

# FPPA Request For Proposals

for  
Professional  
Audit  
Services

February 2017  
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Fire & Police  
Pension  
Association  
of Colorado



**FPPAco.org**

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## Issuing Entity

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## Point of Contact

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### Introduction

The Fire and Police Pension Association of Colorado (FPPA), a cost-sharing, multiple-employer and an agent multiple-employer public retirement system is requesting proposals from qualified audit firms to secure professional audit services as follows:

1. Independent examination and audit of FPPA's financial statements in accordance with the Government Auditing Standards generally accepted in the United States of America.
2. Independent examination and audit of the Governmental Accounting Standards Board Statement No. 68 (GASB 68) employer reporting accounting schedules for two cost-sharing multiple-employer plans (State-wide Defined Benefit Plan and Statewide Hybrid Plan – Defined Benefit Component) in accordance with the Government Auditing Standards generally accepted in the United States of America.
3. Report on Controls at a Service Organization Relevant to User Entities' Internal Control over Financial Reporting (SOC 1 Type 2) related to FPPA's description and the suitability of the design and operating effectiveness of the controls in place for management of the agent multiple-employer plans administered (174 volunteer firefighter pension plans and 49 local defined benefit fire and police pension plans). The report is prepared in accordance with Statement of Standards for Attestation Engagements (SSAE) No. 16. (Note: The American Institute of CPAs (AICPA) attestation standards will be replacing SSAE No. 16 with SSAE No. 18 effective May 1, 2017).

The proposer can bid on all services described above or may respond solely to the SOC 1 Type 2 service.

### Background Information

FPPA is a political subdivision of the State of Colorado that administers a \$4.5 billion public pension system (non-ERISA) with 230 different pension plans.

FPPA was established January 1, 1980, and administers a statewide multiple employer public employee retirement system providing defined benefit plan coverage (The Statewide Defined Benefit Plan) as well as death and disability coverage (the Statewide Death and Disability Plan) for police officers and firefighters throughout the State of Colorado.

FPPA also administers local defined benefit pension funds for police officers and firefighters hired prior to April 8, 1978, whose employers have elected to affiliate with the Association and for volunteer fire defined benefit plans. In addition, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for supplemental coverage through the Statewide Defined Benefit Plan and Statewide Death and Disability Plan.

Starting January 1, 1995, the Association began offering membership in the Statewide Money Purchase Plan. Also in 1995, FPPA began offering participation in an IRC 457 Deferred Compensation Plan.

As of January 1, 2004, the Association began offering membership in the Statewide Hybrid Plan (a combination defined benefit and money purchase plan).

Starting January 1, 2006, FPPA added to the Defined Benefit System the Colorado Springs local defined benefit pension plans for firefighter and police employees hired on/after April 8, 1978 and prior to October 1, 2006. These plans are closed for new members as of October 1, 2006.

Additional information about FPPA and plans administered can be found at our website at [www.FPPAco.org](http://www.FPPAco.org).

### Nature of Services Required

#### A. General

FPPA is soliciting the services of qualified firms of certified public accountants to provide the following services:

1. Independent examination and audit of FPPA's financial statements for each of the five years ending December 31, 2017, 2018, 2019, 2020, and 2021, in accordance with the Government Auditing Standards generally accepted in the United States of America.

2. Independent examination and audit of the Governmental Accounting Standards Board Statement No. 68 (GASB 68) employer reporting accounting schedules for two cost-sharing multiple-employer plans (State-wide Defined Benefit Plan and Statewide Hybrid Plan – Defined Benefit Component) for each of the five years ending December 31, 2017, 2018, 2019, 2020, and 2021 in accordance with the Government Auditing Standards generally accepted in the United States of America.
3. Report on Controls at a Service Organization Relevant to User Entities’ Internal Control over Financial Reporting (SOC 1 Type 2) related to FPPA’s description and the suitability of the design and operating effectiveness of the controls in place for management of the agent multiple-employer plans administered (174 volunteer firefighter pension plans and 49 local defined benefit fire and police pension plans). The report is for each of the five year periods January 1 – December 31, 2017, 2018, 2019, 2020, and 2021, prepared in accordance with Statement of Standards for Attestation Engagements (SSAE) No. 16. (Note: The American Institute of CPAs (AICPA) attestation standards will be replacing SSAE No. 16 with SSAE No. 18 effective May 1, 2017).

