acrobat format** at Procurement_Officer@surs.org **no later than 4:30 p.m. CT, August 30, 2019**. Please reference “RFP 45-20-01 Employer Census Agreed Upon Procedures - Name of Respondent” in your communications. An email confirmation will be sent confirming receipt of the proposal.

**Withdrawal**
To withdraw a previously submitted proposal, send a written notification signed by an authorized agent of the firm to Procurement_Officer@surs.org no later than the submission deadline of 4:30 p.m. CT, August 30, 2019. Please reference “RFP 45-20-01 Employer Census Agreed Upon Procedures - Name of Respondent” in your communications. An email confirmation will be sent confirming
withdrawal of the proposal. The proposal may be resubmitted with any modifications no later than the aforementioned submission deadline. Modifications offered in any other manner will not be considered.

Questions
To clarify any issues in this RFP, SURS will respond only to questions that are presented in writing via email to Procurement_Officer@surs.org. All questions should be submitted to SURS by 4:30 p.m. CT, August 15, 2019. Please reference “RFP 45-20-01 Employer Census Agreed Upon Procedures - Name of Respondent” in your communications. These questions will be consolidated into a single Q&A document and responded to by SURS on or about August 22, 2019, by 4:30 p.m. CT. The Q&A document will be posted on the SURS web site at www.surs.org/rfp-non-investment. This document will include all questions received and SURS’ answers to the same without indicating the source of the query.

X. General Conditions

Freedom of Information Act Disclosure

All materials submitted in response to the RFP become property of SURS. Proposals remain confidential during the selection process. However, upon completion of the selection process, all responses, including that of the individual, vendor, or firm selected, will be a matter of public information and will be open to public inspection in accordance with the Illinois Freedom of Information Act (FOIA).

If, in response to this RFP, trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP, such claim must be clearly made, and such information must be clearly identified. (5 ILCS 140/7 and 7.5) Responses to this RFP with every page marked as proprietary, privileged or confidential will not satisfy this requirement. Respondents are required to make a good faith attempt to properly identify only those portions of the proposal that are truly furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP.

Redacted Version of RFP Response

In the event a respondent believes and claims that certain materials or information contained in the submitted proposal are exempt from public disclosure under the Illinois FOIA, the respondent is required to provide a redacted version of the proposal it believes will be suitable for release under the Illinois Freedom of Information Act. (5 ILCS 140/7 and 7.5)

A RESPONDENT’S FAILURE TO PROVIDE A REDACTED VERSION OF THE PROPOSAL WILL RESULT IN SURS DISCLOSING THE RESPONDENT’S ENTIRE PROPOSAL IF THE SAME IS REQUESTED UNDER THE ILLINOIS FREEDOM OF INFORMATION ACT. NEITHER THE RESPONDENT NOR ANY THIRD PARTIES SHALL HAVE ANY RECOUSE AGAINST SURS FOR ITS DISCLOSURE OF THE NON-REDACTED PROPOSAL.

However, any claim of privilege from disclosure is not definitive. SURS has the right and legal obligation to determine whether such information is exempt from disclosure under the Illinois Freedom of Information Act and no information will be considered or determined by SURS to be proprietary, privileged, or confidential unless it is identified and separated as indicated herein. (5 ILCS 140/7 and 7.5)
Ordinary Course of Business Communications Allowed
Other than existing normal business matters, respondents, potential respondents, or their representatives should not contact anyone at SURS (including SURS staff, members of SURS advisory committees and members of the SURS board) other than the listed RFP contact. In addition, respondents must not discuss this RFP with any employee of SURS, trustee of SURS, employee of SURS’ custodian, managers, legal counsel or other advisors or persons/entities having contracts or other affiliations with SURS.

SURS Quiet Period Policy
Please note the following Quiet Period Policy establishing guidelines by which the SURS Board of Trustees and SURS staff will communicate with prospective vendors or service providers during a search process. The quiet period for this RFP began on the date the RFP was issued: August 1, 2019.

