



City of Milwaukee  
Employees' Retirement System

**Bernard J. Allen**  
Executive Director

**David M. Silber, CFA, CAIA**  
Chief Investment Officer

**Melody Johnson**  
Deputy Director

June 6, 2025

Mr. Jim Owczarski  
City Clerk  
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that a Meeting of the Administration & Operations (A&O) Committee Meeting of the Annuity and Pension Board of the Employees' Retirement System has been scheduled for **Wednesday, June 11, 2025 at 9:00 a.m.** *Special Notice: the meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website ([www.cmers.com](http://www.cmers.com)) prior to the meeting.*

The agenda is as follows:

- I. Approval of CliftonLarsonAllen (CLA) Contract.
- II. Approval of DS Consulting Contract.
- III. IT Projects Portfolio.
- IV. Organizational/Personnel Update.

Sincerely,

A handwritten signature in cursive script that reads "Bernard J. Allen".

Bernard J. Allen  
Executive Director

BJA:jmw

**SERVICE AGREEMENT**  
between  
**CliftonLarsonAllen LLP**  
and  
**Employees' Retirement System of the City of Milwaukee**

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<b>General Service Description:</b>	External Audit Services (ERS Schedules of Employer Allocations and Pension amounts by Employer report (Employer Schedules))
<b>Time of Performance:</b>	July 1, 2025 – June 30, 2028
<b>Maximum Compensation Not to Exceed:</b>	\$138,500

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**THIS AGREEMENT** is effective July 1, 2025, (the “Effective Date”), by and between CliftonLarsonAllen LLP (“CONTRACTOR”) and the Employees’ Retirement System of the City of Milwaukee, a body corporate and politic under the laws of the State of Wisconsin (“ERS”).

**WHEREAS**, CONTRACTOR represents self as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Agreement as an independent business and not as an employee of the ERS; and

**WHEREAS**, ERS wishes to retain the services of CONTRACTOR as described herein.

**NOW, THEREFORE**, the parties hereto do mutually agree as follows:

**1. RETENTION OF SERVICES, STANDARDS, CONTRACT DOCUMENTS.**

- 1.1. The ERS hereby agrees to engage CONTRACTOR and CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the ERS, the services hereinafter set forth, all in accordance with the terms and conditions of this Agreement.
- 1.2. CONTRACTOR agrees that the performance of CONTRACTOR’s work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR’s field of endeavor and like services, and as more specifically set forth on pages 5 and 6 of the ERS Request for Quote dated March 26, 2025 (Exhibit B) and as further described in Contractor’s proposal to provide professional external audit services to ERS (Exhibit A).
- 1.3. The following constitute the contract documents (collectively the “Agreement”). If there is a conflict or ambiguity (including but not limited to the Effective date and/or the dates of service), the Agreement shall be governed by these listed documents in descending order of precedence:

First:	Service Agreement (this document)
Second:	CONTRACTOR’S Proposal to Provide Professional External Audit Services to: City of Milwaukee Employees’ Retirement System (Exhibit A)

Third: ERS Request for Quote dated March 26, 2025 (Exhibit B)

**2. TIME OF PERFORMANCE.**

- 2.1. The term of this Agreement (“Term”) shall begin on the Effective Date and shall end upon June 30, 2028, or if applicable, earlier termination pursuant to the provisions of this Agreement. The term of this Agreement may be extended by mutual written agreement for an addition term of not more than two years.
- 2.2. Continuation of the Agreement, or any subsequent extension beyond December 31<sup>st</sup> of any year, is contingent upon the proper ERS and City of Milwaukee officials appropriating funds for this purpose.
- 2.3. In addition to all other remedies inuring to the ERS should CONTRACTOR’s obligations and duties under the Agreement not be completed by the end of the Term, CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to complete the scope of services and to execute any necessary amendments to this Agreement.

**3. SCOPE OF SERVICES.**

- 3.1. CONTRACTOR shall provide services as specified in set forth on pages 5 and 6 of the ERS Request for Quote dated March 26, 2025 (Exhibit B) and as further described in Contractor’s proposal to provide professional external audit services to ERS (Exhibit A).

**4. CONDITIONS OF PAYMENT.**

- 4.1. CONTRACTOR shall submit invoices to ERS on a monthly basis. Upon receipt of a properly submitted and approved invoice, CONTRACTOR shall be compensated for services and equipment actually provided at the rates and prices set forth in Exhibit A; however, no payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in Section 11 has been provided.
- 4.2. All other costs, fees, charges and expenses (including but not limited to travel and administrative costs and fees) not set forth in Exhibit A are excluded hereunder unless ERS agrees to those additional fees by written amendment, before they are incurred.
- 4.3. Total compensation to CONTRACTOR shall not exceed \$138,500 over the Term, except as provided in section 14.
- 4.4. ERS strives to make timely payment on all invoices. Payment to CONTRACTOR shall be deemed timely if the payment is mailed, delivered, or transferred within 30 calendar days after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later. If ERS does not make payment by the 45<sup>th</sup> calendar day, ERS shall pay simple interest beginning with the 31<sup>st</sup> calendar day at the rate of 1% per month (unless ERS disputes the amount of the invoice). *Reference* Common Council File No. 101137 adopted January 19, 2011, provisions of state statute section 66.0135.
- 4.5. Compensation for services required under this Agreement shall be contingent upon each activity being reviewed for approval by the ERS and approved by ERS for payment. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the ERS Executive Director or its designee shall prevail.

5. **NOTICES.** Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

CliftonLarsonAllen LLP  
10401 West Innovation Drive, Suite 300  
Wauwatosa, WI 53226  
Attention: Jordan Boehm

With a copy (not to count as notice) to:

CliftonLarsonAllen LLP  
Attn: Legal  
220 South Sixth Street  
Unit 300  
Minneapolis, Minnesota 55402

and to the ERS at:

Employees' Retirement System  
789 N Water Street, Suite 300  
Milwaukee, WI 53202  
Attention: Bernard J. Allen, Executive Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

6. **REPORTS.** At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information (collectively "Reports") as the ERS may request pertaining to matters covered by this Agreement. Contractor may require ERS to adhere to reasonable confidentiality restrictions regarding use and disclosure of any workpapers which contain CONTRACTOR's proprietary information and to which access is generally restricted by CONTRACTOR.

## 7. DOCUMENT OWNERSHIP & CONFIDENTIALITY.

- 7.1. Document ownership. All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement (collectively "Deliverables") shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same outlined in the Scope of Work in Exhibit B without any additional compensation to CONTRACTOR. For the avoidance of doubt, Deliverables does not include Contractor's workpapers (i.e., notes and non-final drafts) which are proprietary information and to which access is generally restricted by CONTRACTOR.

### 7.2. Confidentiality.

- 7.2.1. All of the reports, information, data, documents, etc., whether electronic, hard copy, or in any other format (1) prepared or assembled by CONTRACTOR under this Agreement, (2) provided to CONTRACTOR by ERS, and/or (3) developed by CONTRACTOR based on information provided by the ERS in the performance of this Agreement (collectively referred to herein as "confidential material") are confidential and CONTRACTOR agrees that

confidential material shall not be made available to any individual or organization, other than an appropriate agency of the United States Government or as otherwise required by law, without the prior written approval of the ERS Executive Director. CONTRACTOR will not disclose any of ERS's confidential material to any person or party unless ERS authorizes CONTRACTOR to do so in writing, the confidential material is published or released by ERS, the confidential material becomes publicly known or available other than through disclosure by CONTRACTOR, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit CONTRACTOR from disclosing ERS information to one or more of CONTRACTOR's affiliated companies in order to provide services that ERS has requested from CONTRACTOR or from any such affiliate, provided that any such affiliate shall be subject to the same restrictions on the use and disclosure of ERS's confidential information as apply to CONTRACTOR. ERS also consents to CONTRACTOR's disclosure of information regarding the nature of services CONTRACTOR provides to ERS to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