The proposer can bid on all services described above or may respond solely to the SOC 1 Type 2 service. If the proposer is solely bidding on the SOC 1 Type 2 service, please refer to the information within this RFP for that one service.

**B. Scope of Audits**

The selected independent auditor will be required to perform the audit with the objective of expressing an opinion about whether FPPA’s financial statements are fairly represented, in all material aspects, in conformity with auditing standards generally accepted in the United States of America and all applicable federal and state laws, regulations and rules.

The auditor will be required to perform an audit of the GASB 68 employer reporting accounting schedules with the objective of expressing an opinion about whether these schedules are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.

The auditor will be required to report on the controls (SOC 1 Type 2) in place for management of the agent multiple-employer plans administered in accordance with the Statement of Standards for Attestation Engagements (SSAE) No. 16. (Note: The American Institute of CPAs (AICPA) attestation standards will be replacing SSAE No. 16 with SSAE No. 18 effective May 1, 2017).

As part of the audit engagement, the auditor will be required to present a report on the fair presentation of the financial statements and separately the GASB 68 schedules and SOC 1 Type 2 report to the FPPA Audit Committee and, if necessary, to the full Board of Directors. The auditor will also be expected to communicate findings of any significant deficiencies and material weaknesses in internal controls in a management letter.

The minimum number of meetings the auditor will be expected to attend includes three Audit Committee meetings and one possible Board of Directors meeting. The auditor may be requested to attend additional meetings if needed. The reporting to the FPPA Audit Committee is generally as follows:

Report Type	FPPA Audit Committee Meeting
SOC 1 Type 2 Report	Mid-April
Financial Audit and Comprehensive Annual Financial Report	Early June
GASB 68 Audit	Mid-September

**C. Estimated Labor Effort**

To assist you in estimating the labor effort for each service, the last three year budgets are provided below.

Report Issued For Year Ending	Financial Audit	GASB 68 Audit	SOC 1 Type 2 Report
2016	\$67,600	\$8,500	\$32,200
2015	\$66,300	\$7,500	\$32,000
2014	\$65,000	\$10,000	\$32,000

In addition, FPPA contracts with Paragon Audit & Consulting annually to complete internal audits. FPPA has retained an internal audit function since 2006.

FPPA also contracts with Security Pursuit annually to complete a security assessment. FPPA has completed an annual security assessment on its technology systems since 2010.

**D. Reports to be Issued**

Following the completion of the audit of the financial statements, the audit firm shall issue:

- A report to be included in the FPPA's Comprehensive Annual Financial Report (CAFR) on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.
- A report on compliance and internal control over financial reporting based on an audit of the financial statements in accordance with Government Auditing Standards.

Following the completion of the audit of the GASB 68 employer reporting accounting schedules, the audit firm shall issue:

- Two Independent Auditors' Reports on the schedule of employer contributions and schedule of collective pension amounts for the Statewide Defined Benefit Plan and the Statewide Hybrid Plan – Defined Benefit Component.

Following the completion of the SOC 1 Type 2 Report, the audit firm shall issue the following reports to be included in the SOC 1 Type 2 report issued to employers of FPPA's affiliated local plans:

- Independent Service Auditors' Report
- Independent Service Auditors' Tests of Controls and Results of Tests

In the required reports on compliance and internal controls, the audit firm shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the audit firm shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The reports on compliance and internal controls shall include all material instances of noncompliance. All non-material instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the reports on compliance and internal controls.

**E. Irregularities and Illegal Acts**

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the FPPA Audit Committee.

**F. Reporting to the Audit Committee**

The audit firm shall undertake actions to ensure that FPPA's audit committee is informed of each of the following as each item is initiated either by FPPA directly, the audit firm, or by either party in response to or in anticipation of prevailing audit standards:

- The audit firm's responsibility under generally accepted auditing standards
- Changes in significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Uncorrected misstatements that either in the individual circumstance or in the aggregate that management determined to be immaterial
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Other matters required to be communicated by generally accepted auditing standards in the United States of America

**G. Special Considerations**

- FPPA participates in the Government Finance Officer Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. The auditor will review FPPA's Comprehensive Annual Financial Report (CAFR) for compliance with the program.
- FPPA may also require additional services or advice to ensure new Governmental Accounting Standards Board (GASB) reporting requirements are properly applied.

