

**Request for Proposal
for Financial Auditing Services to be provided to the
Employees' Retirement System of the City of Milwaukee
on behalf of the Annuity and Pension Board**

Required for use and Issued by the:
Employees' Retirement System (ERS)
Of the City of Milwaukee

ONE ORIGINAL AND EIGHT COPIES OF THE PROPOSAL TO BE SUBMITTED

All proposals will be addressed and delivered to:

Bernard J Allen, Executive Director
Employees' Retirement System
City of Milwaukee
789 N Water Street, Suite 300
Milwaukee, Wisconsin 53202

**Proposals must be received at the above address no later than 4:45 P.M., C.S.T.,
on Friday, March 16, 2018.**

The outside of the envelope or package will clearly indicate the name of the project "Request for Proposal for Financial Auditing Services" and the name and address of the Proposer.

For information, questions should be e-mailed to the following two addresses: Jerry.Allen@cmers.com and Mary.Turk@cmers.com. The deadline for questions is 4:45 P.M., C.S.T., on Wednesday, February 28, 2018.

Please note: The Annuity and Pension Board reserves the right to reject any and all proposals that are not received nor completed as specified within this document. The Annuity and Pension Board also reserves the right to accept or reject any and all proposals or not proceed with any action, to waive any informalities in proposals, and to accept only those proposals that are in the best interest of the ERS. The ERS will incur no liability for the cost of proposal preparation.

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- Appendix A: ERS Member Handbook
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1 Introduction

The Employees' Retirement System of the City of Milwaukee (ERS) invites qualified independent Certified Public Accountants, licensed to practice in the State of Wisconsin, to submit proposals to annually conduct an audit of its financial records for the years December 31, 2018 through December 31, 2022, in accordance with the specification listed below:

1.1 Objectives

The objectives of this RFP are to:

- Convey the ERS' requirements to qualified proposers.
- Understand the Proposer's approach, organizational and personnel qualifications, previous experience, fees, and ability to meet the ERS' needs in an expert and expedient manner.
- Establish the basis for a contract with an independent professional services firm to fulfill the RFP requirements.

1.2 ERS Overview

The Employees' Retirement System (ERS) of the City of Milwaukee (City) manages the City's \$5.6 billion pension fund. The ERS was created by an act of the Wisconsin Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries. The Annuity and Pension Board (Board) governs the ERS in accordance with City Charter and serves as trustee of the ERS funds. The Board is comprised of appointed as well as elected members. The ERS' executive director is responsible for daily operations and also serves as secretary for the Board.

1.3 ERS Background

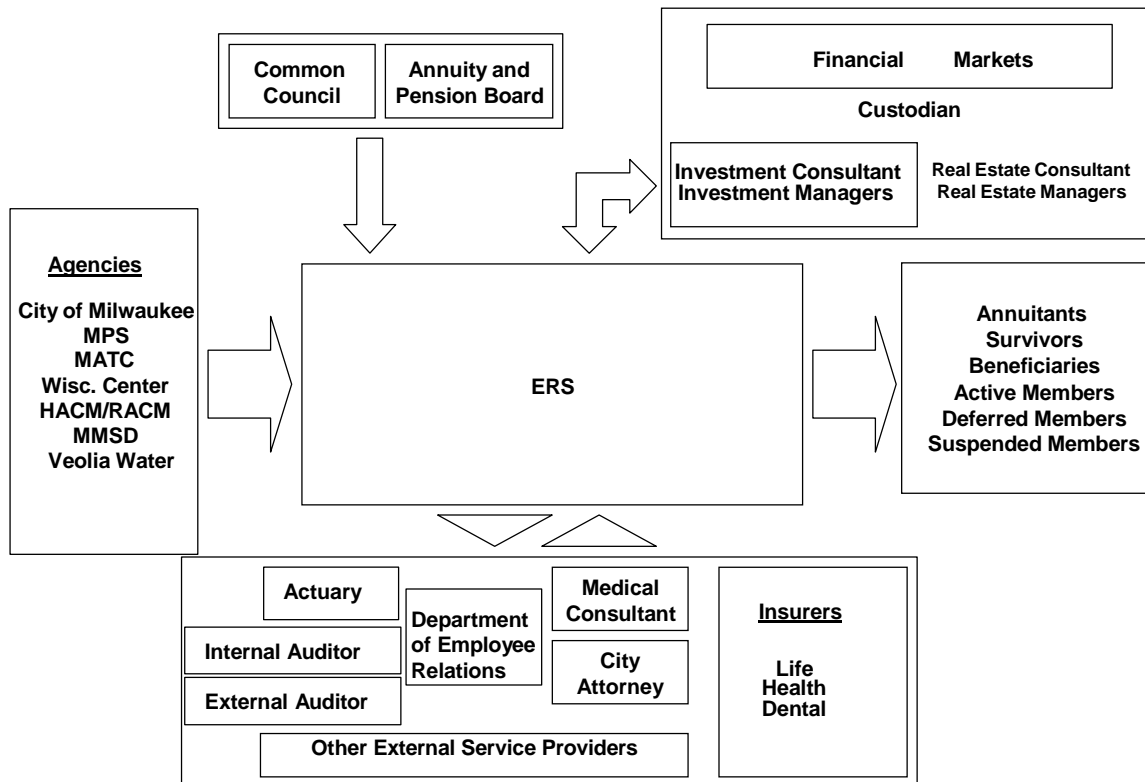
The ERS provides a wide variety of benefits to its members and their beneficiaries, including:

- Service retirement benefits
- Disability retirement benefits
- Separation benefits
- Death benefits
- Survivorship options
- Group life insurance
- Retiree health and COBRA dental insurance programs

The ERS covers approximately 14,000 active and deferred employees from the City of Milwaukee and its participating City agencies. Approximately 13,000 retirees, survivors, and beneficiaries receive monthly pension payments.

The Board and the Common Council provide input and guidance to the ERS and help to ensure that the ERS provides an appropriate level of service to its customers. The ERS receives information from seven sources, the City and six agencies. These agencies provide the information required to calculate and administer insurance and pension benefits. The following represents the ERS as an enterprise model:

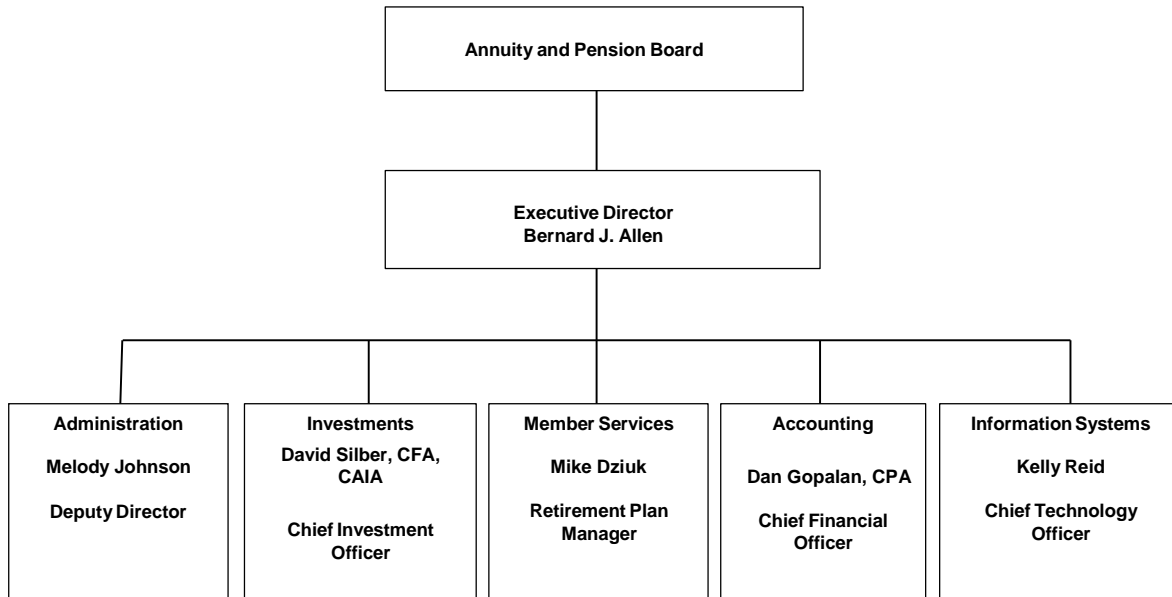
ERS Enterprise Relationship Model



1.4 Current Organization

The ERS executive-level organization chart follows:

Employees' Retirement System Organization Chart



1.5 Current Operations

- 1 The ERS utilizes a custom comprehensive pension administration software system called, MERITS (Milwaukee Employees' Retirement Information Technology System).
- 2 The assets that the ERS manages consist of fixed income and equity investments (including private equities), real estate, index funds and cash equivalents.
- 3 All investment decisions are made by outside investment managers subject to written objectives and guidelines as established by the Board.
- 4 The custodian of the ERS' fund assets is the Northern Trust Company, Chicago, Illinois.
- 5 The ERS demand deposit accounts are maintained through Wells Fargo Bank, N.A., Milwaukee, Wisconsin.