- 7.2.2. Pursuant to authority given by law, regulation, or professional standards, CONTRACTOR may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. CONTRACTOR will notify ERS of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CONTRACTOR personnel and at a location designated by CONTRACTOR. Furthermore, upon request, CONTRACTOR may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute copies or information contained therein to others, including other governmental agencies.
- 7.2.3. Upon termination of this Agreement, CONTRACTOR shall deliver all confidential material of the ERS in its possession to the ERS within thirty (30) business days of such termination and provide ERS with a certification that all of CONTRACTOR's copies of the material delivered to ERS have been destroyed. If there are certain confidential materials that CONTRACTOR cannot practicably return to ERS, or provide a copy to ERS and then provide certification of destruction as described above, or must continue to retain by law or regulation, CONTRACTOR shall provide notice of those retained documents to ERS, and ERS and CONTRACTOR shall consult regarding the ongoing retention, return and/or destruction of those documents. Irrespective of the foregoing, any confidential materials retained by CONTRACTOR must be maintained subject to the confidentiality restrictions set forth in this Agreement, and subject to the requirements of Section 17 "RECORDS". Additionally, nothing herein shall require the return or destruction of Confidential Material stored in automatic backup systems, including but not limited to email, if such return would be technically infeasible, provided that any such retained Confidential Material shall be subject to the non-disclosure and use restrictions imposed herein for so long as such Confidential Material is retained.
- 7.2.4. CONTRACTOR further agrees to abide by all federal, state, and local laws, and best business practices, related to the collection, use, storage, protection and dissemination of personally identifiable information.
- 7.2.5. CONTRACTOR regularly anonymizes client data and performs a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, CONTRACTOR is always careful to preserve the confidentiality of the separate

information that CONTRACTOR obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. ERS's acceptance of this Agreement will serve as ERS's consent to CONTRACTOR's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analysis.

7.2.6. CONTRACTOR may, at times, use third-party software applications to perform services under this Agreement. ERS acknowledges the software vendor may have access to its data. CONTRACTOR shall not share any data with any software vendor unless it has a written agreement in place with such vendor and the confidentiality provisions of such agreement are no less strict than the confidentiality and non-disclosure provisions of this Agreement.

7.2.7. Notice of Unauthorized Acquisition of Confidential Information. CONTRACTOR shall notify the ERS if it has knowledge of an unauthorized acquisition of confidential information within one business day of such knowledge.

## **8. CONTRACTOR IS INDEPENDENT CONTRACTOR.**

8.1. No fringe benefits. Neither CONTRACTOR, nor CONTRACTOR's employees, shall receive or be eligible for any fringe benefits or any other benefits to which ERS salaried employees are entitled to or are receiving.

8.2. Taxes, Social Security, Insurance, and Government Reporting. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of CONTRACTOR receiving payment under this Agreement shall be the sole responsibility of CONTRACTOR. Insurance requirements are set forth in Section 11.

8.3. Responsibility for CONTRACTOR's Insurance. CONTRACTOR shall be solely responsible to meet CONTRACTOR's insurance needs as required by the ERS during the terms of this Agreement or any extension thereof.

**9. SUBCONTRACTING.** CONTRACTOR shall not subcontract for the performance of any of the services set forth in this Agreement without prior written approval obtained from the ERS Executive Director. CONTRACTOR shall be as fully responsible to the ERS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for acts and omissions of persons directly employed by it.

## **10. INDEMNIFICATION AND DEFENSE OF SUITS.**

10.1. Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") from all losses, damages, costs, expenses, judgements, or decrees ("Claims") arising out of such action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees.

CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom. CONTRACTOR's indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.

- 10.2. Indemnification. 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, agents and representatives ("Indemnitees") against all liabilities, judgments, costs, attorneys fees, and expenses ("Claims") which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.
- 10.3. Nothing in this Agreement shall be construed to waive any privilege, right of recovery, cause of action, defense, remedy, category of damages, or immunity to which ERS is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind ERS.

## **11. INSURANCE.**

### **11.1. General Insurance Requirements.**

- 11.1.1. CONTRACTOR will secure and maintain throughout the duration of the Agreement, insurance of such types and in such amounts as may be necessary to protect itself and the interests of the ERS against all hazards or risks of loss as hereafter specified.
- 11.1.2. The form, limits, and underwriter of all required insurance coverage is subject to ERS approval; however, regardless of any ERS review, it shall be the responsibility of CONTRACTOR to maintain adequate insurance coverage at all times.
- 11.1.3. Failure of CONTRACTOR to maintain the specified coverage or to ensure that any subcontractors maintain the specified coverage will not relieve CONTRACTOR of any contractual responsibility or obligation.
- 11.1.4. All policies are to contain notice requirements that ensure that 30 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.
- 11.1.5. Insurers which provide the insurance coverage referenced in this section are to have an A.M. Best rating of no less than A/VIII. CONTRACTOR will provide immediate written notice to the ERS if there is any change in the A.M. Best rating of any insurer.
- 11.1.6. Certificates of Insurance for all of the coverage limits referenced herein must be provided prior to the Effective Date and for each year that the Agreement is in effect.
- 11.1.7. If subcontractors are used, each subcontractor shall meet all requirements in this section 11 (Insurance). It shall be the responsibility of CONTRACTOR to ensure that all subcontractors are in compliance with all insurance and bonding requirements.

11.1.8. All policies other than Workers Compensation/Employers Liability, Professional Liability, Crime and Cyber Risk/Network Security are to include the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives as additional insureds. CONTRACTOR shall ensure that the additional insured status is shown on the Certificates of Insurance and shall provide a copy of the endorsements.

11.1.9. No payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in this section has been provided by CONTRACTOR to ERS.

11.1.10. All policies shall be written on an occurrence form, other than professional liability and Crime and Cyber Risk/Network Security as noted below.

11.2. Commercial Automobile Liability.

Combined Single Limit	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	\$1,000,000 per occurrence
Medical Expense	\$10,000 each person

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- If CONTRACTOR owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.
- Coverage shall be modified to include a Waiver of Subrogation on all of CONTRACTOR's insurance policies except for Professional Liability in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.3. Commercial General Liability.

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate – other than Products/Completed Operations	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must be equivalent to ISO form CG0001 or better.
- Coverage must be occurrence based.
- Coverage will apply on a primary and non-contributory basis. We suggest the following



wording:

“If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance.”

- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

#### 11.4. Professional Liability (Errors and Omissions).

Combined Single Limit	\$1,000,000 each claim
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	\$1,000,000 Aggregate
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.
- Coverage is to be provided on a “per project” basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.
- CONTRACTOR will certify that the policy will be renewed each year of the contract.

#### 11.5. Workers’ Compensation Insurance.

Workers’ Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$100,000 each employee
	\$500,000 policy limit

In addition to those requirements noted above in sections 11.1.1-11.1.9:

- Employer’s Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.6. Umbrella (Excess) Liability.

Umbrella (Excess) Liability	\$5,000,000 each occurrence
	\$5,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- The Umbrella insurance policy shall provide coverage excess of the Commercial General Liability, Auto Liability, and Employer's Liability Coverages, including the amendments stated above.

11.7. Cyber Insurance.

Cyber Insurance	\$10,000,000 per loss
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must include third party loss due to identity theft or unlawful disclosure of confidential information.

11.8. Crime Coverage.

Computer Fraud	\$100,000,000
Employee Theft—Blanket (must apply to theft of ERS assets by employees of CONTRACTOR)	\$100,000,000
Forgery or Alteration	\$100,000,000
Funds Transfer Fraud	\$100,000,000
Outside the Premises	\$100,000,000
Inside the Premises Theft of Money and Securities	\$100,000,000

11.9. Self Insurance. Any request for self-insurance must be submitted in writing to the ERS and the ERS' Risk Management Consultant for consideration.

**12. REGULATIONS.** CONTRACTOR agrees to comply with all of the requirements of all applicable federal, state and local laws related to the scope of work.

**13. TERMINATION.**

13.1. Termination of Agreement for cause. If, through any cause, CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Agreement, the ERS Executive Director shall thereupon have the right to terminate this Agreement by giving written notice to CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of the termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, or other materials related to the services prepared by CONTRACTOR under this Agreement shall, at the option of the ERS, become the property of the ERS. Notwithstanding the foregoing, CONTRACTOR shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the Agreement by CONTRACTOR, and the ERS may withhold any payments to CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the ERS from CONTRACTOR is determined.