**H. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained at the auditor's expense for a minimum of five (5) years, unless the firm is notified by FPPA of the need to extend the retention period. The auditor will be required to make working papers available to FPPA upon request. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**I. Other**

All terms, conditions, requirements and procedures included in the RFP must be met for a response to be qualified as responsive. A submission that fails to meet any material term, condition, requirement or procedure of this RFP may be disqualified. FPPA reserves the right to waive or permit cure of non-material errors or omissions. FPPA reserves the right to modify, amend, or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP. The submission requirements for this RFP are set forth below. A proposal shall constitute an irrevocable offer for 180 business days following the deadline for submission. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

### *Assistance to be Provided to the Audit Firm*

#### **A. Staff Availability**

FPPA accounting and investment personnel will be available to the audit team. Staff will prepare reports and documents as requested by the audit team on a timely basis. FPPA-prepared schedules and reports will include, but are not limited to, the following:

- Preliminary Trial Balance and Financial Statements
- Reconciled subsidiary ledgers and accounts
- Bank Reconciliations
- Confirmations
- Analytical review
- Note Disclosures

#### **B. Work Area**

FPPA will provide the audit team with a functional work area with necessary equipment and read-only access to the relevant systems' applications.

#### **C. Report Preparation**

FPPA staff will prepare and complete a detailed review of the CAFR, GASB 68, and SOC 1 Type 2 reports. FPPA publishes the CAFR and GASB 68 reports and the auditor publishes the SOC 1 Type 2 report.

### *FPPA Point of Contact*

From the date of issuance of this RFP until the selection of an audit firm is completed and announced, auditors are not permitted to communicate, for any reason, with any FPPA staff member or Board Member regarding this procurement, except through the Point of Contact named herein. For violation of this provision, FPPA shall reserve the right to disqualify the offending audit firm from further participation in this procurement.

The Point of Contact for questions and all matters relating to this RFP is:

Kim Collins  
Chief Operations Officer  
Fire & Police Pension Association of Colorado  
5290 DTC Parkway, Suite 100  
Greenwood Village, CO 80111

303-770-3772  
kcollins@FPPAco.org

### *Audit Firm Questions Regarding RFP*

Audit Firms may email questions regarding this RFP in writing to the Point of Contact through Noon Mountain Time on Thursday, February 16, 2017. Email is the method of communication. All questions must include the name of the audit firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be emailed to those audit firms that submitted their intent to propose.

### *General Proposal Submission Requirements*

Audit firms to this RFP should make a single submission of their proposal in the following manner:

1. An electronic copy of the proposal will be emailed to the Point of Contact. All pages should be numbered and identified sequentially by section. Proposals must be indexed in accordance with the information requested in the Detailed Proposal Requirements section.

2. The electronic copy of the proposal, as specified in this RFP, should be either in Microsoft Word or Adobe Acrobat PDF format.
3. Responses must be received on or prior to the deadline listed in this RFP.

Note that the proposals will be subject to disclosure to the public upon written request under the Colorado Public Records Act.

A standard format for proposal submission is provided herein. Adherence to this format will help ensure a fair and objective analysis of submitted proposals. The requested information is organized into individual sections, which should correspond to individual sections in the submitted proposals. Proposals must respond to each topic in the order presented, and responses should be numbered as stated in in this RFP.

FPPA reserves the right to declare as nonresponsive and reject any proposals in which information is requested and is not furnished or when a direct or complete answer is not provided.

### **Detailed Proposal Requirements**

At a minimum, proposals must include the following elements in the prescribed sequence:

#### **A. Transmittal Letter**

A signed letter of transmittal by the individual(s) who is (are) authorized to bind the audit firm contractually. The letter should be addressed to the Point of Contact. The letter must contain the following information:

- The audit firm's name, address, email, and telephone and facsimile numbers, and the date of the proposal.
- The name, title or position, and telephone number of the individual signing the cover letter and a statement indicating that person is authorized to bind the company to the proposal.
- The transmittal letter must contain a statement that the firm acknowledges that all documents submitted pursuant to this request for proposals process will become a matter of public record.
- A statement to the effect that the proposal contains a firm and irrevocable offer for 180 days.
- List the services the audit firm is bidding on.
- A statement expressing the audit firm's willingness to perform the services as described in this RFP.
- A statement as to why the audit firm believes itself to be the best qualified to perform the engagement.
- A statement expressing the audit firm's availability of staff and other required resources for performing all services and providing all deliverables with the specified time frames.