- 6 The ERS' actuary is Conduent HR Consulting, San Francisco, California.
- 7 The internal audit firm for the ERS is Experis.
- 8 The City Attorney (an elected official) serves as the statutory legal counsel for the ERS and the Board
- 9 The most recent financial audit of the ERS was performed during 2017 for the period ending December 31, 2016, by Baker Tilly Virchow Krause LLP. The ERS received an unqualified audit opinion.

Many detailed documents about the ERS are available on our website www.cmers.com, including copies of the 2016 financial statements and audit report, governing regulations, meeting minutes and board rules.

1.6 Description of ERS Records

1. The ERS maintains its financial records on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).
2. The ERS utilizes Sage 300, general ledger accounting software to maintain financial records.
3. Member records are being stored in an electronic format within MERITS.
4. The ERS processes the pension payroll using MERITS.
5. Custodian investment statements and transaction reports are available on-line or in printed form.

1.7 ERS Provided Assistance

1. All financial statements will be prepared by the ERS in accordance with GAAP as set forth by GASB and any other applicable pronouncements of accounting standard setting bodies. The ERS shall prepare the necessary notes, schedules and exhibits to the financial statements that provide for adequate disclosure as required by generally accepted governmental accounting principles and standard setting bodies.
2. Staff of the ERS will assist in preparing all necessary documenting worksheets and schedules for the auditor's consideration. The auditors will have use of the ERS staff for typing of confirmations and representation letters and also access to equipment for photocopying of documents. The ERS also agrees to provide office space, computer time and material during the engagement fieldwork.
3. The City Attorney will provide letters concerning contingent liabilities and potential litigation. In the event the Board has engaged outside counsel for legal representation, the Board's outside counsel will provide a response to the audit firm's request for litigation disclosure.

2 Scope of Work

1. A financial and compliance audit for the years ending December 31, 2018 through December 31, 2022, with the purpose of expressing an opinion of the Board with respect to the financial statements and all notes is required. The audit opinions are to be delivered to the Board within 60 days of completion of audit fieldwork or at a later date by mutual agreement. Audit fieldwork shall commence within 30 days of the ERS notifying the audit firm of completion of statements but not before April 16th following the year of examination or at a later date by mutual agreement.
2. The examination shall be conducted in accordance with generally accepted governmental auditing standards and include such tests and other auditing procedures that the auditor deems necessary under the circumstances.
3. The examination shall include a review of the ERS's actuarial report including testing of actuarial assumptions for reasonableness.
4. The audit shall include procedures to test compliance with legal requirements imposed by statute, ordinance, resolution and contract. Such tests will be sufficient to determine whether the ERS is in conformance with significant compliance requirements that could have a material effect upon the ERS' financial position.
5. The audit shall include an evaluation of the ERS internal controls to assess the extent the controls can be relied upon to ensure accurate information and compliance with laws and regulations. Specific areas to be reviewed include agency contributions, member document completeness, payroll processing, benefit calculations, retro calculations and any other areas the auditor feels are sensitive to internal control issues.
6. The audit firm shall retain work papers and reports for a minimum of three years from the conclusion of the audit engagement or longer if requested by the Board. The audit firm shall make work papers available to the Board and the ERS upon request.
7. The audit firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing significance.
8. The audit firm shall provide assistance to the ERS for application of GASB 67 and 68 and all current and relevant GASB Statements.
9. The audit firm shall annually provide the ERS a minimum of eight hours of accredited continuing professional education to the ERS staff subject to review and approval of the Chief Financial Officer by January 31st of each year.
10. The audit firm shall be available for technical advice on matters related to the financial statements prepared by the ERS.

11. The audit firm shall conduct audit entrance and exit conferences with the ERS to discuss audit approach and any subsequent findings and recommendations. Information regarding audit adjustments will be brought to the attention of management prior to the exit conference. At the conclusion of the audit, the ERS staff will review draft copies of the required reports before such reports are presented to the Board.
12. At the conclusion of the audit and within 60 days of completion of audit fieldwork or at a later date by mutual agreement, a representative of the audit firm shall appear before the Board to present the audited financial statements and audit report.

2.1 Deliverables

The ERS is seeking a Vendor that will perform its duties under the negotiated agreement with the care, skill, prudence and diligence under the circumstances then prevailing; all in accordance with applicable federal and state law, and the ERS policies, guidelines and procedures. In consideration of the above, the Vendor shall perform such work as is required to accomplish the following general objectives:

1. For the years ending December 31, 2018 through December 31, 2022, conduct an annual audit of each of the ERS-prepared Statements of Net Assets and the related Statements of Changes in Net Assets, including footnote disclosures and supplementary information for each year end.
2. For the years ending December 31, 2018 through December 31, 2022, issue a standalone audited opinion on the Schedules of Employer Allocations and Pension Amounts by Employer, and the accompanying Notes to the Schedules of Employer Allocations and Pension Amounts by Employer.
3. Conduct each audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
4. Express an opinion as to whether all "Required Supplementary Information" and supporting schedules and exhibits as prescribed by the GASB or any other accounting standard setting body is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole is required. Required Supplementary Information may include but is not limited to the Schedule of Changes in the Net Pension Liability, Schedules of Net Pension Liability and Investment Returns, Schedule of Employer Contributions and Notes to the Required Supplementary Information. Supporting schedules may include but are not limited to the Schedule of Administrative Expenses, Schedule of Investment Expenses, Schedule of Payments to Consultants and various reports concerning investment activities and policies, asset allocations, actuarial information, and other statistics. This report is due at the completion of the audit and before report presentation to the Board as specified in Section 2.

5. Express an opinion in writing, on each set of the ERS-prepared financial statements listed above, at the conclusion of each audit on their conformity with accounting principles generally accepted in the United States of America.
6. A management letter summarizing audit findings and recommendations affecting the financial statements, internal controls, accounting and accounting systems is required. This report is to be addressed to the Executive Director and delivered to the ERS prior to report presentation to the Board as specified in Section 2.
7. Printed and bound copies (35 copies) of the ERS' general purpose financial statements with audit report are to be delivered to the ERS prior to report presentation to the Board as specified in Section 2.

3 RFP Evaluation Process

3.1 Selection Process

All proposals will be evaluated by the Board to determine the extent to which a proposal meets the ERS' and Annuity and Pension Board requirements set forth above. This assessment will also include an evaluation of the cost proposal.

The ERS may require oral presentations in person or by telephone. Proposals should be complete on their face. The ERS reserves the right to request clarifying information at any point.

3.2 Evaluation Team

The Annuity and Pension Board and/or its designees will review, evaluate and verify information submitted by Proposers. The Board will review the RFP submittals in accordance with the submittal requirements and evaluation criteria set forth below. The Board will evaluate all proposals and make a final selection and recommend that the executive director begin negotiating a contract.

3.3 Questions

Any questions concerning this RFP may be submitted by e-mail to: Jerry Allen at Jerry.Allen@cmers.com and Mary Turk, at Mary.Turk@cmers.com. The deadline for questions is 4:45 P.M., CST, on February 28, 2018. The ERS will transmit responses via e-mail to questions received, for Proposers who have acknowledged an interest in responding to this RFP by 4:45 P.M., CST on February 28, 2018. Proposer may not rely on any representations from the ERS or Annuity and Pension Board members other than the responses provided through the above-described procedure.

3.4 Calendar of Events

<u>Event</u>	<u>Date</u>
• Advertise Search*	February 16, 2018
• Issue RFP*	February 16, 2018
• Questions to the ERS	February 28, 2018
• Response to Questions	March 2, 2018
• Proposal Submittal	March 16, 2018
• Board Presentation *	March 22, 2018
• Selection of Vendor*	March 22, 2018
• Contract or hire date	As Soon as Possible

* Indicates proposed tentative schedule

Procurement Modification

The ERS reserves the right to change the Calendar of Events or modify any part of the procurement process, prior to the date fixed for submission of the Proposals, by issuance of an addendum to all participating Proposers. The ERS also reserves the right to cancel or reissue the procurement in whole or in part, and for any reason, at the sole discretion of the ERS at any time prior to execution of a contract. In the event it becomes necessary to revise any part of the procurement, Proposers will be notified via email.

3.5 Proposal Evaluation

The Annuity and Pension Board will evaluate all submitted proposals along the following criteria including, but not limited to:

• Proposer experience and references	40%
• Approach, work plan, presentation	30%
• Cost	30%

4 Proposal Requirements

One original and eight copies of the proposal (on standard 8 1/2" x 11" letter-size paper, with material on one side only) will contain, at a minimum, the following sections:

A. Letter of Transmittal

The letter of transmittal should briefly and concisely (limited to two pages) state the proposer's understanding of the work to be performed. The letter should make a commitment to meet the time frame suggested and include the names of those authorized to make representations on behalf of the proposer and the all inclusive maximum contract fee for which this work will be performed.