- 13.2. Termination for convenience. The ERS may terminate this Agreement at any time for any reason by giving at least thirty (30) days' notice in writing to CONTRACTOR. If CONTRACTOR is terminated by the ERS as provided in this section 13.2, and not if terminated for cause pursuant to section 13.1, CONTRACTOR will be paid an amount for the services actually and satisfactorily performed.
- 13.3. In no event shall CONTRACTOR charge ERS fees or penalties for termination under this Section 13.
- 14. CHANGES.** The ERS Executive Director may, from time to time, request changes in the scope of services of CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR's compensation which is mutually agreed upon by and between the ERS and CONTRACTOR, shall be incorporated in written amendments to the Agreement.
- 15. PERSONNEL.**
- 15.1. CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the ERS.
- 15.2. All of the work or services required hereunder will be performed by CONTRACTOR or under their supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.
- 16. ASSIGNABILITY.** CONTRACTOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the ERS Executive Director. Provided, however that claims for money due or to become due CONTRACTOR from the ERS under this Agreement may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the ERS Executive Director.
- 17. RECORDS.**
- 17.1. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that "any record produced or collected under" this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS.

- 17.2. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Agreement and shall be clearly identified and readily accessible.
- 18. AUDITS AND INSPECTIONS.** 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, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General 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 this Agreement. CONTRACTOR may require ERS or other appropriate federal or state agency to abide by reasonable confidentiality restrictions with regard to workpapers which are proprietary information and to which access is otherwise restricted when ERS is completing audits and inspections under this section.
- 19. CONFLICT OF INTEREST.**
- 19.1. Interest in Contract. 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 this Agreement pertains, shall have any personal interest, direct or indirect in this Agreement.
- 19.2. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Agreement shall have any personal interest, direct or indirect, in this Agreement.
- 19.3. Interest of Contractor and Employees. CONTRACTOR covenants that no person described in sections 19.1 and 19.2 above who presently exercises any functions or responsibilities in connection with the Agreement has any personal financial interest, direct or indirect, in this Agreement. CONTRACTOR further 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 hereunder. CONTRACTOR further covenants that in the performance of this Agreement no person having any conflicting interest shall be employed. An interest on the part of CONTRACTOR or its employees must be disclosed to the ERS. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.
- 20. DISCRIMINATION PROHIBITED.**
- 20.1. In all hiring or employment made possible by or resulting from this Agreement there (1) will not be any discrimination against any employee or applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or

recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.

20.2. No person in the United States shall, on the ground of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. The ERS and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.

20.3. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

20.4. CONTRACTOR agrees that they will comply with all applicable requirements of the Americans with Disability Act of 1990, 42 U.S.C. 12101, et seq.

**21. WITHHOLDING OF SALARIES.** If in the performance of this Agreement there is any underpayment of salaries by CONTRACTOR or by any subcontractor thereunder, the ERS shall withhold from CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the ERS for and on account of CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

**22. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES.** Claims and disputes pertaining to salary rates or to classifications of architects, draftsmen, technical engineers, and technicians, if any, performing work under this Agreement shall be promptly reported in writing by CONTRACTOR to the ERS for the latter's decision, which shall be final with respect thereto.

**23. SEVERABILITY.** If any term or condition of the Agreement shall be held invalid or unenforceable, the remainder of the Agreement shall not be affected and shall be valid and enforceable.

## **24. GOVERNING LAW & JURISDICTION.**

24.1. Governing Law. The provisions of the Agreement will be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin.

24.2. Jurisdiction. The venue for any proceedings before a court of law (whether federal or state) will be geographically located in Milwaukee County, Wisconsin.

## **25. MISCELLANEOUS.**

25.1. Headings. All headings and titles used in contract documents exist for the purposes of document organization and reference and will not be considered a term or condition of any agreement

entered into by CONTRACTOR and the ERS.

25.2. Consent to Breach Not Waiver. The consent to a breach of any term or condition of this Agreement by either party will not be considered a waiver of such term or condition nor will such breach be considered consent to a subsequent breach.

25.3. Force Majeure. Neither party will be liable for any failure or delay in the performance of its obligations under this Agreement (and the failure or delay will not be deemed a default of this Agreement or grounds for termination) if both of the following conditions are satisfied: (1) the failure or delay could not have been prevented by reasonable precautions, and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and (2) the failure or delay is caused, directly or indirectly, by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, equipment, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the non-performing party. Upon the occurrence of an event which satisfies both of the above conditions (a "Force Majeure Event"), the non-performing party will be excused from any further performance of those obligations under this Agreement affected by the Force Majeure Event for as long as (a) the Force Majeure Event continues; and (b) the non-performing party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Upon the occurrence of a Force Majeure Event, the non-performing party will immediately notify the other party by telephone (to be confirmed by written notice within two business days of the failure or delay) of the occurrence of a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

25.4. CONTRACTOR agrees time is of the essence and will meet all deadlines and any schedules as set forth in this Agreement.

**26. Additional Terms Requested By CONTRACTOR.** CONTRACTOR requests "Additional Language to be added to City of Milwaukee ERS RFP" on pages 6 and 7 of the Appendix to its proposal, attached as Exhibit A. The additional terms are not accepted or made part of this Agreement, except for the following provisions or as incorporated elsewhere in other sections of this Agreement:

**26.1. Limitations.**

26.1.1. Except as required by CONTRACTOR's proposal (Exhibit A) or reasonably related to the scope of work ("SOW") therein described, CONTRACTOR's services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations.

26.1.2. Except as required by CONTRACTOR's proposal (Exhibit A) or reasonably related to the SOW therein described, CONTRACTOR has no responsibility to identify and communicate deficiencies in ERS's internal controls as part of any service.

**26.2. Time limitations.** The nature of CONTRACTOR's services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between ERS and CONTRACTOR. The parties agree that, notwithstanding any statute or law that might otherwise apply to a dispute, including one arising out of this Agreement or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by ERS against CONTRACTOR must be commenced as provided below, or ERS shall be forever barred from commencing a lawsuit or obtaining a legal or equitable relief

or recovery. An action to recover on a dispute shall be commenced within these periods (“Limitation Period”), which vary based on the services provided, and may be modified as described in the following paragraph:

<b>SERVICE</b>	<b>Time after the date CONTRACTOR delivers the services or work product (pursuant to the SOW on which the dispute is based)</b>
Tax Consulting Services	24 months
Tax Return Preparation	24 months
Examination, compilation, and preparation services related to prospective financial statements	24 months
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months
All other services	24 months

[THE REMAINDER OF THIS PAGE IS BLANK]

IN WITNESS WHEREOF, the CONTRACTOR and the ERS have caused this Agreement to be executed for and on their respective behalf as of the dates hereinafter set forth.

EMPLOYES' RETIREMENT SYSTEM  
OF THE CITY OF MILWAUKEE:

CliftonLarsonAllen LLP:

By: \_\_\_\_\_  
Matthew Bell, Chair  
Pension and Annuity Board

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Bernard J. Allen, Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

COUNTERSIGNED:

By: \_\_\_\_\_  
Bill Christianson  
Comptroller, City of Milwaukee

Date

EXAMINED AND APPROVED  
AS TO FORM AND EXECUTION:

By: \_\_\_\_\_  
Assistant City Attorney

Date

1054-2025-820



[EXHIBIT A - CONTRACTOR'S Proposal to Provide Professional External Audit  
Services to: City of Milwaukee Employees' Retirement System]

[EXHIBIT B - ERS Request for Quote dated March 26, 2025]

# Request for Quote (RFQ)



The response shall be addressed and delivered  
via Bonfire

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

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**Responses must be received no later than 5:00 P.M., CST,  
on Wednesday, April 30, 2025**

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Questions can be e-mailed via Bonfire

**Please note: ERS reserves the right to reject a Request for Quote (RFQ) that is not completed as specified within this document. ERS also reserves the right to accept or reject any response, to not to proceed with any action and to accept only those response that are in the best interest of the ERS. The ERS will incur no liability for the cost of the RFQ preparation.**

## Contents

Introduction and purpose of the RFQ .....	3
Scope .....	3
RFQ procedure .....	3
Questions.....	3
Timeframe.....	3
Scoring Criteria.....	3
Background Description of What is Requested .....	4
Objectives .....	4
ERS Overview .....	4
Background.....	4
Current Organization .....	5
Actuarial Consultants .....	5
Services Required.....	5
Scope of Work to be Performed .....	5
General .....	5
Areas for Audit.....	6
Irregularities and/or Illegal Acts.....	6
Additional Services .....	6
Working Paper Retention and Access to Working Papers.....	6
Available Documents .....	6
Proprietary Information .....	6
LBE/SBE Policies .....	6
Questionnaire.....	7
Appendices .....	9

## Introduction and purpose of the RFQ

With this RFQ, we request information regarding your company and your external audit services and pricing. The purpose of this RFQ document is to gain a better understanding of the current market for the services.

## Scope

Specific information is requested according to the form below.