1. The quiet period shall commence upon committee action (or board action if the selection is not initiated through a committee) to authorize a search for a service provider and end once a selection has been made by the board and accepted by the service provider;

2. Initiation, continuation and conclusion of the quiet period shall be publicly communicated via the SURS website (www.surs.org) to prevent inadvertent violations;

3. All board members, and SURS staff not directly involved in the search process, shall refrain from communicating with potential service providers regarding any product or service related to the search offered by the provider throughout the quiet period and shall refrain from accepting meals, travel, hotel, or other value from the providers;

4. Throughout the quiet period, if any board member or SURS staff member is contacted by a potential service provider, the board member or SURS staff member shall refer the provider to the SURS staff member directly involved in the search process;

5. All authority related to the search process shall be exercised solely by the relevant committee or board as a whole, and not by individual board members;

6. All information related to the search process shall be communicated by SURS staff to the relevant committee or board as a whole, and not to individual board members;

7. The quiet period does not prevent board approved due diligence, client conference attendance, or communications with an existing service provider that happens to be a provider in the ordinary course of services provided by such service provider; however, discussions related to the pending selection shall be avoided during those activities;

8. The provisions of this policy will apply to potential service providers throughout the quiet period and shall be communicated to providers in conjunction with any competitive proposal process; and

9. A potential service provider or vendor may be disqualified from a search process for a violation of the quiet period or any portion of this policy.

Rights Reserved
SURS reserves the right to amend any segment of the RFP prior to the announcement of a selected vendor/contractor. In such an event, all respondents will be afforded the opportunity to revise their proposals to accommodate the RFP amendment.
SURNS reserves the right to remove any or all services from consideration for this contract. At its discretion, SURNS may issue a separate contract for any service or groups of services included in this RFP. SURNS may negotiate additional provisions to the contract awarded pursuant to this RFP.

SURNS may request additional information from any or all respondents to assist in the evaluation of proposals, and SURNS reserves the right to conduct background investigations of selected individuals or firms prior to awarding a contract under this RFP.

SURNS does not bear any obligation to complete the RFP process or to select any individual(s) or firm(s). SURNS also reserves the right without prejudice to reject any or all proposals submitted.

SURNS will NOT reimburse any expenses incurred in responding to this RFP.

**Equal Opportunity**

SURNS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the System’s intent to comply with all state, federal and local equal employment and opportunity laws and public policies.

**Terms and Conditions**

Following a review of submitted materials, if requested, selected individuals or organizations must be prepared to make a presentation or otherwise participate in an in-person interview in Champaign, IL or in Chicago, IL with SURNS staff members and/or members of the SURNS Board of Trustees at a date and location to be determined by SURNS. SURNS will not provide reimbursement for any costs incurred by the individuals or organizations associated with this presentation. Prior to the award of a contract pursuant to this RFP, selected individuals or firms must provide all requested documentation.
Appendix A: Statement of Minimum Qualifications

(Firm Name) certifies that it meets the following minimum qualifications.

Please initial each as applicable.

1. _______ The respondent's key professionals and/or organization has no material conflicts with SURS or the SURS board.
2. _______ The respondent is an independent public accounting firm licensed to practice in Illinois.
3. _______ The respondent carries at least $1 million in liability insurance that is in full force at the time the proposal is submitted.

Signed: ___________________________ Date: __________________________

Title: _____________________________
Appendix B: Company Organization and Diversity Questionnaire

The following questionnaire must be completed and included with your response to this RFP. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

Contact and Company Information:

Name of Individual / Organization: ____________________________
Mailing Address: ____________________________________________

City: __________________________ State: __________ Zip Code: ____ Phone: __
Fax: __________________________

Federal Employer Identification Number: ____________________________

Contact Person(s):
Name: __________________________ Phone: __________________________ Title: __
______________________________
Fax: __________________________ Email: __________________________
Website: __________________________

Organization Background:

1. Please provide a general description and history of the organization, its operations (please include any history of mergers and/or acquisitions), year founded, ownership structure, biographies of the principals and percentage ownership by current employees.

2. Provide a brief, descriptive statement detailing evidence of the respondent’s ability to deliver the goods or services sought under this RFP.

3. Is respondent a “Minority-owned business,” meaning a business which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it? If so, please provide a detailed explanation.

4. Is respondent a “Female-owned business,” meaning a business which is at least 51% owned by one or more females, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more females; and the management and daily business operations of which are controlled by one or more of the females who own it? If so, please provide a detailed explanation.