B. Title Page

The title page should include "Request for Proposal – Employees' Retirement System, 2018-2022 Audits", proposal date, the name of the proposer's firm, local address, telephone number, contact person and effective period of the proposal.

C. Table of Contents

The table of contents should include a clear identification of the material presented according to section and page number.

D. General Proposal Contents

(As detailed in Section 5 below)

Of the nine proposals, one will contain original signatures and be marked ORIGINAL. One copy of the proposal should also be e-mailed to the Executive Director, Bernard J Allen at Jerry.Allen@cmers.com and the Business Operations Analyst, Mary Turk at Mary.Turk@cmers.com.

The Annuity and Pension Board reserves the right to accept any submittal and/or any part or parts thereof and/or reject any or all submittals. The Annuity and Pension Board will be the sole judge as to compliance with the instructions contained in this RFP. The ERS reserves the right to seek clarification of submitted information during the evaluation process including, but not limited to, Proposer financial stability, Dun & Bradstreet reports, pending or current lawsuits, previous engagement experience, and results of past awards to the Proposer by the ERS and/or the City of Milwaukee.

The ERS reserves the right to retain all proposals and accompanying documentation submitted and to use any ideas contained in proposals regardless of whether that proposal is selected. Proposals retained shall become the property of the ERS and will not be returned. Submission of a proposal constitutes acceptance of all conditions contained in this request for proposals, unless clearly and specifically noted in the

proposal submitted and confirmed and expressly accepted in the subsequent contract between the firm and the ERS.

5 General Proposal Contents

The proposals will consist of two parts, a proposal and a cost proposal. The required content is described below.

5.1 Proposal Content Details

All proposals will comply with the requirements identified in this document. Although Proposers are encouraged to provide any information that may be pertinent to their ability to meet the ERS' needs, generic boilerplate is discouraged.

5.1.1 Proposer Overview

Proposers will describe their history, scope of operations, organization, size, and any other relevant information that the Proposer chooses to include. At a minimum, the Proposer will provide basic information about its organization, including:

- name of firm and ownership structure (Partnership, Sole-proprietorship, corporation, etc.)
- number of years in business;
- nature of business/ scope of services offered;
- headquarters location;
- location from which the project described in the proposal will be staffed and managed;
- number of full-time employees, contract employees, and total employees.

Also complete Appendix B: Proposer Information Worksheet

5.1.2 Proposer Requirements

Proposers will summarize their understanding of the requirements set forth in this RFP, describe their proposed approach to satisfying the ERS' conditions and requirements, and present a work plan and schedule for the proposal.

Proposers will clearly identify and describe any and all assumptions made in preparing their proposal.

5.1.3 Project Organization and Staffing

Proposers will describe their staffing based on the project approach and work plan described in their proposals. Proposers will address the following:

- 5.1.3.a. Describe their governmental practice and list major governmental clients, locally, regionally, and nationally.
- 5.1.3.b. Indicate which services are specialties or areas of greatest expertise, and describe how expertise is maintained and expanded.

- 5.1.3.c. Describe ability to research various technical questions related to investment accounting treatments of new and/or complex investment instruments.
- 5.1.3.d. State size of firm, size of firm's 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.
- 5.1.3.e. Indicate the following about each anticipated assigned staff: if registered or licensed to practice as a certified public accountant in Wisconsin; experience and proficiency in financial audits of public pension fund investment activities and government financial statement reviews.
- 5.1.3.f. Provide resumes of all staff to be assigned to this engagement.
- 5.1.3.g. Describe their public positions on emerging and key FASB, GASB, AICPA, or other pertinent legislative initiatives affecting the ERS that could be viewed as significant and/or controversial to the environment in which the ERS operates (discuss and provide examples of publications it has published in these areas).
- 5.1.3.h. Discuss their ability to provide advice and consulting services regarding international tax issues (such services would be provided on an as-needed basis and would be separately reimbursed).
- 5.1.3.i. Discuss their ability to provide ongoing educational materials and opportunities to its clients regarding key FASB, GASB, or other pertinent issues.
- 5.1.3.j. Provide their most recent PCAOB inspection report.

5.1.4 Engagement Management

The ERS Chief Financial Officer will serve as the contact for audit requests and ensure the successful Proposer receives complete and timely information. Proposers will address the following:

- 5.1.4.a. Outline their basic audit approach and areas of audit emphasis.
- 5.1.4.b. Outline their planning approach, including time frames for planning, discussion items, interim control testing, etc.
- 5.1.4.c. Document the role that the partner(s) play during the planning phase to ensure that the financial reporting model and basic financial statement content is addressed prior to fieldwork.
- 5.1.4.d. Describe their process for independently valuing investments, including alternative asset classes.
- 5.1.4.e. Provide proposed engagement letters.

5.1.5 Client Relationships and References

Proposer will describe (1) the types of clients with which it conducts the majority of its business, (2) its goal(s) in servicing its clients and (3) the type of relationship it prefers to have with its clients. Proposers will submit the names of at least three references. References will be persons with substantial knowledge of the Proposer's performance on projects that are similar in scope to the Proposer's proposal, and who do not have any financial interest in the Proposer. Appendix C contains a reference form indicating the minimum required information.

5.1.6 Independence and Conflicts of Interest

Proposer will address the following:

- 5.1.6.a Answer if the firm is independent of the ERS as defined by generally accepted auditing standards and Government Auditing Standards.
- 5.1.6.b. Explain in detail any potential for conflict of interest which would be created by its representation of the ERS.
- 5.1.6.c. Include any activities of affiliated or parent organizations as well as other client relationships which may inhibit services to the ERS.
- 5.1.6.d. Indicate for each staff that will be planning, directing, conducting and reporting on these projects whether they are free from personal or external impairment to independence.

5.1.7 Pending Litigation or Other Disciplinary Actions

Proposer will answer the questions in the following section require a yes, no or N/A response. If the answer is yes, Proposer will provide an explanation and/or indicate the current status.

- 5.1.7.a Has there been any significant litigation against your firm in the past three years?
- 5.1.7.b. Is there any current litigation against your firm pending?
- 5.1.7.c. Were there material issues raised in the firm's most recent external quality control review?
- 5.1.7.d. Has there been any inquiry or investigation related to your firm by governmental or professional authorities in the past three years?
- 5.1.7.e. Has any disciplinary action been taken against the firm during the past three years by state regulatory bodies or professional organizations?

5.1.7.f. Is there currently any disciplinary action pending against the firm by state regulatory bodies or professional organizations?

5.1.8 Exceptions to RFP Requirements

List any exceptions to the specifications included in this RFP and provide alternative language. Failure to list exceptions will be construed as acceptance of the specification(s) should a contract be awarded.

5.1.9 Disclosure of Proposal Information

All information concerning the proposals and the evaluation process will become part of the public record at the time that the notice(s) of award is issued. Any restrictions on the use of the data contained in a Proposer's response to this RFP must be clearly stated per Appendix D, Designation of Confidential and Proprietary Information. Proprietary information submitted in response to this RFP will be handled in accordance with the Wisconsin Public Records Law."

5.2 Cost Proposal Content Details

The Cost Proposal will be clearly identified on a separate sheet with the words "Cost Proposal" at the top of the page. All-inclusive, guaranteed fixed fees submitted for the proposed contract shall be guaranteed for a period not less than five years from the effective date of the contract.

The Cost Proposal will provide a total estimated price for all work and all deliverables proposed. The fee for work performed shall be based upon the number of hours proposed at the fixed fee. Advice and services on specific accounting, internal auditing, financial, and other issues are expected to be included as part of the fixed fee and will not be separately reimbursed. Front loading of fees is not permitted. In no case will the negotiated fee for a project be higher than the fee contained in the proposal.

The Cost Proposal shall include attendance costs and the cost of lodging, meals and refreshments provided at any client conferences offered by the contractor and attended by the ERS staff or Board members.

Cost Proposals will conform to the following requirements:

- The Cost Proposal will be signed by an officer authorized to commit to the Proposal.
- The Proposer should provide a detailed description of its cost proposal for its services.

The Proposer should ensure that the cost information presented is complete and all-inclusive.

6 Miscellaneous

6.1 Contract for Services

The selected Proposer will be expected to execute a contract for services with the ERS. The Proposer's proposal and this RFP will be attachments to the contract for services. Any situations of conflicting language will be governed by the following priorities:

- Contract for services
- Proposer's proposal
- This RFP

A sample contract is attached as Appendix E.

6.2 Proof of Insurance

The Successful Proposer shall, at its own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. The successful Proposer shall furnish evidence in the form of a Certificate of Insurance, and a copy shall be forwarded to the Agency within fifteen (15) days of the notification as the Successful Proposer. A contract with the Successful Proposer will not be executed until insurance coverage has been verified. A Certificate of Insurance shall be forwarded to ERS annually.