## RFQ procedure

- ✓ Please respond to each item in the attached Questionnaire.
- ✓ Provide a cover letter with primary point of contact and contact information (name, title, address, telephone number(s), fax number and e-mail address).
- ✓ Provide a signature of an individual authorized to enter into a contract.
- ✓ Describe your organization and the services you provide.
- ✓ Provide information demonstrating your ability to fulfill the services identified in this RFQ. Include information about working with public pension plans.
- ✓ E-mail the contact listed below with any questions by the date and time given.
- ✓ Answers to this RFQ will be evaluated by the management from different areas of the ERS.
- ✓ The ERS may require oral presentations by telephone or WebEx. Responses should be complete on their face. The ERS reserves the right to request clarifying information at any point.

## Questions

Any questions concerning this RFQ may be submitted via Bonfire. The deadline for questions is 5:00 p.m., Central time, on Friday, April 11, 2025. The ERS will transmit responses via Bonfire to questions received by 5:00 p.m., Central time, on Friday, April 18, 2025. Responders 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.

## Timeline

3/26/25 Issue RFQ.  
4/11/25 Last date for questions via Bonfire (5:00 pm CST).  
4/18/25 Responses to questions issued via Bonfire (5:00 pm CST).  
4/30/25 RFQ response deadline via Bonfire (5:00 pm CST).  
5/31/25 Selection of Vendor  
7/1/25 Contract start date

## Scoring Criteria

ERS will evaluate all submitted proposals along the following criteria including, but not limited to:

- |   |     |
|---|-----|
| • Proposer experience and references          | 40% |
| • Approach, work plan, exceptions to contract | 30% |
| • Cost  | 30% |

## **Background Description of What is Requested**

The Employees' Retirement System of the City of Milwaukee (ERS) invites qualified vendors to submit Requests for Quote (RFQs) in providing professional services to perform external audit services specifically for ERS' Schedules of Employer Allocations and Pension Amounts by Employer report (Employer Schedules). All RFQ responses must be submitted by a single primary vendor.

### *Objectives*

The objectives of this RFQ are to:

- ✓ Convey ERS' external audit requirements to qualified vendors.
- ✓ Understand the vendor's approach and work plan, organizational and personnel qualifications, previous experience, price and ability to perform external audit work.
- ✓ Contract with a professional services firm to fulfill the RFQ requirements.

### *ERS Overview*

The ERS manages a \$6.0 billion defined-benefit 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. Chapter 36 of the Milwaukee City Charter is the codified provisions of the pension law and the Board Rules and Regulations further define the law. The Annuity and Pension Board (Board) governs ERS, and serves as trustee of the System's funds. The ERS' Executive Director is responsible for daily operations, and also serves as Secretary to the Board. 2023 WI Act 12 closed the ERS to new members as of 1/1/2024 and required the WI Legislative Audit Bureau to perform an annual financial statement audit.

## **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 for all City employees
- ✓ Health and COBRA dental insurance programs for eligible retirees

The ERS covers approximately 14,000 active or deferred employees from the City of Milwaukee or its participating city agencies. Participating agencies include any board, commission, division, department, office, or agency of the City government, including Milwaukee Public Schools (noncertified staff), Milwaukee Metropolitan Sewerage District, Milwaukee Area Technical College, Veolia, Wisconsin Center District, and the Housing Authority of the City of Milwaukee. Approximately 13,867 retirees, survivors, and beneficiaries receive monthly pension payments.

The ERS is a cost-sharing , multi-employer governmental pension plan.

### *Current Organization*

ERS currently has 52 full time equivalent budgeted positions and 1 contractor who provide IT services.

ERS' Executive Director is responsible for daily operations, and reports to the Annuity and Pension Board. Functional areas include Member Services: counseling and providing direct service to members, administering group life, health, and dental insurance benefits; Fiscal Services: accounting and financial reporting activities, retiree payroll, staff payroll, benefit calculations; Investment Services: monitoring of investment managers' performance, fund re-balancing; Information Services: handling the network, hardware and software functions and maintenance of the information systems; and, Administration: agency governance, research activities and general administrative functions.

ERS staff is experienced, well trained and very knowledgeable about the activities needed to be performed in its various areas for the successful functioning of all its business concerns.

### *Actuarial Consultants*

The ERS' consulting actuary is Cavanaugh MacDonald Consulting LLC. They provide ERS with actuarial valuations, experience investigations, asset/liability studies, actuarial audits, and pension consulting services.

Cavanaugh MacDonald prepares Governmental Accounting Standards Board (GASB) 68 reports for ERS. The reports provide information required under GASB statement 68, which establishes accounting and financial reporting requirements for governmental employers who provide pension benefits to their employees through a trust. The 2024 GASB 68 report will be based upon the January 1, 2024 actuarial valuation with actuarial liabilities rolled forward to December 31, 2024.

### Business Applications

ERS' primary line-of-business application is a pension management information system named MERITS. MERITS is a java-based n-tier application that provides the capability to process customers throughout the membership lifecycle from enrollment to withdrawal, retirement, or death. Each month the system is used to pay about 13,500 annuitants and process employer contribution reports for 10,800 active members. ERS also uses the Sage AccPac accounting package for general ledger and accounts receivable processing. Departmental payroll and accounts payable services are delivered by the City under a cooperation agreement, and use PeopleSoft products. Investments are held by ERS' custodian, Northern Trust.

More information can be found at [www.cmers.com](http://www.cmers.com).

## **Services Required**

ERS is soliciting the services of a qualified firm to conduct external audit services for a period of three years with an option to renew for an additional two years.

## **Scope of Work to be Performed**

### *General*

ERS' current auditor is the WI Legislative Audit Bureau (LAB) and they will complete their financial audit of the ERS' Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2024 by July 2025. ERS also prepares the Employer Schedules, which will also need to be audited. ERS believes that WI Act 12 requiring that LAB audit ERS only

covers its ACFR and the Employer Schedules are outside of the scope of the LAB audit requirement. The Employer Schedules audit will occur after the conclusion of the LAB's audit of the ACFR. Due to LAB's confidentiality statute, they cannot disclose audit information to third parties until after their audit is concluded.

#### *Areas for Audit*

ERS staff is seeking bids for the external audit of its Schedule of Employers Allocations and Pension Amounts by Employer for the year ended December 31, 2024. The external auditor selected may need to work with LAB to review the ACFR audit, as it is closely intertwined with the Employer Schedules.

#### *Irregularities and/or Illegal Acts*

Auditors shall be required to make a written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the ERS Board.

#### *Additional Services*

Should the Board decide to request additional external audit work outside the agreed upon schedule, the auditor will perform such work at an agreed upon rate and time schedule.

#### *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 7 years, unless notified in writing from the ERS of the need to extend the retention period. The Auditor will be required to make working papers available upon request to the ERS.

#### *Available Documents*

Attached to this RFQ are copies of the 2023 ACFR, 2023 Employer Schedules, GASB 68 Actuarial Report, A&O Audit Charter and a Sample Contract (See appendixes A, B, C, D and E ).

Additional actuarial and financial reports can be found on ERS' website. Please see: [https://www.cmers.com/CMERS\\_RD/About-ERS--The-Fund/Financial-Reports--Policies.htm](https://www.cmers.com/CMERS_RD/About-ERS--The-Fund/Financial-Reports--Policies.htm)

#### *Proprietary Information*

Proprietary data or trade secrets should be clearly identified as such in the proposal. ERS will not disclose any portion of the proposals except to members of the evaluation term prior to the contract award. ERS reserves the right to disclose the names of the Proposers, proposals and any other information pertinent to the selection of the Proposer.

#### *LBE/SBE Policies*

If a Local Business Enterprise (LBE) is a responsive and responsible bidder, the LBE shall be awarded the contract provided its bid does not exceed the lowest bid by more than 5% and the difference does not exceed \$25,000. If the LBE is certified as a Small Business Enterprise (SBE) with the City of Milwaukee's Office of Small Business Development, the LBE shall be awarded the contract provided its bid does not exceed the lowest bid by more than 10% and the difference does not exceed \$30,000.

**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 excepted in the subsequent contract between the firm and the ERS.**



## **Questionnaire**

### **Background of the consulting firm (2 page maximum)**

1. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners. Provide an organization chart of your firm and describe the relationship between each component and your consulting group.
2. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization?
3. Please give the address of your corporate office and indicate which office(s) will service the ERS.
4. Will one primary contact be assigned to our account? If so, provide complete contact information.
5. List any exceptions to the Sample Contract (Appendix E).