5. Is respondent a “Business owned by a person with a disability,” meaning a business that is at least 51% owned by one or more persons with a disability and the management and daily business operations
of which are controlled by one or more of the persons with disabilities who own it? A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a “business owned by a person with a disability.” If so, please provide a detailed explanation.

6. Does respondent’s firm/company have a formal diversity and inclusion policy or initiative? Does this policy extend to subcontractors? If so, please provide a copy of the same.

7. Does respondent’s firm/company have a formal mentorship program or offer enhanced training opportunities for minorities and/or women? If so, please provide details.

8. If selected, does respondent expect to assign any female employees, minority employees, or employees with disabilities to provide any of the requested services to SURS? Please explain.
Appendix C: Fee Proposal

Please include detail regarding scope and cost of services, deliverables and timeframe for completion of the project.

FIRM NAME: ____________________________________________________________

ADDRESS: ______________________________________________________________

____________________________________________________________________

TELEPHONE: _____________________________________________________________

REPRESENTATIVE: ________________________________________________________

AGREED UPON PROCEDURES FINDING REPORTS:

1. Summary of findings for all employers
2. Individual report of findings for each employer selected

Indicate project duration and frequency of visits below.

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

TOTAL COST NOT TO EXCEED Amount: $______________________________

Cost for additional meetings, if requested by SURS: $________________________

Please check and complete one of the following statements as it pertains to travel related expenses:
The above costs DO include all expected travel expenses and said expenses will not be billed separately to SURS.

The above costs DO NOT include all expected travel expenses and said expenses will be billed separately to SURS in compliance with the SURS Travel Policy attached hereto as “Appendix E.”

Respondent has read the SURS Travel Reimbursement Policy attached hereto as Appendix E and estimates that travel expenses to be incurred for work to be performed relative to this RFP per the terms of said policy will total an amount not to exceed: $ ________________.

I, _________________________________________, a licensed Certified Public Accountant in the state of Illinois and an authorized representative of the above-indicated firm, have reviewed and understand the ______________________ Request for Proposals, and I/we am/are prepared to provide the required services for the above costs.

__________________________________

(SEAL)

ATTACH A MINIMUM OF TWO PROJECT REFERENCES, SIMILAR IN DESIGN AND SCOPE.

ATTACH PROOF OF LIMITS OF INSURANCE COVERAGE FOR PROFESSIONAL LIABILITY INSURANCE THAT WOULD PROVIDE COVERAGE FOR WORK PERFORMED ON BEHALF OF SURS.
Appendix D: Addendum to Contract

ADDENDUM TO CONTRACT

In consideration of SURS entering into such contract, the Vendor/Contractor also agrees to the following:

1) If the Contractor is an individual, he or she certifies that he or she is not in default on an educational loan as provided in Section 3 of the Educational Loan Default Act, 5 ILCS 385/3.

2) The Contractor certifies that it is not barred from being awarded a contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the state of Illinois or any other state in that officer or employee’s official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5 and further certifies that it is in compliance with Section 50-37 of the Illinois Procurement Code, 30 ILCS 500/50-37.

3) The Contractor certifies that it will provide a drug free workplace by engaging in the conduct prescribed in Section 3 of the Drug Free Workplace Act, 30 ILCS 580/3.

4) The Contractor certifies that it is not barred from contracting with SURS because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.

5) The Contractor certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.

6) The Contractor certifies that no fees, commissions or payments of any type have been or will be paid to any third party in connection with the contract to which this is an addendum, except as disclosed in the contract or an exhibit thereto as provided in 30 ILCS 500/50-25 and in 40 ILCS 5/1-145. The Contractor shall promptly notify SURS if it ever has reason to believe that this certification is no longer accurate.

7) To the extent Illinois law is applicable to Contractor, pursuant to 775 ILCS 5/2-105, Contractor agrees to:

   a) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;

   b) Comply with the procedures and requirements of the Illinois Department of Human Rights’ regulations concerning equal employment opportunities and affirmative action;

   c) Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request; and

   d) Have written sexual harassment policies that shall include, at a minimum, the following information:

      i) The illegality of sexual harassment;
ii) The definition of sexual harassment under state law;

iii) A description of sexual harassment, utilizing examples;

iv) Contractor’s internal complaint process including penalties;


vi) Directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission; and

vii) Protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Illinois Department of Human Rights upon request.