7 Indemnification and Insurance Requirements

7.1 Indemnification

Notwithstanding any references to the contrary in the contract documents, the CONTRACTOR will assume full liability for all of its acts in the performance of the Contract. The CONTRACTOR will save and indemnify and keep harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors against all liabilities, judgments, costs, and expenses which may be claimed against the ERS in consequence of the granting of the Contract to the CONTRACTOR, or which may result from negligence and/or willful acts of the CONTRACTOR, or the agents, employees or workmen of the CONTRACTOR in any respect whatever. If judgment is recovered, whether in suits of law or in equity, against the ERS by reason of the negligence and/or willful acts or by acts of commission of the CONTRACTOR, such persons, firms or corporations carrying out the provisions of the Contract for the CONTRACTOR, the CONTRACTOR assumes full liability for such judgment not only as to the amount of damages, but also the cost, attorneys fees or other expenses resulting there from.

7.2 Insurance Requirements

Contractor and its subcontractor will verify that the following types and amounts of insurance coverage are in effect. In the absence of the required insurance coverages, the contractor and its subcontractor will provide proof that it has the financial ability to respond for all loss and expense costs which arise from or are connected with claims of tort, statutes and benefits under the State of Wisconsin Workers' Compensation Law and/or vicarious liability for employees.

Certificates of insurance which verify that the following coverages are in effect will be provided prior to the start of the project and annually thereafter.

Types of Coverage	Coverage Amounts
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Workers' Compensation and Employers' Liability:

Bodily Injury by accident	Each accident	\$100,000
Bodily Injury by disease	Each employee	\$100,000
	Policy limit	\$500,000

To Include:

Other states coverage.

General Liability:

Bodily Injury/Property Damage	Each occurrence	\$1,000,000
	Each aggregate	\$1,000,000
	Products/completed operations aggregate	\$1,000,000
Personal Injury	Aggregate	\$1,000,000

To Include:

Personal Injury form should include libel, slander, discrimination, invasion of the right of privacy, humiliation, mental anguish and emotional distress. Contractual liability for risks assumed in the agreement.

Automobile Liability:

Bodily Injury/Property Damage	Each accident	\$1,000,000
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To Include:

Coverage is to apply for the operation of any vehicle.

Umbrella Liability:

Bodily Injury/Property Damage/Personal Injury	Each occurrence	\$5,000,000
	General aggregate	\$5,000,000
	Products/completed operations aggregate	\$5,000,000

Professional Liability:

Wrongful Act	Each claim	\$15,000,000
	Aggregate	\$15,000,000

To Include:

If the policy provides claims made coverage, contractor shall certify that the retroactive date will not change during the term of the contract or will warrant that the extended reporting period option will be exercised without cost to the ERS if the retro date is changed.

- Contractor must warrant that evidence of professional liability coverage will be provided ERS during the term of the contract and for three years after the end of the contract.
- ERS is to be an additional insured with respect to all of the proceeding coverage except Workers; Compensation, Employer’s Liability and Professional Liability.
- Insurance certificates shall be in the Industry Standards Accord form.
- Certificates should confirm that 90 days written notice will be provided to the ERS prior to termination, non-renewal or modification in the terms of the coverage.
- All policies must be issued by insurance companies whose A.M. Best rating is A-VIII or higher.
- Additional insured status under the General Liability, Workers’s Compensation and Umbrellas Liability shall be primary and non-contributory with regard to ERS.
- The General Liability, Automobile Liability, Workers’s Compensation and Umbrellas Liability shall contain a waiver of subrogation in favor of ERS.

8 Other Requirements

A. Conflict of Interest

No officer, employee, or agent of the City of Milwaukee or the ERS who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which the contract awarded to the successful PROPOSER pertains, shall have any personal interest, direct or indirect, in the contract. No member of the governing body of the City or ERS and no other public official the City who exercises any functions or responsibilities in the review or approval of the carrying out of the contract shall have any personal interest, direct or indirect, in the contract.

The PROPOSER covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services if a contract is awarded to PROPOSER. The PROPOSER further covenants that in the performance of the contract, no person having any conflicting interest shall be employed. An interest on the part of the PROPOSER or its employee must be disclosed to the ERS.

B. Audit

At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records with respect to all matters covered by the contract, and PROPOSER shall permit the ERS to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by the contract, if the contract is awarded to PROPOSER.

C. Public Records Law

PROPOSER understands that the ERS is bound by the Wisconsin Public Records Law, and as such, all of the terms of the RFP, proposal, and the contract awarded to the successful PROPOSER are subject to and conditioned on the provisions of Wis. Stats. sec. 19.21 et. sec. PROPOSER acknowledges that it is obligated to assist the ERS in retaining and producing records that are subject to the Wisconsin Public Records Law, (including, but not limited to any records produced or collected by PROPOSER under this Agreement, pursuant to Wis. Stats. §19.36(3)), and that the failure to do so shall constitute a material breach of the contract, and that the PROPOSER must defend and hold the ERS harmless from liability due to its fault under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years.

D. Choice of Law/Venue

The contract awarded to the successful PROPOSER, and all questions arising in connection with such contract shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Venue for any action arising out of or in any way related to the contract shall be exclusively in the City of Milwaukee for matters arising under state law and in federal district court in the eastern district of Wisconsin for matters arising under federal jurisdiction.

E. Prompt Payment Policy

It is the ERS's policy to pay all invoices within 30 days. If the ERS does not make payment within 45 days after receipt of properly completed documentation supporting payment, the ERS shall pay simple interest beginning with the 31st calendar day at the rate of one percent per month (unless the amount due is subject to a good-faith dispute, and, before the 45th day of receipt, notice of the dispute is sent to the contractor in accordance with the notice provisions in the contract). If there are subcontractors, consistent with s. 66.0135(3), Wis. Stats., the prime contractor must pay the subcontractors for satisfactory work within seven days of the prime contractor's receipt of payment from the ERS, or seven days from receipt of a properly submitted and approved invoice from the subcontractor, whichever is later. If the prime contractor fails to make timely payment to a subcontractor, the contractor shall pay interest at the rate of 12 percent per year, compounded monthly, beginning with the 8th calendar day.

9 Organization of Proposal Submittal

- Letter of Transmittal
- Title page
- Table of contents
- Proposer Overview (include Appendix B)
- Proposer Requirements
- Project Organization and Staffing
- Engagement Management
- Client Relationships and References (include Appendix C)
- Independence and Conflicts of Interest
- Pending Litigation or Other Disciplinary Actions
- Cost Proposal
- Designation of Confidential and Proprietary Information form, if desired (see Appendix D)

10 Proposal Submission

One original and eight copies of the proposal will be submitted in a sealed envelope no later than **4:45 P.M., C.S.T., on March 16, 2018:**

Bernard J Allen
Employees' Retirement System
City of Milwaukee
789 N Water Street, Suite 300
Milwaukee, Wisconsin 53202

The outside of each envelope or package must be labeled:

Request for Proposal for Financial Auditing Services

[NAME OF PROPOSER]

Package ____ of ____

Appendix A: ERS Member Handbook

The ERS Member Handbook may be found on the ERS website at:

www.cmers.com

Click “Library”

Under “Member Handbook”

Click on “Read More”

Click “Member Handbook”

Appendix B: Proposer Information Worksheet

1. Company name: _____

Street address: _____

City: _____ State: _____ Zip code: _____

FEIN number: _____

Telephone: () _____ FAX: () _____

Toll-free telephone: () _____

2. Contact Person For Questions About Your Proposal

Name: _____ Title: _____

Telephone: () _____ Fax: () _____

Email: _____

3. Form of Business or Organization

Check (X) applicable category and complete supplementary information if required.

Sole proprietorship _____ Partnership _____

Non-profit _____ Government _____

Corporation _____ State of incorporation: _____

Subsidiary _____ Of whom: _____

4. Size of Business

Submit audited annual financial statement for most recent year.

Annual gross revenues: \$ _____

Annual net revenues: \$ _____

Primary Sources of Revenues (type of service): _____

5. Special Business Status

Check (X) applicable category and identify certifying organization.

Not applicable _____

Minority Owned Business Enterprise (MBE) _____

Women Owned Business Enterprise (WBE) _____

Disadvantaged Business Enterprise (DBE) _____

By whom certified: _____

6. Affirmative Action Statement

Proposers may be required to submit an Affirmative Action statement. If such a statement is required, whom in your organization should we contact?

Name: _____ Title: _____

Telephone () _____ FAX: () _____

Email: _____

Appendix C: Proposers References

Name of Proposer: _____

Provide at least three (3) references for engagements in which your organization and the employees you are proposing were involved. Please use additional space, if required, to adequately complete the below required information.