### **Standards of conduct (1 page maximum):**

1. Does your firm have a written code of conduct or a set of standards for professional behavior? If so, how are they monitored and enforced?
2. Within the last five years, has your organization or an officer or principal been involved in litigation or other legal proceedings relating to your external audit services assignments? If so, please provide an explanation and indicate the current status or disposition.
3. Has your firm ever been censured by any regulatory body? If so, please describe the situation.

### **Conflicts of Interest (3 page maximum):**

1. Are there any potential conflict of interest issues your firm would have in servicing the ERS? If so, describe them.
2. How does your firm identify and manage conflicts of interest?
3. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any ERS Board member or staff during the past 12 months? If yes, please describe the amount of expenses and what it was for.

**Audit team (2 page maximum):**

1. How many external audit consultants does your firm have?
2. Please provide contact information for each consultant that will be assigned to the ERS in a grid similar to the following:

Name	Address	Business Phone	Business Fax	E-mail Address

3. Please describe the role of each consultant for this assignment.
4. Please describe your team's experience with similar work performed for other public retirement systems or corporate pension.
5. State whether the individuals assigned to the work have any responsibilities other than providing audit services, and if so, specify such responsibilities.
6. Describe the resources your firm has that specifically address the needs of public sector clients.

**References:**

1. Please provide three references from current clients for whom work similar to that requested in this RFQ has been performed.
2. Please list public sector clients who have terminated your relationship during the past three years and their reasons for doing so. Please include their names, titles and telephone numbers.

**Fees:**

1. Please list your fees for the external audit services, assuming this will be a three year contract.
2. Please give hourly rates you will charge for work within the scope of services for which the precise number of hours is unknown.

**Appendix A: A&O Audit Charter**

**Appendix B: 2023 Annual Comprehensive Financial Report**

**Appendix C: 2023 Schedules of Employer Allocations and Pension Amounts by  
Employer**

**Appendix D: 2023 GASB 68 Actuarial Report**

**Appendix E: Sample Contract**



April 30, 2025

Proposal to provide professional  
external audit services to:

## City of Milwaukee Employees' Retirement System

Prepared by:

**Jordan Boehm, CPA, Principal**

[jordan.boehm@CLAconnect.com](mailto:jordan.boehm@CLAconnect.com)

Direct 414-721-7510

**CLAconnect.com**

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



## Table of Contents

<b>Cover Letter .....</b>	<b>1</b>
<b>Background of the Consulting Firm .....</b>	<b>3</b>
1. Firm background .....	3
2. Significant organization developments .....	4
3. Corporate office .....	4
4. Primary account contact .....	4
5. Exceptions to the Sample Contract (Appendix E) .....	4
<b>Standards of Conduct .....</b>	<b>5</b>
1. Code of conduct .....	5
2. Litigation .....	5
3. Professional ethics and regulatory issues or complaints against team members .....	5
<b>Conflicts of Interest .....</b>	<b>6</b>
1. Potential conflicts of interest.....	6
2. Identifying and managing conflicts of interest .....	6
3. Gifts, travel and room expenses, entertainment or meals.....	6
<b>Audit Team.....</b>	<b>7</b>
1. Number of external audit consultants.....	7
2. Team members contact info .....	7
3. Team members roles .....	8
4. Team’s relevant experience .....	8
5. Other responsibilities .....	8
6. CLA’s resources for public sector clients .....	8
<b>References .....</b>	<b>9</b>
1. Current client references .....	9
2. Lost clients .....	10
<b>Fees .....</b>	<b>14</b>
1. Fees for a three-year contract .....	14
2. Hourly rates.....	15
<b>Appendix.....</b>	<b>1</b>
A. Exceptions to Appendix E – Sample Contract.....	2



B. Your service team biographies .....	8
C. Audit team section additional information .....	12
D. Services approach .....	14
E. Quality control procedures and peer review report.....	18





CliftonLarsonAllen LLP  
CLAconnect.com

## Cover Letter

April 30, 2025

Mary Turk, Contract Administrator  
City of Milwaukee Employees' Retirement System  
789 N Water St., Suite 300  
Milwaukee, WI 53202-3584  
[ERS Procurement Portal](#)

*Via portal submittal only*

### RE: RFQ for External Audit Services

Dear Ms. Turk:

Thank you for inviting us to propose. We look forward to the opportunity to provide services to City of Milwaukee Employees' Retirement System (ERS).

#### *Primary point of contact*

I, Jordan Boehm, CPA, your engagement principal, will serve as ERS' primary contact person for this engagement. My contact information is:

Jordan Boehm, CPA, Principal  
Phone: 414-721-7510  
Fax: 414-476-7286  
Email: [jordan.boehm@CLAconnect.com](mailto:jordan.boehm@CLAconnect.com)

Address:  
10401 West Innovation Drive  
Suite 300  
Wauwatosa, WI 53226

#### *Authorized individual*

As a principal of CLA, I, Jordan Boehm your engagement principal, am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and ERS' RFP.

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for ERS's consideration:

- ***We know you!*** We know and understand ERS. By providing services to you in the past, we have established an understanding of your organization. The work we've performed provides your project with momentum before we begin the engagement. We don't have to spend a lot of time up front learning about your core operations, we know them well.




- **Industry-specialized insight and resources** – As one of the nation’s leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist ERS with their audit needs. In addition to your experienced local engagement team, ERS will have access to one of the country’s largest and most knowledgeable pools of regulated industry resources.
- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – ERS will benefit from a high level of hands-on service from our team’s senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at ERS and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies’ SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, ERS will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.

We want to continue to serve you, and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we’ll work together and the value you can come to appreciate when we exceed expectations. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Questionnaire*.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP

  
Jordan Boehm, CPA  
Principal





# Background of the Consulting Firm

## 1. Firm background

It takes balance.™ With CLA by your side, you will find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

## History of CLA

On January 1, 2012, two regional firms, Clifton Gunderson and LarsonAllen, merged to become CLA. They were driven by a shared vision to be a different kind of firm and a dream to be America's leading provider of professional services.

We're celebrating 13 years as CLA, but the roots of our culture reach back much further. Across decades, the philosophies that drove our legacy firms — from how they served clients and treated their people to how they did business — shared many attributes. We still find them present today in what we call the CLA Promise.



## Firm ownership and subsidiaries

CLA (CliftonLarsonAllen LLP) is a limited liability partnership and is duly licensed to practice public accountancy in the state of Wisconsin and other states.

The following are wholly owned subsidiaries of CLA:

- CLA International, Inc.
- CliftonLarsonAllen Wealth Advisors, LLC
- CLA Trademarks Holding Company LLC
- CliftonLarsonAllen UK Limited

## Firm organizational structure

CLA is a national professional services firm built around five primary areas of focus — public accounting, wealth advisory, audit, digital solutions and consulting and outsourcing — all highly integrated and seamless in capabilities and delivery of services.



We have developed the credibility, reputation, and resources of a leading professional services firm while working hard to maintain the individualized service of a smaller firm. Our emphasis is on serving privately held businesses and their owners, as well as governmental and nonprofit organizations.

## CLA Firm-wide Structure



## 2. Significant organization developments

Over the past three years, all the changes in our organization have had the purpose to broaden the scope and quality of services we provide to our clients. We do not anticipate any merger with another accounting firm or the acquisition of assets from another accounting firm that would have a material impact on CLA.

## 3. Corporate office

CLA does not have a corporate office — there is not a place from which the firm is controlled or directed. Leadership, ownership, and entrepreneurship permeate the firm, independent of location. Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide ERS higher quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

ERS will be served by an industry-specialized engagement team located in our Milwaukee office at 10401 West Innovation Drive, Suite 300, Wauwatosa, WI 53226.

## 4. Primary account contact

Jordan Boehm, your engagement principal, will serve as ERS’s primary contact person for this engagement. My contact information is as follows: Jordan Boehm; Office: 414-721-7510; Email: [jordan.boehm@CLAconnect.com](mailto:jordan.boehm@CLAconnect.com)

## 5. Exceptions to the Sample Contract (Appendix E)

Refer to **Appendix A** of our proposal for our proposed revisions to *Appendix E, Sample Contract*.



# Standards of Conduct

## 1. Code of conduct

As one of the leading providers of professional services in the country, CLA adheres to the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct. Firm and professional standards of independence are understood to apply to all audit, attest, accounting, review, and other services for which standards have been established by the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee under Rule 201 or 202 of the AICPA Code of Professional Conduct. Firm and professional standards of integrity and objectivity are understood to apply to all professional services.