8) To the extent it applies to Contractor and this contract, Contractor agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1, et seq.

9) Contractor shall maintain, for a minimum of five (5) years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract. Contractor shall further make all such books, records, and supporting documents related to the contract available for review and audit by the internal auditor of SURS and by the Illinois Auditor General and shall cooperate fully with any audit conducted by the internal auditor of SURS and the Illinois Auditor General and will further provide the internal auditor of SURS and the Illinois Auditor General full access to all relevant materials.

10) Contractor agrees to notify the SURS ethics officer if it solicits or intends to solicit for employment any of the employees of SURS during the term of the contract.

11) Contractor understands that SURS and this contract are subject to the provisions of the Illinois Open Meetings Act (5 ILCS 120/1, et seq) and the Illinois Freedom of Information Act (5 ILCS 140/1, et seq).

12) Counterparts. This Agreement and Addendum may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. The counterparts of this Agreement and Addendum may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

Under penalties of perjury, Contractor certifies that ____________________________ is its correct Federal Taxpayer Identification Number.

Contractor is doing business as a(n) (please circle applicable entity):

- Individual
- Sole Proprietorship
- Partnership
- Corporation
- Not-for-Profit Corporation
- Medical and Health Care Services Provider Corporation
- Real Estate Agent
- Governmental Entity
- Tax Exempt Organization (IRC 501(a) only)
- Trust or Estate
- Other: ____________________________
Appendix E: SURLS’ Travel Policy

SURS TRAVEL REIMBURSEMENT POLICY TERMS FOR APPROVED TRAVEL EXPENSES OF VENDORS

If respondent’s personnel are required to travel to perform work on behalf of SURS, any reimbursement for said travel expenses will be as allowed, in part, by the travel requirements outlined by the Illinois Higher Education Control Board as found in Title 80, Public Officials and Employees, Chapter 4, Travel Regulation Counsel, Part 3000, Illinois Administrative Code as noted below. Accordingly, any expected travel must be preapproved by SURS and said travel reimbursements will be restricted to the following:

NOTE: actual cost receipts for the same must be provided before SURS may reimburse travel expenses.

Travel by Air.  SURS will reimburse travel expenses for airfare at the price of a standard coach ticket.  All travel must be via the most direct route.  Expenses incurred due to deviations for convenience shall be borne by the traveler.  No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy.  Any exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.

Travel by Rail.  SURS will reimburse travel expenses for train travel at the price of a standard coach ticket.  All travel must be via the most direct route.  Expenses incurred due to deviations for convenience shall be borne by the traveler.  No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy.  Any exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.

Travel by Automobile.

i.  Rental Cars
SURS will reimburse travel expenses for the use of a rental car at the rate of $60.00 per day.  The collision damage waiver and personal accident insurance on rented vehicles are not reimbursable.  All travel must be via the most direct route.  Expenses incurred due to deviations for convenience shall be borne by the traveler.  No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy.  Any exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.

ii.  Private Vehicles - Mileage Reimbursement
If an individual chooses to drive a private vehicle, reimbursement for use of a vehicle shall be on a mileage basis and shall be at the applicable rate identified by the Illinois Higher Education Travel Control Board which is based on the rate promulgated pursuant to 5 USC 5707(b)(2) in effect at the time of travel.  All travel must be via the most direct route.  No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy.  Any
exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.

**Hotel Accommodations.** SURS will reimburse hotel expenses at a maximum rate of $150.00 per day. No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy. Any exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.

**Per Diem for Meals.** SURS will pay a maximum of $45.00 per day for a full day of *per diem* meal reimbursements with limits of $10.00 for breakfast; $10.00 for lunch and $25.00 for dinner. No reimbursement above this amount will be allowed unless extenuating circumstances exist to support an exception to this travel policy. Any exceptions to this policy must be approved by SURS in advance of travel, in writing, by a duly authorized representative of SURS.
Appendix F: Proposed Agreed Upon Procedures

For each employer selected by SURS the auditor shall perform the following procedures:

1. Reconciliation
   a. Obtain reconciliation between SURS reported earnings and employers reported earnings for payroll period(s) selected.
   b. Obtain appropriate and corresponding supporting documentation and agree supporting documentation to reconciling items.
   c. Report any unidentified reconciling items greater than 0.5% of SURS reported earnings.
   d. Reconcile number of employees per payroll to the number of employees in the SURS system.