1. Company or organization: _____

Street address: _____

City: _____ State: _____

Contact person: _____ Title: _____

Telephone no.: (____) _____

Were you a prime contractor? _____ or subcontractor? _____

If you were not prime, who was? _____

Description of engagement: _____

Services furnished: _____

Assigned personnel (name, role): _____

2. Company or Organization: _____

Street address: _____

City: _____ State: _____

Contact person: _____ Title: _____

Telephone no.: (____) _____

Were you a prime contractor? _____ or subcontractor? _____

If you were not prime, who was? _____

Description of engagement: _____

Services furnished: _____

Assigned personnel (name, role): _____

3. Company or Organization: _____

Street address: _____

City: _____ State: _____

Contact person: _____ Title: _____

Telephone no.: (____) _____

Were you a prime contractor? _____ or subcontractor? _____

If you were not prime, who was? _____

Description of engagement: _____

Services furnished: _____

Assigned personnel (name, role): _____

Appendix D: Designation of Confidential and Proprietary Information

Please note: prices always become public information when proposals are opened, and therefore, cannot be kept confidential.

The attached submitted material includes proprietary and confidential information that qualifies as a trade secret, as provided in Section 19.36(5), Wisconsin Statutes, or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this proposal be treated as confidential material and not be released without our written approval.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in Section 134.90(1)(c), Wisconsin Statutes, as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process to which all of the following apply: 1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. 2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request that the following pages not be released: (indicate section, page number, and topic). _____

In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality.

Failure to include this form in the proposal may mean that all information provided as part of the proposal will be open to examination and copying. The City considers other markings of confidential in the proposal document to be insufficient. The undersigned agrees to hold the City harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Company name: _____

Authorized representative: _____
signature

Authorized representative: _____
printed

Date: _____

Appendix E: Sample Contract

AUDIT SERVICES AGREEMENT

AGREEMENT made this _____ day of _____, 2018, by and between

_____ and the EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE, a body corporate and politic organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee, with principal offices 789 N. Water St., Suite 300, Milwaukee, Wisconsin 53202 ("ERS").

I. RECITALS

A. Under s. 36-09-6 of the Milwaukee City Charter, the ERS has all the powers of a corporation under Chapters 180 and 182, Wis. Stats., and by its name all business is to be conducted.

B. The Annuity and Pension Board ("Board") is charged with the general administration and operation of the ERS and for making effective the provisions of the ERS under s. 36-15-1 of the Milwaukee City Charter ("Charter").

C. The Board is empowered to engage such services as shall be required to transact business under the terms of s. 36-15-7 of the Charter.

D. The Board is interested in retaining Contractor as an independent auditor.

For the reasons recited above and in consideration of the mutual promises contained herein, the Board and the Contractor agree as follows: -

II. SCOPE OF SERVICES

A. Scope and Statements of Work

1. Scope. This agreement sets forth the terms of the services ("Services") to be performed by Contractor to ERS pursuant to one or more statements of work signed by both Parties (each, a "Statement of Work" or "SOW").

2. Statements of Work. All services to be provided by Contractor to ERS will be confirmed in written Statements of Work. Each Statement of Work will be in the form set forth as Exhibit A, or such other form as the parties may mutually agree upon, and shall include the specific Services to be provided. No Statement of Work will become effective unless executed by an authorized representative of each of the Parties.

3. Conflicts. In the event of any express conflict or inconsistency between the provisions of any Statement of Work and any provisions of this Agreement, the applicable provisions of this Agreement will govern and control. The parties may modify the terms hereof by via Agreement which (a) expressly supersedes particular provisions of the Agreement, (b) clearly identify the section(s) of the Agreement that they are intended to supersede, and (c) is signed by both parties.

B. Audit.

1. Audit fieldwork shall commence within 30 days of the ERS notifying the Contractor of completion of statements but not before April 16th following the year of examination or at a later date by mutual agreement.

2. The Contractor's ability to express an audit opinion and render audit reports, and the wording of Contractor's opinion and reports, will be dependent on the facts and circumstances at the date of Contractor's report. If conditions are discovered that lead to the

belief that material errors, defalcations or other irregularities have occurred, Contractor shall promptly advise the ERS Executive Director, as well as the Chairperson of the A&O Committee. In the event that the Contractor contemplates rendering an opinion other than an unqualified opinion, Contractor shall promptly advise the ERS Executive Director.

3. Contractor's auditing procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. Contractor will request written representations from the ERS' attorneys as part of this engagement, and the ERS attorneys may bill ERS for responding to this inquiry.

C. Reporting.

1. For each calendar year covered by the contract, Contractor shall present to the Board a report on the audit of the ERS financial statements. Subject to compliance with applicable laws, regulations and professional standards and to the provisions of Article XIV of this contract, Contractor shall present such report no later than 60 days following completion of fieldwork or at a later date by mutual agreement. The audit is expected to commence on or about April 16 of each calendar year unless a later date is mutually agreed upon prior to April 16. Such report shall contain an unqualified opinion with respect to the basic financial statements, or if an unqualified opinion cannot be expressed, a qualified opinion, adverse opinion or disclaimer of opinion with an explanation of the reasons therefore. For each calendar year covered by the contract, Contractor shall submit a report containing an opinion as to whether the supplementary information contained in the schedules accompanying the financial statements is fairly stated in all material respects in relation to the financial statements taken as a whole.

2. In addition to certain matters that are required to be communicated to the Board, as set forth in Exhibit A, the Contractor may also have other comments for the Board on matters observed by Contractor and possible ways to improve the efficiency of ERS' operations or other recommendations concerning internal control.

D. Miscellaneous.

1. Contractor shall advise ERS staff of current developments in pension accounting and practice as promulgated by the GASB. Contractor shall provide ERS staff annually with a minimum of eight hours of accredited continuing professional education ("CPE") training related to relevant GASB pronouncements and general GAAP updates by an accredited CPE provider, by no later than September 30 of the subsequent audit year, subject to approval of the ERS Chief Financial Officer.

2. Contractor at its own expense shall submit 40 copies of each printed and bound report and each management letter to the ERS.

3. Prior to the annual presentation to the Board, Contractor will hold an exit conference with appropriate ERS management to review audit findings. Draft copies of such reports will be reviewed by ERS management before such reports are presented to the Board.

III. DURATION

This Agreement shall cover audits and related reports for the fiscal years ending December 31, 2018 through December 31, 2022.

IV. COMPENSATION OF CONTRACTOR

A. Contractor shall be compensated on an all-inclusive annual flat rate basis as follows:

These annual rates include all out-of-pocket expenses paid by Contractor. Contractor shall not be paid or otherwise compensated by ERS for any purpose in any amount exceeding the rates noted above, unless mutually agreed upon in writing by ERS and Contractor.

B. These rates are based upon the accounting and auditing pronouncements and interpretations pursuant to GASB, FASB, AICPA or other governing bodies that are effective as of the date of this agreement. Should new accounting and auditing pronouncements and/or interpretations be issued by these or other governing bodies and become effective during the duration of this contract, Contractor may request, pursuant to a written contract amendment, appropriate and mutually agreed upon adjustments in the above contract price.

C. Additional services may be requested from Contractor pursuant to a written contract amendment signed by the parties. The hourly fee for additional services shall be the same as listed in Article IV-D.

D. ERS may request billing statements, showing the number of hours expended by any or all Contractor personnel who provided services related to this Agreement at any time, but no more than monthly. For the purposes of these statements, the following hourly rate schedule shall be used:

Rates in \$	2018	2019	2020	2021	2022	2023
Partner						
Senior Manager						
Manager						
Senior						
Staff						
Clerical						

V. COVENANTS OF THE CONTRACTOR

A. The audit shall be performed in accordance with generally accepted governmental auditing standards.

B. Contractor shall retain all audit work papers and reports for a minimum period of seven years from the conclusion of the audit engagement or longer if requested in writing by the ERS Board. Upon reasonable written notice to Contractor, ERS, the Board, and/or person(s) designated by the Board shall be entitled to inspect all non-proprietary audit work papers. The Contractor shall make the persons responsible for creating and maintaining ERS audit work papers available to the Board during such review for the purpose of responding to the Board's reasonable inquiries. As used in this section, non-proprietary work papers are those which are not, or do not contain, any of Contractor's proprietary or confidential information or trade secrets and which do not relate to Contractor's audit processes or audit procedures. By way of example and not in limitation of the foregoing, the term "non-proprietary work papers" includes trial balances, work papers related primarily to the ERS' accounting policies or to the composition of particular accounts and excludes work papers relating principally to the conduct of the audit, such as audit programs and questionnaires, checklists, sample selections, tick mark explanations, audit planning and summary memoranda, memoranda documenting sensitive audit judgments, conclusions based upon audit processes or procedures and Contractor's administrative materials. In addition, the Contractor shall respond to the reasonable inquiries of successor auditors or other third party authorized by the Board or ERS, and shall allow such parties to review audit work papers relating to matters of continuing accounting significance, in accordance with, and to the extent required by applicable professional standards.

C. The Contractor covenants that it will maintain independence with respect to the ERS throughout the term of this agreement as required by professional standards.