CLA and all professionals assigned to this engagement meet the independence requirements of the AICPA, including the provisions of Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics.

### Business ethics

In addition to being bound by the ethical standards established by the American Institute of Certified Public Accountants, our principals and employees are also held to a strict moral and ethical code when working with clients. At all times, our personnel are expected to act in a professional manner and display unimpaired, sound judgment when working on engagements. Client information and findings are also held in strict confidence.

## 2. Litigation

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend it vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.

## 3. Professional ethics and regulatory issues or complaints against team members

From time to time, individuals in the firm are parties to an inquiry from a regulatory or ethics body. In all cases the individual, with the firm's backing, shall cooperate in providing the information required to respond appropriately to the inquiry.

***The firm and professionals within the firm presently do not have any regulatory or ethics inquiries outside the normal course of our practice.***



# Conflicts of Interest

## 1. Potential conflicts of interest

CLA has been providing services to ERS for a number of years. As such, we are required to remain free of conflicts of interest. We are not presently aware of any current or potential relationships with ERS or its affiliates that may represent a conflict of interest.

We have no conflicts of interest, either inherent or explicit with either ERS or any of its component units. In situations where we perform services for a primary government and its component units, we generally assign independent engagement principals to each unit. We would not propose on an entity in which we determined there was an inherent or explicit conflict of interest or a lack of independence that existed either in fact or appearance.

## 2. Identifying and managing conflicts of interest

CLA's policies include detailed procedures designed to foster compliance with independence requirements and to avoid conflicts of interest. Our policies are extensive and designed to meet the requirements of the American Institute of Certified Public Accountants (AICPA), the U.S. Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB), state licensing agencies, and/or the U.S. Government Accounting Office's *Government Auditing Standards*, as required.

Some of the key elements of our policies are:

- For all personnel who perform client services, conflicts of interest training
- From all personnel who perform client services, annual written representations and approvals of certain roles that may create conflicts of interest
- Extensive client and engagement acceptance and continuance policies
- Separate sections in our policies specific to conflicts of interests and required approvals
- Maintenance of a firm-wide client list and a restricted entities list

## 3. Gifts, travel and room expenses, entertainment, or meals

No one in our firm has provided any gifts, travel and room expenses, entertainment, or meals to any ERS Board members or staff during the past 12 months.



# Audit Team

Considering the page limit required by the RFP for this section please refer to **Appendix C** of this proposal for additional pertinent information. Also, for our approach to the services, please refer to **Appendix D** of this proposal.

## 1. Number of external audit consultants

**Our 17 Wisconsin offices employ more than 685 professionals, including 244 external audit professionals.**

We staff our engagements based on your specific needs, offering local or national resources as necessary to generate exceptional service. Our principals, signing directors, directors, and managers are directly involved in fieldwork to help proactively identify significant issues and resolve them with management — which means the engagement is essentially complete when fieldwork ends. While it is not our policy to rotate the engagement team management, we have the resources to offer additional involvement or bring in other members of our firm, as necessary.

Our approach recognizes that the most valuable time at your location is spent with key decision makers, asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective, cost-efficient, and produces a high-quality audit.

## 2. Team members contact info

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Name	Address	Business Phone	Business Fax	Email Address
Jordan Boehm	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-721-7510	414-476-7286	<a href="mailto:jordan.boehm@CLAconnect.com">jordan.boehm@CLAconnect.com</a>
Mike Anderson	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-721-7541	414-476-7286	<a href="mailto:michael.anderson@CLAconnect.com">michael.anderson@CLAconnect.com</a>
Daniel Ludwig	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-467-6735	414-476-7286	<a href="mailto:daniel.ludwig@CLAconnect.com">daniel.ludwig@CLAconnect.com</a>

Detailed biographies can be found in **Appendix B**.

**Additional staff** – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.

***Collaborative:** Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.*



### 3. Team members roles

Jordan Boehm, CPA - **Relationship principal** – Jordan will serve as ERS’s relationship principal. He will be responsible for total client satisfaction through the deployment of all required resources and communication with management and the audit team will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year.

Michael (Mike) Anderson, CPA - **Engagement manager** – Mike will act as the lead manager on the engagement. In this role, he will assist the engagement principal with planning the engagement and performing complex audit areas. Mike will perform a technical review of all work performed and is responsible for the review of all reports.

Daniel (Dan) Ludwig, CPA, CIA, CGMA - **Technical resource director** – Dan will be the technical resource for the audit team as well as ERS personnel. His many years of serving ERS, and similar entities, will be an invaluable resource.

### 4. Team’s relevant experience

CLA has developed a niche working with large state and local government retirement plans. Our experience includes auditing plans ranging in size up to \$736 billion in assets, which enhances our staff’s understanding of your complexities not just from a compliance standpoint, but also from an operational point of view. We have consulted on specific operational focus areas for state pensions such as contributions processing, benefit payment calculations and processing, and data analytics, to name a few. Multiple team members also attend the Public Pension Financial Forum for relevant government retirement system CPE and training.

*CLA provides services to government retirement systems with a combination of assets totaling more than \$2 trillion and 13 million members.*

### 5. Other responsibilities

**The individuals assigned to the work will only provide external audit services.** Our goal is to provide ERS with high-quality services at a competitive fee with no surprises. The time and fee estimates reflect our knowledge and extensive experience in providing similar services to similar clients. We are confident we can provide the services you need to help accomplish your goals.

Our professionals are well-balanced when it comes to managing workloads and have never had a problem prioritizing client deadlines. We focus on well-established project management techniques to keep all parties on track and accountable to each other. CLA recognizes and understands the sense of urgency required in meeting regulatory deadlines, and we make continual efficiency improvements to our process so we can provide a smooth, timely engagement.

### 6. CLA’s resources for public sector clients

#### State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit, so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face of changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents



# References

## 1. Current client references

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear it firsthand.

Employees Retirement System of Texas	
Client Contact	Tony Chavez, Director of Internal Audit
Phone Number   Email	512-86-7443   <a href="mailto:tony.chavez@ers.texas.gov">tony.chavez@ers.texas.gov</a>

Texas Municipal Retirement System	
Client Contact	Michael Apperley, Chief Administrative Officer
Phone Number   Email	512-225-3759   <a href="mailto:mapperley@tmrs.com">mapperley@tmrs.com</a>

Public Employees' Retirement Association of Colorado	
Client Contact	Catherine Meaniger, Director of Finance/Controller
Phone Number   Email	512-225-3759   <a href="mailto:cmaninger@copera.org">cmaninger@copera.org</a>

***Transparent:*** We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.



## 2. Lost clients

As a matter of policy, CLA does not disclose information regarding former clients as it may violate the confidentiality terms of the clients at issue, especially if the reason for their departure is governed by a non-disclosure agreement, confidentiality agreement, or confidentiality terms/provisions found in the engagement terms.

From time to time, clients will leave CLA to engage another CPA firm for audit services. It is not our practice to publicly identify the clients we are engaged to serve, including discussing specific reasons organizations chose to leave our firm. In general terms, any clients who decided to engage a new public accounting firm have done so for the following reasons:

- Organization was acquired by or sold to a larger organization and audits were no longer necessary, or the larger organization had a different audit firm
- Long-term clients attempting to comply with interpretations of the Sarbanes-Oxley Act had the impression they should change auditors
- Transition at the CEO or CFO level caused the decision to engage a firm with whom they had a previously established relationship

As part of this, it is important to note none of the client transitions described above was the result of unresolved auditing or accounting matters or due to poor client service.





## Recent public retirement plan experience

Below is a listing of government retirement system clients we either currently or recently have served.

Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Anne Arundel County Retirement and Pension System	X						\$2	8,470	10
Arizona State Retirement System	X			X	X		\$50	637,386	9
Arizona Public Safety Personnel Retirement System*	X				X		\$18	59,615	3
Baltimore City Police & Fire Pension	X						\$3	10,073	9
Baltimore County Employees' Retirement System	X						\$3	18,274	10
Board of Pensions – City of Philadelphia	X						\$8	64,241	16
California State Teachers Retirement System				X			\$349	1,002,045	11
Commonwealth of Massachusetts***	X						\$72	353,990	3
City of Austin Employee Retirement System	X						\$3	21,902	3
City of Norfolk Employees' Retirement System	X						\$1	8,850	6
Employees' Retirement System of Texas	X						\$34	492,299	3
Federal Retirement Thrift Investment Board	X						\$838	6,500,000	16
Fresno County Employees' Retirement Assoc.	X						\$6	19,923	4
Illinois Municipal Retirement Fund				X			\$49	474,920	1



Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Kansas Public Employees' Retirement System	X		X				\$25	333,781	9
Kern County Employees' Retirement System	X						\$5	22,106	10
Maine Public Employees Retirement System		X					\$19	162,555	2
Massachusetts Water Resources Authority (MWRA) Employees' Retirement System	X						\$1	1,950	6
Minnesota Public Employees' Retirement System						X	\$40	463,210	7
Minnesota State Retirement System				X			\$18	140,867	11
Minnesota Teachers Retirement Association						X	\$26	210,914	1
New Mexico Public Employees Retirement Assoc.	**	X					\$20	125,849	7
New York City Deferred Compensation Plan	X		X	X			\$26	238,653	6
North Dakota Retirement and Investment Office	X						\$18	24,490	11
North Dakota Public Employees Retirement System	X						\$4	55,266	8
North Carolina Department of State Treasurer Investment Programs	X						\$153	n/a	10
Pennsylvania School Employees'			X				\$83	517,822	19



Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Retirement System*									
Public Employees' Retirement Assoc. of Colorado	X						\$64	671,911	9
Seattle City Employees' Retirement System	X						\$4	20,308	12
State of Vermont***	X						\$6	60,919	5
State Retirement & Pension System of Maryland	X						\$74	412,397	13
Texas Municipal Retirement System*	X		X				\$36	280,937	6

\*The System has a multiple employer agent plan.

\*\*Starting in fiscal year 2022 CLA began performing internal audit work for this client and will no longer perform the financial statement audit.

\*\*\*Includes large (> \$5B) state and teachers' retirement systems and OPEB plans. Assets refer to retirement specific assets.



# Fees

## 1. Fees for a three-year contract

Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

Based on our understanding of your requirements, we propose the following fees:

Professional Services	2025	2026	2027
Audit of the Schedules of Employer Allocations and Pension Amounts by Employer	\$42,500	\$44,200	\$44,960
Technology and client support fee (5%)	\$2,125	\$2,210	\$2,248
<b>Total</b>	<b>\$44,625</b>	<b>\$46,410</b>	<b>\$47,208</b>

Our fee quote is designed with an understanding that:

- ERS personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are no significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.

### Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size and/or operational structure. If fee increases are expected outside of the ranges provided above, we would discuss with management prior to the completion of the work.



## 2. Hourly rates

The table below shows our standard hourly billing rates by classification:

Staff Level	ERS Hourly Rates
Principal/Signing Director	\$428
Manager/Director	\$261
Senior	\$171
Associate	\$152

### No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any “out-of-scope” work is required — we'll discuss a revised fee proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.

Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.

***Transparent:*** Clear, authentic communication and market-based fees.



# Appendix



## A. Exceptions to Appendix E – Sample Contract

We have reviewed *Appendix E, Sample Contract* with our internal legal, insurance, and assurance service teams and have summarized our proposed revisions below. These revisions specifically tailor the contract to better align with the scope of work and remove generic language not applicable to the related services.

We believe ERS will find these modifications reasonable and appropriate. However, we are willing to discuss these proposed revisions in an effort to achieve a mutually agreed-upon contract.

*Edit to clause 1.2 as shown below:*

1.2. → ~~CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR's field of endeavor and like services applicable professional standards, and as more specifically set forth in [Exhibit ###].¶~~

*Edit to clause 6 as shown below:*

6. → **REPORTS.** ~~At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information (collectively "Records") as the ERS may request pertaining to matters covered by this Agreement. For the avoidance of doubt, Records does not include Contractor's workpapers which are proprietary information and access is restricted.¶~~

*Edit to clause 7.1 as shown below:*

7.1. → Document ownership. ~~All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement (collectively "Deliverables") shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same for any purpose pursuant to the provisions outlined in the Statement of Work without any additional compensation to CONTRACTOR. For the avoidance of doubt, Deliverables does not include Contractor's workpapers which are proprietary information and access is restricted.¶~~

*Recommendation to add the following to clause 7.2.2*

Additionally, nothing herein shall require the return or destruction of Confidential Material stored in automatic electronic backup systems, including but not limited to email, if such return would be commercially or technically infeasible, provided that any such retained Confidential Material shall be subject to the non-disclosure and use restrictions imposed herein for so long as such Confidential Material is retained.

Edit to clause 10.1 as shown below:

10.1.→Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") from all losses, damages, costs, expenses, judgements, or decrees ("Claims") arising out of such

57

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action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees. CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.¶

Edit to clause 10.2 as shown below:

10.2.→Indemnification. 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, agents and representatives ("Indemnitees") against all liabilities, judgments, costs, attorneys fees, and expenses ("Claims") which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.¶

Edit to clause 11.1.4 as shown below:

11.1.4.→All policies are to contain notice requirements that ensure that 3060 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.¶



### Note on Clause 11.1.8

Additional insured is done as a blanket endorsement such that ERS is not specifically named as an additional insured but is an additional insured by nature of the contractual obligation.

Edit to clause 11.2 as shown below:

11.2. <del>Commercial Automobile Liability.</del>		
Combined Single Limit	→	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	→	\$1,000,000 per occurrence
Medical Expense	→	\$10,000 each person
In addition to those requirements noted above in sections 11.1.1-11.1.10:		
<ul style="list-style-type: none"><li>→ If CONTRACTOR owns or has any <u>long-term</u> leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).</li><li>→ Coverage shall include contractual liability for risks assumed in this contract.</li><li>→ Coverage shall apply to the risks associated with or arising out of the services provided under this contract.</li><li>→ If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.</li><li>→ Coverage shall be modified to include a Waiver of Subrogation <u>on all of CONTRACTOR'S insurance policies, except for Professional Liability</u> in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.</li></ul>		

Edit to clause 11.4 as shown below:

11.4. <del>Professional Liability (Errors and Omissions).</del>		
Combined Single Limit	→	\$1,000,000 each <u>accident/incident claim</u>
		\$1,000,000 Aggregate
In addition to those requirements noted above in sections 11.1.1-11.1.10:		
<ul style="list-style-type: none"><li>→ Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.</li><li>→ If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.</li><li>→ Coverage is to be provided on a "per project" basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.</li><li>→ CONTRACTOR will certify that the policy will be renewed each year of the contract.</li></ul>		

Edit to clause 12 as shown below:

12. → **REGULATIONS.** CONTRACTOR agrees to comply with all of the requirements of all applicable federal, state and local laws related to the scope of work.¶

Edit to clause 17.1 as shown below:

17.1. → **Establishment and Maintenance of Records.** Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that “any record produced or collected under” this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS. For the avoidance of doubt, Records as identified in this section do not include CONTRACTOR’S workpapers which are proprietary information and access is restricted.¶

Edit to clause 18 as shown below:

18. → **AUDITS AND INSPECTIONS.** 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, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials,¶

11

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payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. For the avoidance of doubt, records and data as identified in this section do not include CONTRACTOR’S workpapers which are proprietary information and access is restricted.¶

### *Additional Language to be added to City of Milwaukee ERS RFP*

CONTRACTOR's services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations. Except as described in this Agreement or any applicable SOW, CONTRACTOR has no responsibility to identify and communicate deficiencies in ERS'S internal controls as part of any services.

#### **Time limitations**

The nature of CONTRACTOR's services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between ERS and CONTRACTOR. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this Agreement or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by ERS against CONTRACTOR must be commenced as provided below, or ERS shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within these periods ("Limitation Period"), which vary based on the services provided, and may be modified as described in the following paragraph:

<b>Service</b>	<b>Time after the date CONTRACTOR delivers the services or work product*</b>
Tax Consulting Services	36 months
Tax Return Preparation	36 months
Examination, compilation, and preparation services related to prospective financial statements	12 months
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months
All Other Services	12 months

\* pursuant to the SOW on which the dispute is based

If this Agreement is terminated or ERS'S ongoing relationship with CONTRACTOR is terminated, then the applicable Limitation Period is the lesser of the above periods or 12 months after termination of this Agreement or ERS'S ongoing relationship with CONTRACTOR. The applicable Limitation Period applies and begins to run even if ERS has not suffered any damage or loss or have not become aware of the existence or possible existence of a dispute.