#### **B. Detailed Proposal**

A purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of FPPA in conformity with the requirements of this RFP. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The proposal should address all the points outlined in this RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, items (a) through (g), are mandatory. They represent the criteria against which the proposal will be evaluated.

- a. Independence - The firm should provide an affirmative statement that it is independent of FPPA as defined by the Government Auditing Standards.

The proposal should also list and describe the firm's (or proposed subcontractors') professional relationships involving FPPA for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

- b. License to Practice in Colorado - An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Colorado.
- c. Firm Qualifications and Experience - The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time or part-time basis.

If the firm plans to use subcontractors; disclose the name(s) of the subcontractor(s), the service(s) to be subcontracted and how the contractor controls cost, quality, timeliness and confidentiality of these service(s).

The proposer will include information about the firm's technical resources and participation in state and national accounting and auditing industry groups.

The proposer will indicate if they have governmental accounting experience as well as experience auditing defined benefit pension funds and conducting SOC 1 Type 2 audits. Include the number of years the firm has provided governmental auditing and SSAE 16 services to public pension plans.

If the firm is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

With respect to services provided to defined benefit pension funds, the firm must disclose any threatened, pending or resolved litigation brought against the proposer by any entity for fraud, misrepresentation, negligence, or similar cause of action within the last three (3) years.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. Include any separate written communication regarding deficiencies or significant deficiencies noted in the review, and the firm's response.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

- d. Partner, Supervisory and Staff Qualifications and Experience - Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement for each service identified in this RFP, if practical. Include a biography or resume for each individual identified. Indicate if each person is licensed to practice as a certified public accountant in Colorado. Provide information on the government auditing or SSAE 16 experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.



If specialists or subcontractors are proposed for any portion of the work to be performed, the qualifications and experience information in this item and the firm qualifications and experience information shall be provided in the proposal.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also change for other reasons with the express prior written permission of FPPA. However, in either case, FPPA retains the right to approve or reject the replacement staff.

- e. **Similar Engagements with Other Government Entities** - For the firm's principal personnel that will be assigned responsibility for the course of the engagement, list the most significant engagements (maximum of five) performed in the last five years that are similar to the engagement described in this RFP and give particular emphasis to governmental clients, especially public pension plans. Indicate the scope of work, client size and factors impacting the complexity of the engagement, duration of engagement, and distinguish between primary and subcontract work as appropriate.

Provide the names and contact information of two to three current or past governmental entity public pension clients. Indicate the roles of the proposed personnel with respect to each of those references.

- f. **Specific Audit Approach** - The proposal should set forth a detailed and chronological work plan for the three services, including an explanation of the audit or attestation methodology to be followed. The plan should reference the timeline noted above in reporting to the Audit Committee and should list any potential conflicts and impacts to the listed schedule. Any planned use of specialists and subcontractors should be noted.

Describe your firm's communication process to discuss issues with the management and audit committees. Include the firm's manner of assisting FPPA in its response to technical questions, unusual transactions or evolving accounting principles and auditing standards.

Describe what resources are available from a "national" office, if any. Discuss the use of technology in the audit.

Beyond the day-to-day resources expected to be assigned to FPPA, what other resources will be available to FPPA and what value will FPPA receive from such resources?

- g. **Contract Provisions** - Provide a copy of your firm's standard professional services contract.

**C. Total All-Inclusive Maximum Price**

- 1. The flat fee proposal should contain all pricing information relative to performing the audit engagement as described in this RFP for each of the five (5) years within this contract. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including out-of-pocket expenses.

FPPA may select more than one firm. Include your bundled fee proposal as well as individual proposals for each audit service. Note that the financial audit and GASB 68 audit would be awarded to the same firm, but are considered separate audits with separate engagement letters and should have separate fee bids.

The costs associated with the financial audit work should be included as a separate line item in the fee proposal.

The costs associated with the GASB 68 audit work should be included as a separate line item in the fee proposal.

The costs associated with the SOC 1 Type 2 report should be included as a separate line item in the fee proposal.

FPPA will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The following are sample fee proposal worksheets.