D. Public Records Law Compliance.

a. Both parties understand that the ERS is bound by the Wisconsin Public Records Law, Wis. Stat. §§ 19.31-39 ("Public Records Law"), and as such, all terms of this Agreement are subject to and conditioned on that law. Under the Public Records Law, the ERS audit work papers are subject to public disclosure, unless there is a statutory, common law, or public policy reason for nondisclosure (e.g., trade secrets exception).

b. The Contractor acknowledges and agrees that it is obligated to provide reasonable assistance to the ERS in retaining and producing records that are subject to the Wisconsin Public Records Law (specifically the production of records that are maintained by the Contractor in its capacity as a contractor, as required pursuant to Section 19.36(3) of the Public Records Law) and that failure to do so may constitute a material breach of this Agreement. Contractor agrees that it shall reasonably assist the ERS and the Milwaukee City Attorney's Office in complying with the Public Records law by, among other obligations, retaining documents according to the terms of this Agreement, assisting with the review of public records requests and related documents, and providing to ERS documents requested under the Public Records Law.

c. The Contractor shall not make any claim against the ERS if the ERS makes available to the public any document or information the ERS received from the Contractor which is required to be made public by the ERS pursuant to a court order.

d. In the event the ERS or the Board receives a public records request for records relating to the Contractor, any information designated by the Contractor as its

confidential and proprietary information will be considered in conjunction with ERS' response to the public records request. ERS will allow the Contractor the opportunity to raise and support potential exemptions under the law from public disclosure. Decisions to withhold public disclosure of records subject to this law must be supported by a statement of the public-policy basis for denial. The Contractor agrees to cooperate with any reasonable request for assistance by the ERS and the Milwaukee City Attorney's Office to support nondisclosure decisions. Should a nondisclosure decision by ERS result in litigation, the Contractor agrees to cooperate and assist in that legal defense.

e. In the event that ERS and/or the Milwaukee City Attorney's Office in good faith determines that disclosure of records subject to this law is proper, and the Contractor disagrees and does not produce records demanded by ERS, the Contractor will be solely responsible for litigation expenses and any related costs, fees, or other damages that result from the Contractor's nondisclosure decision including attorney's fees.

f. In the event that ERS and/or the Milwaukee City Attorney's Office in good faith determines disclosure of records subject to this law is proper, and the Contractor disagrees, files suit to prevent the disclosure or to seek damages after disclosure, and a court or other agreed-upon arbitrator later determines that the disclosure was proper, the Contractor will reimburse the City for all litigation expenses and any related costs, fees, or other resulting damages including reasonable attorney's fees.

2. Upon termination of this Agreement and upon the Board's request, the Contractor shall tender records relevant to the audit services provided on this Agreement to the Board, provided, however, that the Contractor may retain copies of such records as needed to

comply with legal, statutory, regulatory, or reporting obligations. Nothing in this section shall require the Contractor to tender records that are the property of the Contractor.

VI. COVENANTS OF THE BOARD

A. The ERS understands that the proper and timely completion of Contractor's services hereunder requires the reasonable cooperation of the ERS, including, without limitation, entities under its control, and their respective officers, directors, employees, other personnel and agents. The ERS agrees to provide all such reasonable cooperation requested by the Contractor. Such cooperation shall include, without limitation, preparation of drafts of all necessary statements, notes and schedules, and typing of confirmations and representation letters and access to photocopying equipment.

B. Contractor will advise ERS about accounting principles and their application and will assist in the preparation of ERS' financial statements and notes, while the responsibility for the financial statements remains with ERS management.

C. Contractor will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal controls that management considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct material effect on the financial statements. Contractor will also obtain from certain members of management a representation letter which covers the financial statements and which affirms that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole.

D. If ERS intends to publish or electronically reproduce in any document Contractor's report on ERS' financial statements, or otherwise make reference to Contractor in a document that

contains other information in addition to the audited financial statements, ERS agrees that prior to making any such use of Contractor's report, or reference to Contractor, ERS management will provide Contractor with a draft of the document to review and obtain Contractor's approval for the inclusion or incorporation of such report before the document is printed and distributed, subject to the requirements of the Public Records Law and Article III.D. above. ERS also agrees to publish the financial statements in their entirety.

VII. INTERPRETATION

All questions involving validity, construction and interpretation of the terms of this Agreement shall be resolved under the laws of the State of Wisconsin.

VIII. INDEPENDENT CONTRACTOR

Contractor, its officers, agents and employees under this Agreement, constitute an independent contractor. Nothing contained in this Agreement shall be deemed or be construed to appoint such officers, agents or employees of Contractor as employees or agents of the ERS nor shall anything in this Agreement be deemed or construed to appoint officers, agents or employees of ERS as employees or agents of Contractor.

The Contractor, and all subcontractors, if any, shall provide to the ERS an affidavit or other satisfactory proof which the ERS may require evidencing that the Contractor and all subcontractors have obtained worker's compensation insurance for all persons performing any work or services under the contract or subcontract as is required by the Worker's Compensation Act of the State of Wisconsin. No payments or disbursements under the contract shall be made if such proof has not been furnished.

IX. SUBCONTRACTING

Except as herein provided, the Contractor may not subcontract any portion of this engagement unless otherwise agreed to in writing by ERS. Any subcontractor relationship will be reviewed annually by ERS management and Contractor as part of engagement planning.

X. TERMINATION

A. If, through any cause, the Contractor shall fail to fulfill in timely and proper manner its obligations under this contract, or if the Contractor shall violate any of the material covenants, agreements or stipulations of this contract, the ERS shall thereupon have the right to terminate this contract by giving written notice to the Contractor specifying the nature of the alleged defect or failure of performance and specifying the effective date of termination, at least 15 business days before the effective date of such termination. The Contractor shall have 15 business days after receipt of such notice to cure such alleged defect or failure of performance. Notwithstanding the above, the Contractor shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the contract by the Contractor, and the ERS may withhold any payments to the Contractor for the purpose of offset until such time as the exact amount of damages due to the ERS from the Contractor is determined.

B. The ERS may terminate this contract at any time by giving at least ten days' notice in writing from the ERS to the Contractor. If the Contractor is terminated as provided in this paragraph without fault by the ERS, during the performance of services for a contract year, the Contractor shall be paid a pro rata share of the annual flat rate contract price for the contract year equal to the ratio of the services actually performed for the contract year as compared to the total services to be performed by the Contractor for the contract year, less any prior payments for that year. Provided, however, that if less than sixty percent (60%) of the services to be performed during

a contract year have been performed upon the effective date of such termination, the Contractor shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under the contract) incurred by the Contractor during the contract period which are directly attributable to the uncompleted portion of the services covered by this contract. If the contract is terminated by the ERS under this paragraph before the commencement of performance of services for a contract year, no compensation shall be paid under this paragraph.

C. Contractor may resign as auditor of the ERS and terminate this contract at any time only if such resignation is required under applicable laws, regulations and professional standards.

XI. ENTIRE AGREEMENT

This Agreement, in addition to Exhibit A Contractor Statement of Work – Audit Engagement Letter, sets forth all the covenants, provisions, agreements, conditions and understandings between the parties, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth

XII. OWNERSHIP OF WORK PAPERS AND PROPERTY

Subject to Article V of this agreement, all work papers of Contractor shall remain the property of Contractor. In addition, to the extent that Contractor utilizes any of its property (including, without limitation, any hardware or software of Contractor or any proprietary or confidential information or trade secrets of Contractor) in performing the services hereunder, such property shall remain the property of Contractor and ERS shall acquire no right or interest in such property.

XIII. INSURANCE AND INDEMNIFICATION

A. Insurance.

Contractor and its subcontractor will verify that the following types and amounts of insurance coverage are in effect. In the absence of the required insurance coverages, Contractor and its subcontractor will provide proof that it has the financial ability to respond for all loss and expense costs which arise from or are connected with claims of tort, statutes and benefits under the State of Wisconsin Workers' Compensation Law and/or vicarious liability for employees.

General Requirements include:

- All policies must be issued by insurance companies whose A.M. Best rating is A- VIII or higher.
- Additional Insured status under the General Liability, Automobile Liability and Umbrella Liability shall be primary and non-contributory with regard to ERS.
- The General Liability, Automobile Liability, Workers' Compensation and Umbrella Liability shall contain a waiver of subrogation in favor of ERS.

Certificates of insurance which verify that the following coverages are in effect will be provided prior to the start of the project:

TYPE OF COVERAGE

COVERAGE AMOUNTS

Workers' Compensation and Employers' Liability:

Workers' Compensation		Statutory
Employer's Liability:		
Bodily Injury by accident	Each accident	\$100,000
Bodily Injury by disease	Each employee	\$100,000
	Policy limit	\$500,000

To Include

Other states coverage

General Liability:

Bodily Injury/ Property Damage	Each occurrence	\$1,000,000
	General aggregate	\$1,000,000
	Products/completed operations aggregate	\$1,000,000

Personal Injury	Aggregate	\$1,000,000
-----------------	-----------	-------------

To Include

Personal Injury form should include libel, slander, discrimination, invasion of the right of privacy, humiliation, mental anguish and emotional distress. Contractual liability for risks assumed in this Agreement.

