



RFP for Audit Services

The City of El Paso Employees Retirement Trust (“the Trust”) is seeking proposals for audit services for a three year contract period, for our defined benefit pension fund. The Trust reserves the right to accept or reject any or all submittals and waive technicalities or irregularities if such action is believed to be in the best interest of the Trust.

If your firm is interested in responding to this solicitation, please follow the attached instructions and schedule for submissions. In addition to responding to the information requested, firms which respond to this solicitation may be asked to provide additional information concerning potential conflicts of interest. Your response documents must be received by our office (located at the address listed below) no later than August 30, 2019, by 5:00 PM. Any submittals received after this date will not be considered.

Please be advised not to contact or allow any member of or other party related to your firm to contact a trustee, employee or family member of the City of El Paso Employees Retirement Trust during this solicitation process; however, you may contact Karina Chavez, Administrative Assistant, in writing if you have any questions about this solicitation or for any clarification of the contents of this letter. Please send any inquiries by written email request to Karina Chavez by August 30, 2019, at her email address, chavezkx2@elpasotexas.gov. Any contact with a member of the Trust other than me or Karina Chavez will result in the automatic disqualification of any Trust consideration of your firm.



SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES

Proposal due August 30, 2019

CITY OF EL PASO
EMPLOYEES RETIREMENT TRUST
SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES
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SECTION A

CITY OF EL PASO

EMPLOYEES RETIREMENT TRUST

SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES

PROPOSAL FORM

NOTE: THIS IS A FIXED PRICE PROPOSAL TO INCLUDE ALL ANTICIPATED OUT OF POCKET EXPENSES AS WELL AS ALL OTHER EXPENSES.

Item # 1

Breakdown of Proposal

Audit Services for:

Fiscal Year 2019 \$ _____

Fiscal Year 2020 \$ _____

Fiscal Year 2021 \$ _____

Total Proposal for Audit Services for three years \$ _____

Total fixed price for audit 3-year engagement period \$ _____

The contract for audit services may be extended by the Trust for two (2) additional one-year periods or for a longer-term if the agreement to extend is made in writing before the expiration of the initial 3-year term of the contract.

Please attach additional sheets in response to the following items relating to your firm's qualifications:

Item # 2

Describe your firm's pension audit experience, as well as public pension audit experience. Please include names and contact information of individuals we may contact as references.

Item # 3

List the public pension clients your firm has audited.

Item # 4

Define your firm's resources for conducting this audit:

- a) Number of Auditors to be assigned to this audit.
- b) Number of hours you expect to expend performing this audit detailed by types of staff employed.
- c) Experience and credentials of professionals to be assigned to work on this audit.

Item # 5

Identify the actuarial firms with which you have worked. Please provide a name and contact information for each of the firms listed.

Item # 6

What is the expected time frame needed to complete the audit and present the final report?

Only one award will be made to the firm with the best combination of price and qualification as may be determined in the sole discretion of the City of El Paso Employees Retirement Trust's Board of Trustees. (See Section D - Evaluation Factors.)

Proposing Firm Name _____

Contact Person _____

Authorized Signature _____

Phone Number _____

SECTION B

CITY OF EL PASO

EMPLOYEES RETIREMENT TRUST

SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES

PROPOSAL FORMAT

1. Proposal Form with attachments (Section A).
2. Proposed Letter of Engagement summarizing the Proposing Firm's understanding of the audit services required, the key activities to be undertaken, certifying that the resources will be made available to complete the assignment and approximate date of completion for each audit review.

SECTION C

CITY OF EL PASO

EMPLOYEES RETIREMENT TRUST

SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES

SPECIFICATIONS

1. The City of El Paso Employees Retirement Trust (“the Trust”) is seeking proposals from qualified, responsible independent auditors to provide audit services, in accordance with generally accepted auditing standards (GAAS) and generally accepted accounting principles (GAAP) for the fiscal years ending August 31, 2019, 2020, and 2021.
2. For each fiscal year, the scope of services required includes:
 - A. Planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatement;
 - B. Preparation of the financial statements, including all applicable and required disclosures;
 - C. Examining evidence supporting the amounts and disclosures in the financial statements with respect to contributions, benefit payments, investment purchases and sales, withdrawals, forfeitures and actuarial determinations;
 - D. Assessing the accounting principles employed by the Trust;
 - E. Evaluating the presentation of the financial statements;
 - F. Preparing a letter to management outlining findings and recommendations with respect to compliance and internal administrative control structures;
 - G. Expressing an opinion of the balance sheet and operating statement for the Trust;
 - H. Timely preparation of the financial statements and opinions.
3. An audit has been completed for the fiscal year, 2018 by BKD, LLP and we anticipate that the working papers may be made available to the proposers in accordance with standard accounting practices.