<b>Bundled Fee Proposal</b>					
<b>Audit Service</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Financial Audit and CAFR Review					
GASB 68 Audit					
SOC 1 Type 2					
Total					

<b>Individual Fee Proposal</b>					
<b>Audit Service</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Financial Audit and CAFR Review					
GASB 68 Audit					
SOC 1 Type 2					

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each - The proposal should state the total hours and hourly rate required by staff classification supporting the resulting all-inclusive maximum fee for which the requested work will be done.

**D. Proposing Audit Firm Guarantees and Warranties**

The proposer will guarantee to provide the services set forth in the Nature of Services Required section and warranty their compliance with this Detailed Proposal Requirements section.

**Evaluation Procedures**

FPPA will convene a review panel to evaluate all proposals and develop recommendations to the Audit Committee.

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements:
  - a. The audit firm is licensed to practice public accounting in Colorado.
  - b. The firm has no conflict of interest for the proposed work to be performed with regard to any other work performed by the firm, or its current or proposed subcontractors, for FPPA.
  - c. The firm adheres to the instructions in this RFP for preparing and submitting the Proposal.

- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- 2. Technical Quality:
  - a. Expertise and Experience - The firm’s past experience and performance on comparable government public pension engagements, capability to meet FPPA’s specific requirements and the quality of the firm’s professional personnel to be assigned to the engagement.
  - b. Audit Approach and Staffing Plan:
    - Adequacy of audit strategy and timing
    - Adequacy of proposed staffing plan for various segments of the engagement
    - Adequacy of audit methodologies
    - Client communications methods and frequency
  - c. Understanding of work to be performed.
- 3. Price - Cost will be considered, although it is not the sole determining factor in the selection of the audit firm. Evaluating the quality and quantity of services relative to cost – in effect determining the most responsive proposal offering the greatest value through the engagement – is expected to be a driving consideration.

The following table summarizes the criteria used to evaluate a submitted proposal that meets the mandatory criteria.

Criteria	Weight
Firm’s experience, capabilities and references	30%
Audit Approach and Staffing Plan	25%
Understanding of Work to be Performed	20%
Price	25%

One or more of the audit firms may be selected as a finalist. Finalists will be required to make an oral presentation to the Audit Committee on April 19, 2017. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm’s proposal. Not all firms may be asked to make such oral presentations. The Audit Committee will make their selection based on the quality and responsiveness of the oral presentation and the information provided in the written proposal.

The Audit Committee will recommend a firm to the FPPA Board of Directors on April 27, 2017. Following notification of the firm selected it is expected a contract will be executed between both parties no later than May 31, 2017.

**Right to Reject Proposal**

By submitting a proposal, the audit firm acknowledges that they have read this RFP, understand it, and agree to be bound by its requirements unless clearly and specifically noted in the response submitted. FPPA reserves the right without prejudice to reject any and all responses. FPPA reserves the right to modify the terms and requirements of this RFP. Any such changes or corrections will be emailed to those audit firms that submitted their intent to propose.

**Incomplete Responses**

If the information in the firm’s response is deemed to be insufficient for evaluation, FPPA reserves the right to request additional information or to reject the submittal outright. False, incomplete or unresponsive statements in connection with a submittal may be sufficient for its rejection. The selection of the fulfillment of the requirements will be determined by FPPA and such judgment shall be final.

*Timeline Requirements*

February 6, 2017	Release Request for Proposals (RFP) to identified audit firms and post RFP to FPPA website. FPPA may choose to post the RFP to a 3rd party website as well.
February 16, 2017	Notice of Intent to Propose Due to FPPA
February 16, 2017	Deadline for clarification questions and requests for additional information
February 27, 2017	Response to questions delivered from FPPA
March 6, 2017	Deadline for 2nd round of clarification questions and requests for additional information
March 13, 2017	Response to 2nd round of questions delivered from FPPA
March 20, 2017	Deadline for submission of proposals
March 20 – May 5, 2017	Staff reviews proposals from firms, conducts due diligence and reference checks, if needed
March 28, 2017	Staff meets with Audit Committee to confirm Finalists
April 4, 2017	Notification to Finalists for presentation
April 19, 2017	Finalists presentation to Audit Committee
April 27, 2017	Audit Committee recommendation of an audit firm to the Board of Directors
May 31, 2017	Contract finalized

*All deadlines listed are for Noon Mountain Time.*

FPPA reserves the right to modify this schedule at any time.