Automobile Liability:

Bodily Injury/ Property Damage	Each accident	\$1,000,000
-----------------------------------	---------------	-------------

To Include

Coverage is to apply for the operation of any vehicle.

Umbrella Liability:

Bodily Injury/Property Damage/Personal Injury	Each occurrence	\$5,000,000
	General aggregate	\$5,000,000
	Products/completed operations aggregate	\$5,000,000

Professional Liability:

Wrongful Act	Each claim	\$15,000,000
	Aggregate	\$15,000,000

To Include:

- If the policy provides claims made coverage, contractor shall certify that the retroactive date will not change during the term of the Contract or will warrant that the extended reporting period option will be exercised without cost to the ERS if the retro date is changed.
- Contractor must warrant that evidence of professional liability coverage will be provided ERS during the term of the Contract and for three years after the end of the contract.
- ERS is to be an additional insured with respect to all of the preceding coverage except Workers' Compensation, Employer's Liability and Professional Liability
- Insurance certificates shall be in the Industry Standards Accord form.
- Certificates should confirm that 90 days written notice will be provided to the ERS prior to termination, non-renewal or modification in the terms of the coverage.

B. Indemnification.

Contractor and its directors, officers, employees, affiliates, subcontractors, agents, representatives and designees shall indemnify and hold harmless the ERS, its Board, present and future employees, officers and directors, agents and representatives, for all alleged claims, demands, liability, losses, damages and causes of action, costs and expenses that may result in whole or in part out of the Contractor's acts or omissions which constitute (i) willful misconduct, lack of good faith, breach of fiduciary duty, or negligence in performing its duties and responsibilities under this Agreement and in accordance with applicable laws; or (ii) material breach at any time during the term of this Agreement of any covenants or agreements made in this Agreement; or (iii) are related to claims alleging property damage, bodily injury or death. ERS shall provide Contractor with prompt notice of any such matter for which indemnification is sought and shall cooperate in all reasonable respects with Contractor in connection therewith.

In addition, the Contractor will defend the Board and the ERS at the Contractor's own expense and using counsel at Contractor's own selection, which counsel shall be acceptable to the Board and the ERS, provided the Board may not unreasonably withhold its consent to counsel, against any claim that asserts that the Board or the plan or the ERS are liable for loss or damages caused by the Contractor's alleged acts or omissions which are claimed to constitute (i) willful misconduct, lack of good faith, breach of fiduciary duty, or negligence in performing its duties and responsibilities under this Agreement and in accordance with applicable laws; or (ii) material breach at any time during the term of this Agreement of any covenants or agreements made in this Agreement; or (iii) are related to claims alleging property damage, bodily injury or death. The Contractor shall not settle a lawsuit relating to the Board or the ERS unless the Board consents in writing to such settlement; such consent shall not be unreasonably withheld.

The Contractor and the subcontractor shall accept tender of defense from ERS for its involvement in a matter related to this contract and shall assume responsibility for the defense of any claims related to services Contractor provided hereunder, and should Contractor fail to provide such defense, Contractor will be liable to ERS for all reasonable attorneys fees and other damages resulting from Contractor's failure to accept tender and defend.

Because the representations and information provided by ERS management to Contractor are necessary for an effective audit, the City agrees to release Contractor and its personnel from any liability and costs attributable to any material and/or intentional misrepresentations or omissions by ERS management. In no event shall Contractor be required to indemnify or defend ERS due to the negligence of ERS.

Contractor and its current, former or future partners, principal, employees, and personnel shall not be liable to the ERS for any amount in excess of the total professional fees paid by the ERS under this contract, except to the extent finally determined to have resulted from willful misconduct or fraudulent behavior of Contractor relating to such services. In addition, notwithstanding anything to the contrary contained herein, Contractor's only obligation in Section XIII.B. shall relate to third party claims. In no event shall either party be liable for any consequential, indirect, lost profit, punitive, or similar damages relating to Contractor's services provided under this contract.

XIV. FORCE MAJEURE

Notwithstanding any other provision in this Agreement, neither party shall be liable or held responsible for any failure to perform or delays in performing its obligations under this Agreement, including but not limited to, the completion of the audit and issuance of its report thereon, which result from circumstances or causes beyond the party's reasonable control, including, without

limitation, acts or omissions of the other party or third parties, fire or casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

IN WITNESS WHEREOF, The parties hereto have executed this Agreement on the day and year first above written.

IN THE PRESENCE OF:

CONTRACTOR

IN THE PRESENCE OF:

**ANNUITY AND PENSION BOARD
EMPLOYES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE**

Appendix F: ERS Parties in Interest List

CITY OF MILWAUKEE
EMPLOYEES' RETIREMENT SYSTEM
789 North Water Street, Suite 300 – Milwaukee, Wisconsin 53202
PARTIES OF INTEREST FOR CONTRACTS

INVESTMENT MANAGERS

EVALUATOR of Investment Managers

Callan Associates	120 N. La Salle St. – Suite 2400 Chicago IL 60602
<u>Equity</u>	
AQR Capital Management, LLC	Two Greenwich Plaza Greenwich, CT 06830
Abbott Capital Management, LLC	1290 Avenue of the Americas – 9 th Floor New York, NY 10104
BlackRock, Inc. (formerly Barclays Global Investors)	400 Howard St. San Francisco, CA 94105
Brandes Investment Partners, LP	11988 El Camino Real - Suite 500 San Diego, CA 92130
CastleArk Management, LLC	1 North Wacker Dr. – Suite 3950 Chicago, IL 60606
Dimensional Fund Advisors	1299 Ocean Ave. – 11 th Floor Santa Monica, CA 90401-1038
Earnest Partners	1180 Peachtree St. – Suite 2300 Atlanta, GA 30309
MFS Institutional Advisors	111 Huntington Ave. Boston MA 02199
Mesirow Financial	353 North Clark St. – Suite 400 Chicago, IL 60654
Neuberger Berman	190 South LaSalle Street, 24 th Floor Chicago, IL 60603
Northern Trust Company	50 S. LaSalle St. – M-23 Chicago, IL 60675
Polen Capital Management	1825 NW Corporate Blvd., Suite 300 Boca Raton FL 33431
Private Advisors, LLC	Riverfront Plaza West 901 East Byrd Street, Suite 1400 Richmond, VA 23219

William Blair & Company

222 W. Adams St.
Chicago, IL 60606

Absolute Return

Allianz Global Investors

1633 Broadway, 41st Floor
New York, NY 10019

Newton Capital Management, LLC
North American Client Relationships

200 Park Ave.
New York, NY 10166

UBS Alternative & Quantitative Investments, LLC

677 Washington Blvd.
Stamford, CT 06901

Real Assets

Principal Global Investors, LLC

711 High Street
Des Moines, IA 50392

Fixed Income

BlackRock, Inc. (formerly Barclays Global Investors)

400 Howard St.
San Francisco, CA 94105

Loomis-Sayles & Company

One Financial Center – Suite 3300
Boston, MA 02111

Reams Asset Management Company

227 Washington St.
Columbus, IN 47202-0727

REAL ESTATE MANAGERS

Almanac Realty Investors, LLC

1140 Avenue of the Americas, 17th Floor
New York, NY 10036

Apollo Global Real Estate Management, LP (formerly Citigroup)

9 West 57th St.
New York, NY 10019

Bryanston Realty Partners

122 S. Michigan Ave. – Suite 1000
Chicago, IL 60603

Carlyle Group

1001 Pennsylvania Avenue, NW
Washington, DC 20004

Colony Capital, LLC

2450 Broadway – 6th Floor
Santa Monica, CA 90404

Cypress Acquisition Partners

2711 Centerville Rd Ste 400
Wilmington, DE 19808

Deutsche Asset Management

875 N. Michigan Ave. - 41st Floor
Chicago, IL 60611-1901

Drawbridge Realty Partners Holdings, LP

9 West 57th Street, Suite 4200
New York, NY 10019

Fortress Investment Group

200 S. Wacker Dr. – 31st Floor

	Chicago, IL 60606
Fremont Realty Capital	199 Fremont St. San Francisco, CA 94105
GE Polish	7A rue Robert Stumper L-2557 Luxembourg RCS Luxembourg – B 158 139
Greenfield Partners	Two Post Road West Westport, CT 06880
H/2 Capital Partners	301 Tresser Blvd. – Sixth Floor Staxiford, CT 06901
HUNT Investment Management (formerly Trecap Partners)	4 International Drive, Suite 230 Rye Brook, NY 10573
JP Morgan Asset Management	245 Park Ave. – Floor 2 New York, NY 10167
LaSalle Investment Management, Inc.	200 E. Randolph Dr. Chicago, IL 60601
Lubert-Adler Partners	2929 Arch St. – Suite 1650 Philadelphia, PA 19104-2868
M&G Real Estate	City Place House 55 Basinghall Street London EC2V 5DU, UK
Morgan Stanley Real Estate Advisor, Inc.	3424 Peachtree Rd. NE – Suite 800 Atlanta, GA 30326-1118
Prologis, Inc. (formerly AMB Property Corporation)	Pier 1, Bay 1 San Francisco, CA 94111
Prudential Investment Management	8 Campus Dr. Parsippany, NJ 07054
Square Mile Capital Management, LLC	350 Park Avenue, 15 th Floor New York, NY 10022
Standard Life	30 Lothian Road Edinburgh, Scotland EH1 2DH
Stockbridge Capital Partners, LLC	4 Embarcadero Center – Suite 3300 San Francisco, CA 94111
USAA Eagle Real Estate	9830 Colonnade Blvd., Suite 600 San Antonio, TX 78230-2239
Walton Street Capital	900 N. Michigan Ave. – Suite 1900 Chicago, IL 60611