2. Member/Employee Data
   a. Make a selection of SURS active/inactive/retiree members from the SURS system. Sample size is the lesser of 10% of the number of employees at the selected employer for the payroll period(s) selected or 60 employees for each payroll period(s) and type selected and perform the following procedures for each member selected:
      i. Compare member’s name from the SURS system to source documents on file at employer (copy of driver’s license, signed employee application, I-9 employment eligibility verification, passport, or marriage certificate). Report any differences as a finding.
      ii. Compare member’s Social Security number from the SURS system to source documents (copy of Social Security card, I-9 form or green card). Report any differences as a finding.
      iii. Compare member’s date of birth from the SURS system with source documents (copy of driver’s license, birth certificate or I-9 form). Report any differences as a finding.
      iv. Compare member’s gender from the SURS system to available source documents (copy of driver’s license or application for employment). Report any differences as a finding.
      v. Compare member’s date of certification (hire) from the SURS system to source documents (employee contract). SURS certification date is based upon first time employee was certified into system by an employer and date doesn’t change for subsequent rehire of the employee. Effective 1/1/17, new employees working for special groups aren’t allowed to participate in SURS, see 40 ILCS 5/15-106 law change and matrix for details. Report any differences as a finding.
      vi. Verify member’s status in the SURS system is proper (active, inactive or retiree) by obtaining supporting documentation for status (recent pay stub, termination/resignation letter, retirement notification/letter). Report any differences as a finding.
      vii. Compare member’s dates of termination, leave, and retirement from the SURS system to source documents (termination letter, leave approval or retirement notification/letter). Report any differences as a finding.
      viii. For active members in the sample recalculate the member’s creditable earnings for the pay period(s) selected and compare to employer and SURS records. Report any differences as a finding.
      ix. For active members in the sample recalculate the member’s contributions using a 9.5% rate for police and 8% for all other members. Verify rate being used in
calculation is correct (if using 9.5% rate member is a police officer and if using 8% rate member is not a police officer). Police/Fire employees are identified as a “P” in the “P/F” column on SURS payrolls. Report any differences as a finding.

x. Compare percentage worked to supporting documents and SURS records. Report any differences as a finding.

xi. If member was hired after January 1, 2005, verify member has signed Form SSA-1945 on file with employer and employer submitted a copy to SURS and is on file with SURS.

b. Return to Work

i. Compare SURS annuitant listing to the payroll period(s) selected for testing and determine if there are any matches (Note: If this match cannot be performed electronically using data analysis, select 10% of the annuitant listing or 60 annuitants to determine if there are matches.):

1. If there are matches:
   a. Verify that the return to work indicator (RTW Employer columns) is marked on the annuitant file. If not, determine why they have been excluded. Report any differences as a finding and provide management response for exclusion.
   b. Select the lessor of 10% of the population or 60 members that matched and perform the following procedures:
      i. Compare the compensation amounts from the return to work file (ER Compensation and ER Grant Comp) reported in the prior two academic years to supporting documents. Report any differences as a finding.
      ii. Verify break out of compensation between employer compensation and grant compensation. Report any differences as a finding.
      iii. Obtain the return to work notice for the current academic year and agree information to SURS annuitant file. Report any differences as a finding.

2. If there are no matches no further procedures need to be performed.

c. Grant Pay

i. Obtain a listing of all grants or trusts used to pay employee salaries.

ii. Obtain a listing of all employees paid by each grant or trust from the list in c.i. above.

iii. Obtain a listing of all grants or trusts from the list in c.i. above in which the employer portion of SURS contribution isn’t paid. Obtain supporting document as to why employer portion isn’t being paid. Determine if nonpayment of SURS contribution is appropriate. Report any findings.

iv. For pay period(s) selected compare grant pay employer contributions per employer payroll to SURS payroll records.

v. For pay period(s) select the lessor of 10% of total member who receive grant pay or 60 who receive grant pay and recalculate employer contribution on grant earnings. Verify there are no employer contributions on the non-grant portion of earnings if the employee’s pay is split between grant and regular pay. Report any differences as a finding.