*Addenda*

FPPA may modify the RFP prior to the date fixed for submission by posting, mailing, emailing or faxing an addendum to the audit firms known to be interested in submitting a proposal. If any proposing audit firm determines that an addendum unnecessarily restricts its ability to bid, it must notify the FPPA Point of Contact by email no later than three (3) days before the deadline for submitting proposals. Failure of a proposing audit firm to receive or acknowledge receipt of any addendum shall not relieve that audit firm of the responsibility for complying with the terms thereof.

### *Proprietary Information and Public Records Act Requests*

#### **Ownership of Proposal:**

All rights to information developed, disclosed, or provided in a Proposal and its attendant submissions are the property of FPPA, unless an audit firm makes specific reference to data that is considered proprietary. To the extent that an Audit firm claims any copyright, patent, or other intellectual property right in any portion of its RFP, submission of an RFP constitutes the Audit firm's express (a) grant and assignment of a perpetual, transferable (in whole or in part), non-exclusive royalty-free license to FPPA for all such portions, and (b) agreement that FPPA may use any such intellectual property without charge for any lawful purpose in connection with other FPPA projects, including without limitation the creation of derivative works and issuance of sublicenses.

#### **Open Records Act:**

- i. Per the Colorado Open Records Act, FPPA will make available to the public the submitted proposal and all correspondence and written questions submitted during the Request for Proposal process. However, such disclosure shall not be made prior to the date on which FPPA informs the proposing audit firms of the FPPA Board's decision. Except as otherwise required by law, FPPA will not disclose trade secrets or proprietary financial information submitted in response to the Request for Proposals. Any such trade secrets or proprietary financial information, which a proposer believes should be exempted from disclosure, shall be specifically identified and marked as such. Blanket-type identification by designating whole pages or sections shall not be permitted and shall be invalid. The specific information must be clearly identified as such.
- ii. If FPPA denies public inspection of a portion of a document submitted by a proposer that contains trade secrets or proprietary financial information and such denial is challenged, the proposer will be required fully to intervene, justify such exemption, and secure appropriate injunctive orders exempting such records from disclosure. FPPA reserves the right to independently determine whether any document is subject to disclosure and to make such information available to the extent required by applicable law, without any restriction.

### *Compliance with the Colorado Act regarding Illegal Aliens – Public Contracts for Services*

- 1) FPPA is a political subdivision of the State of Colorado. Contractor shall comply with the requirements of Section 8-17.5-101 et seq. C.R.S. with regard to its employees and with regard to vendors, consultants and independent contractors providing work under the agreement. Contractor shall not:
  - (A) Knowingly employ or contract with an illegal alien to perform work under this Agreement; or
  - (B) Enter into a contract with a subcontractor that fails to certify to the contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work.
- 2) Contractor will confirm or attempt to confirm the employment eligibility of all employees providing work under the agreement who are newly hired for employment in the United States through participation in the basic pilot program and, if the contractor is not accepted into the basic pilot program, that the contractor shall apply to participate in the basic pilot program every three months until the contractor is accepted or this Agreement has terminated. The provision specified in this subparagraph shall not be required or effective if the basic pilot program is discontinued.
- 3) Contractor is prohibited from using basic pilot program procedures to undertake pre-employment screening of job applicants while this Agreement is in effect;
- 4) If the contractor obtains actual knowledge that a third-party performing services under the agreement knowingly employs or contracts with an illegal alien, the contractor shall be required to:
  - (A) Notify the subcontractor and the FPPA within three days that the contractor has actual knowledge that the

third-party is employing or contracting with an illegal alien; and

- (B) Terminate the contract with the third-party if within three days of receiving the notice required pursuant to subparagraph (A) of this subparagraph the third-party does not stop employing or contracting with the illegal alien; except that the contractor shall not terminate the contract with the third-party if during such three days the third-party provides information to establish that the third-party has not knowingly employed or contracted with an illegal alien;
- 5) The contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to its authority.

*Exhibits (To be provided when 'intent to propose' is received.)*

1. FPPA Comprehensive Annual Financial Report as of 12/31/2015
2. GASB 68 Statewide Defined Benefit Plan
3. GASB 68 Statewide Hybrid Plan – Defined Benefit Component
4. SOC 1 Type 2 Report for the period 1/1 – 12/31/2015