ACTUARY

Conduent HR Consulting, LLC	353 Sacramento Street, #800 San Francisco, CA 94111
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and

2135 City Gate Lane
Naperville, IL 60563-3081

AUDITORS

Baker Tilly (formerly Virchow Krause & Company, LLP)

777 E. Wisconsin Ave., 32nd Floor
Milwaukee, WI 53202

Experis (formerly Jefferson Wells International, Inc.)

100 W. Manpower Pl.
Milwaukee, WI 53212

BANKS

Wells Fargo Bank Wisconsin, NA

100 E. Wisconsin Ave.
Milwaukee, WI 53202

CONSULTANTS

Global Trading Analytics, LLC

Meadows Corporate Center
301 Route 17 North, Suite 506
Rutherford, NJ 07070

CUSTODIAN

The Northern Trust Company

50 S. LaSalle St. – Floor B-8
Chicago, IL 60675

FIDUCIARY LIABILITY INSURANCE

Hays Companies of Wisconsin

1200 N. Mayfair Rd. – Suite 100
Milwaukee, WI 53226

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Boston, MA 02199-7610

Ice Miller LLP

One American Square, Suite 2900
Indianapolis, IN 46282

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P.O.Box 2018
Madison, WI 53701-2018

Von Briesen & Roper, S.C.

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Whyte Hirschboeck Dudek

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875 Auborn Dr
Brookfield, WI 53045

Gregory Brotzman

1912 W Rochelle Ave
Glendale WI 53209

PLAN SPONSOR AGENCIES

City of Milwaukee

200 E. Wells St.
Milwaukee, WI 53202

Housing Authority of the City of Milwaukee

809 N. Broadway - 3rd Floor
Milwaukee, WI 53202

Milwaukee Area Technical College

700 W. State St.
Milwaukee, WI 53233

Milwaukee Metropolitan Sewerage District

260 W. Seeboth St.
Milwaukee, WI 53204

Milwaukee Public Schools

5225 W. Vliet St.
Milwaukee, WI 53208

Redevelopment Authority of the City of Milwaukee

809 N. Broadway – 2nd Floor
Milwaukee, WI 53202

Veolia Water Milwaukee, LLC

700 E. Jones St.
Milwaukee, WI 53207

Wisconsin Center District

400 W. Wisconsin Ave.
Milwaukee, WI 53203

REVIEWERS/HEARING EXAMINERS

Honorable Gary A. Gerlach

6666 N. River Rd.
Milwaukee, WI 53217

Michael J. Hogan

1012 E. Ogden Ave.
Milwaukee, WI 53202

Honorable Frederick P. Kessler

9312 W. Clovernook St.
Milwaukee, WI 53224-5211

Honorable Victor Manian

5774 N. Argyle Ave.
Glendale, WI 53209-4346

Honorable Francis T. Wasielewski

2536 N. Summit Ave.
Milwaukee, WI 53211

VENDORS & TEMPORARY EMPLOYMENT AGENCIES

Rev.1/4/2018
I:\Cabinet\ERS Parties of Interest

AT&T DataComm	P.O. Box 9009 Carol Stream, IL 60197-9009
Accurant	P.O. Box 538358 Atlanta, GA 30353-8358
Adecco Staffing	2915 S. 108 th Street West Allis, WI 53227-3519
Bloomberg, LP	731 Lexington Ave. New York, NY 10022
CENTEC Security Systems, Inc.	W228 N727 Westmound Drive Waukesha, WI 53186
Century Link/Level 3 Communications Inc.	1025 Eldorado Blvd. Broomfield, CO 80021-8254
DS Consulting Group, LLC	4775 Spartan Circle Brookfield, WI 53005
DXC Technologies	Dept LA 22589 Pasadena, CA 91185-2589
Enterprise Services, LLC	5400 Legacy Drive Plano, TX 75024
ERS Office Lease K & K McKinney Properties, LLC	789 N. Water St. – Suite 200 Milwaukee, WI 53202
Iron Mountain	2151 N. Martin Luther King Dr. – Suite 200 Milwaukee, WI 53212-3101
MailCom Consulting	N27 W23953 Paul Rd., Ste. 104 Pewaukee, WI 53072
Microsoft Volume Licensing Program	Dept. 551, Volume Licensing 6100 Neil Rd. – Suite 210 Reno, NV 89511
Midwest Fiber Networks	3701 West Burnham St., Suite C Milwaukee, WI 53215
Milwaukee Office Products, Inc.	W226 N887 Eastmound Dr. Waukesha, WI 53186
State of Wisconsin (Femrite)	Wisconsin Department of Administration Division of Enterprise Technology 101 E. Wilson St., 8 th Fl. P.O. Box 7844 Madison, WI 53707-7844
Superior Support Resources	405 N. Calhoun Rd., Suite 200 Brookfield, WI 53005
Two Park Place, LLC	10850 W. Park Place Milwaukee, WI 53224
United Mailing Services	4475 N. 124 St. #A Brookfield, WI 53005

VeriSign

487 E. Middlefield Rd.
Mountain View, CA 94043

MISCELLANEOUS CONTRACTS

Deloitte & Touche, LLP

555 E. Wells St. – Suite 1400
Milwaukee, WI 53202-3824

Wisconsin Department of Workforce
Development Data Exchange

201 E. Washington Ave. E200
Madison, WI 53707-7935

MEMBERS OF THE ANNUITY AND PENSION BOARD

Matson, Martin (Ex-Officio) (Board Chairman)
City Comptroller

Bell, Thomas (Elected by General City Active Members)
Budget Office

Campbell, James (Elected by Police Active Members)

Ford, Deborah (Appointed by Common Council President)

Holland, Larry (Appointed by Mayor)

Klusman, Thomas (Elected by Retirees)

Konrad, Rudy (Appointed by Common Council President)

Kovac, Nik (Alderman) (Appointed by Common Council President)
City Clerk's Office

Nicolini, Mark (Appointed by Mayor)
Budget Office

Parikh, Himanshu (Appointed by Mayor)
MPS

Vacant (Elected by Fire Active Members)
Milwaukee Fire Department

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Allen, Bernard J. - Secretary and Executive Director
Employees' Retirement System (ERS)
789 N. Water St., Suite 300
Milwaukee, WI 53202 (414) 286-3557
FAX (414) 286-0880

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Fax (414) 286-0880

Johnson, Melody – Deputy Director
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Fax (414) 286-0880

Reid, Kelly – Chief Technology Officer
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Milwaukee, WI 53202 (414) 286-3557
Fax (414) 286-0880

Silber, David – Chief Investment Officer, CFA, CAIA
Employees' Retirement System (ERS)
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Milwaukee, WI 53202 (414) 286-3557
FAX (414) 286-0880

LIST OF UNIONS FOR ERS MEMBERS

Association of Law Enforcement Allied Services Personnel, Local 218
P. O. Box 340378
West Milwaukee, WI 53234

Association of Retired Employees
9109 W. Grantosa Dr.
Milwaukee, WI 53225

International Brotherhood of Electrical Workers (IBEW) – Local 195
P. O. Box 340678
West Milwaukee, WI 53234

IBEW, Local 494
3303 S. 103 St.
Milwaukee, WI 53226

Journeyman Plumbers & Gas-Fitters Union, AFL-CIO, Local 75
11175 W. Parkland Ave.
Milwaukee, WI 53224-3135

Milwaukee Building & Construction Trade Council
5941 W. Bluemound Rd.
Milwaukee, WI 53213

Milwaukee Police Association, Local #21
6310 W. Bluemound Rd.
Milwaukee, WI 53213

Milwaukee Police Supervisor's Organization
2900 W. Forest Home Ave.
Milwaukee, WI 53215

Milwaukee Professional Fire Fighters' Association
5625 W. Wisconsin Ave.
Milwaukee, WI 53213

Staff Nurses' Council
2106 N. 58 St.
Milwaukee, WI 53203

Technicians Engineers & Architects of Milwaukee
841 N. Broadway - 10th Floor
Milwaukee, WI 53202