SECTION D

CITY OF EL PASO

EMPLOYEES RETIREMENT TRUST

SOLICITATION FOR MULTI-PERIOD AUDIT SERVICES

EVALUATION FACTORS

1. Material exceptions to the terms and conditions of this solicitation, or failure to meet the Trust’s minimum specifications, shall render an offer non-responsive.
2. Only one award will be made under this solicitation. The award shall be made for all requirements to the firm with the best combination of price and qualification as may be determined in the sole discretion of the City of El Paso Employees Retirement Trust’s Board of Trustees, and who is able to demonstrate to the satisfaction of the Board of Trustees that it is able to provide expertise sufficient to execute all terms of this offer.
3. The Board of Trustees may consider factors relating to “responsibility” of the proposing firm, including but not limited to, the reputation and experience of the proposer, the availability and capability of staff, the clarity of the bid, etc. Proposing firms should be prepared to submit materials evidencing these matters.
4. As of August 31, 2018, the Trust held assets, including cash and receivables.

Please refer to the Trust’s Website at www.eppension.org for a copy of the Trust’s latest Audit Report and Actuarial Valuation.

5. The assets are managed by professional investment advisers, as follows:

Allianz Global Investments	Absolute Return (Fund to be liquidated within one year.)
AQR Capital Mgmt.	Absolute Return (Fund to be liquidated within one year.)
Invesco	Absolute Return (Fund to be liquidated within one year.)
Riverbridge Partners LLC	Domestic Equity
Wedge Capital Mgmt. LLP	Domestic Equity
Vulcan Value Partners	Domestic Equity All Cap
Mellon Capital Mgmt.	Domestic Equity Dynamic US Equity
Mellon Capital Mgmt.	Domestic Equity Index
Mellon Capital Mgmt.	Domestic Fixed Income Aggregate Index
Janus Henderson	Domestic Fixed Income Core Plus
Franklin Templeton	Domestic Fixed Income Global Plus

Franklin Templeton	International Equity
Lazard Asset Mgmt.	International Equity
LSV Asset Mgmt.	International Equity (Fund has been liquidated, only cash position remains.)
AQR Capital Mgmt.	International Equity Emerging Markets
Mellon Capital Mgmt.	International Equity Stock Index
Salient Capital Advisors LLC	MLP (Fund to be liquidated within one year.)
Portfolio Advisors LLC	Private Equity
Heitman American Real Estate Trust LP	Real Estate
UBS Realty Investors LLC	Real Estate

6. The Trust is held in multiple accounts by a custodian, BNY Mellon Asset Servicing.
7. The following documents are available for review upon written request:

Custodian Reports, Asset Statements, Investment Policies and restrictions

8. The accounting records for the Retirement Trust are maintained on the City’s computer system, utilizing software developed PeopleSoft. Parallel accounting is maintained by the custodian bank.
9. Sealed bids should be labeled as “Bid for Audit Services” and sent to:

Karina Chavez
Administrative Assistant
1039 Chelsea Street
El Paso, TX 79903

Proposals are due by the close of business August 30, 2019, and will be opened September 5, 2019 at 10:00 AM in the City of El Paso Employees Retirement Trust’s Administration Building, 1039 Chelsea Street. Proposals will not be finally awarded until the Retirement Trust’s Board of Trustees approves the Letter/Contract of Engagement.

The list of potential respondents includes:

Strickler & Prieto, LLP
The Ornelas Firm PLLC
BKD LLP
Briggs & Veselka Co.
Grant Thornton LLP
KPMG LLP

10. The proposal will be subject to the conditions for evaluation listed under Section D “Evaluation Factors”. In addition, the proposals will be evaluated based upon the fixed price quoted and the public pension fund audit experience of the firms proposing. The percentage break down for these factors are as follows:

Price: **50%**

Experience in auditing other public pension funds, and qualifications of audit staff: **50%**