CONTRACTOR will not disclose any of ERS'S confidential, proprietary, or privileged information to any person or party, unless ERS authorizes CONTRACTOR to do so, it is published or released by ERS, it becomes publicly known or available other than through disclosure by CONTRACTOR, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit CONTRACTOR from disclosing ERS's information to one or more of CONTRACTOR's affiliated companies in order to provide services that ERS has requested from CONTRACTOR or from any such affiliated ERS. Any such affiliated ERS shall be subject to the same restrictions on the use and disclosure of ERS's information as apply to CONTRACTOR. ERS also consents to CONTRACTOR's disclosure of information regarding the nature of services CONTRACTOR provide to ERS to

another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

The workpapers and files supporting the services CONTRACTOR performs are the sole and exclusive property of CONTRACTOR and constitute confidential and proprietary information. CONTRACTOR does not provide access to its workpapers and files to ERS or anyone else in the normal course of CONTRACTOR. Unless required by law or regulation to the contrary, CONTRACTOR retain its workpapers and files in accordance with its record retention policy that typically provides for a retention period of seven years. After this period expires, CONTRACTOR's workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time CONTRACTOR's records are available. The workpapers and files of CONTRACTOR are not a substitute for ERS's records.

Pursuant to authority given by law, regulation or professional standards CONTRACTOR may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. CONTRACTOR will notify ERS of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CONTRACTOR personnel and at a location designated by CONTRACTOR. Furthermore, upon request, CONTRACTOR may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

CONTRACTOR may, at times, utilize external web applications to receive and process information from its clients; however, any sensitive data, including protected health information and personally identifiable information, must be redacted by ERS to the maximum extent possible prior to uploading the document or file. In the event that ERS is unable to remove or obscure all sensitive data, please contact CONTRACTOR to discuss other potential options for transmitting the document or file.

CONTRACTOR and certain owners of CONTRACTOR are licensed by the California Board of Accountancy. However, CONTRACTOR has owners not licensed by the California Board of Accountancy who may provide services under this Agreement. If ERS has any questions regarding licensure of the personnel performing services under this Agreement, please do not hesitate to contact CONTRACTOR.

CONTRACTOR regularly aggregates anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, CONTRACTOR is always careful to preserve the confidentiality of the separate information that CONTRACTOR obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. ERS's acceptance of this Agreement will serve as ERS's consent to CONTRACTOR's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

CONTRACTOR may, at times, use third-party software applications to perform services under this Agreement. ERS acknowledges the software vendor may have access to its data.



## B. Your service team biographies





## Jordan Boehm, CPA

CLA (CliftonLarsonAllen LLP)

Principal  
Milwaukee, Wisconsin

414-721-7510  
jordan.boehm@CLAconnect.com



### Profile

Jordan has been providing assurance, consulting, and advisory services to state and local government organizations and higher education institutions for more than 13 years. Jordan focuses on developing custom strategies to challenges the state and local government organizations and higher education institutions face with respect to their finance and accounting and compliance functions. Services provided include assurance, tax, federal and state grant compliance, Wisconsin tax increment district rules and regulations, Wisconsin Public Service Commission reporting, and Wisconsin Department of Revenue Form A, C, and CT. In addition, Jordan serves as the Wisconsin Growth Network Leader for our higher education practice.

### Technical experience

- Responsible for the performance of financial statement audits, *Uniform Guidance* audits, and State of Wisconsin single audits for governmental and nonprofit entities
- CLA Audit Innovation team that assists in the maintenance and improvement of the CLA audit methodology
- CLA designated quality reviewer team for state and local government reporting entities
- Wisconsin Government Finance Officers Association (WGFOA), *Technical speaker*
- Wisconsin Association of School Business Officials (WASBO), *Technical speaker*
- Wisconsin Comptroller's Office training, *Technical speaker*

### Education and professional involvement

- Bachelor of business administration, accounting, and finance from University of Wisconsin-Milwaukee, Milwaukee, Wisconsin
- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants – Editorial Advisory Committee
- Government Finance Officers Association
- Wisconsin Government Finance Officers Association
- Certified Public Accountant in the state of Wisconsin







# Michael T. Anderson, CPA

**CLA (CliftonLarsonAllen LLP)**

Manager  
Milwaukee, Wisconsin

414-721-7541  
michael.anderson@CLAconnect.com



## Profile

Michael has been a member of the CLA regulated industries team for 9 years, with an industry focus on governmental and nonprofit higher education entities. He has worked with local government clients throughout Wisconsin as well as governmental entities on the East Coast.

## Technical experience

- Audits of state and local governments
- Audits of school districts, technical college districts, and nonprofit higher education entities
- Financial statement consulting and preparation for governmental and nonprofit entities
- Single audits in accordance with Uniform Grant Guidance and state single audit requirements

## Education and professional involvement

- Bachelor of arts in business administration, accounting, and finance, from Wisconsin Lutheran College, Milwaukee, Wisconsin
- American Institute of Certified Public Accountants
- Wisconsin Government Finance Officers Association
- Certified Public Accountant in the state of Wisconsin

**CLAconnect.com**

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://claglobal.com/disclaimer).  
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





### Areas of Focus

- SEC Reporting - 10-Q, 10-K, S-1, MD&A
- Mergers & Acquisitions
- System Implementation
- Internal Audit
- SOX Documentation/ Testing
- Budgeting/ Forecasting
- Financial Modeling
- Performance Metrics
- Audit Preparation
- Balance Sheet Clean-up
- Internal Control Environment
- Policy Development/ Process Documentation
- Process Improvement
- Project Management
- Cost Accounting
- Inventory Accounting
- Account Reconciliations
- Variance Analysis

### Industries

- Manufacturing
- Distribution
- Food & Beverage
- Government
- Retail
- Transportation and Logistics
- Public Accounting- Audit

### Technology

- Microsoft Excel

### Education

- University of Wisconsin - Milwaukee  
*Bachelor of Business Administration*

### Certifications

- Certified Public Accountant
- Chartered Global Management Accountant

### About Dan

Dan has more than 20 years of diverse Financial management experience in Public Accounting, Consulting and Corporate Management. He is experienced in audit, M&A, internal controls, enterprise risk management, and fraud investigations.

### Experience

- As a **CLA CAAS Consultant**, provided internal audit and consulting services
- Performed ongoing Internal Audits for a \$1.3B packaging corporation
- Performed ongoing Internal Audits for a large Midwestern City's Retirement System
- Performed forensic accounting procedures as part of the sale of a business
- Provided multiple internal control assessments for large real estate property management companies
- As **Audit, Risk and Finance Consultant**, served as Audit Director for outsourced/co-sourced Internal Audit and Financial Compliance functions
- Aligned the audit function with an organization's strategy and risk profile to create a tailored audit plan; managed and/or performed Financial Audits, Technical Accounting/GAAP Reviews, Network Security Audits, Operational/Procedural Reviews, Cost Recovery Audits and Forensic Analysis; tested and remediated Financial and IT internal controls environments
- Developed Enterprise Risk Management (ERM) programs to identify key organizational risks and mitigating activities/controls
- As **Director of Audit & Risk Management at A.O. Smith Corp.**, responsible for global Audit and Risk functions
- Directed Internal Audit and SOX compliance process, managed external audit relationships, implemented a continuous control process, prepared and reviewed SEC footnotes and filings (10K, 10Q, S4), audited system conversion to QAD/PeopleSoft
- Developed and implemented an ERM program; conducted assessments, presented results to Senior Management and advised in development of action plans; managed, mentored and developed 10 audit/risk professionals in the U.S. and China
- As **Manager of Internal Audit at Rexnord Corp.**, established the Internal Audit Function
- Served as **Manager of Internal Audit at Woodhead Industries, Inc.**
- Served as **Senior Auditor at Deloitte**

[CLAconnect.com](https://claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://claglobal.com/disclaimer).  
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## C. Audit team section additional information

### 4. Team's relevant experience continued

#### Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.



We're also actively involved in and/or are members of these professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants
- Public Pension Financial Forum (P2F2)
- Association of Public Pension Fund Auditors (APPFA)
- National Association of State Retirement Administrators (NASRA)

In addition to our pension plan experience, our professionals have extensive knowledge of specialized investment industry practices, including:

- Investments in fixed income (MBS, ABS, corporate bonds, and structured products)
- Public equity
- Alternative equity
- Real estate
- Timber
- Derivatives (including options, swaps, futures, and forwards)
- Foreign exchange
- Securities lending and collateral

Our clients have diverse holdings such as joint ventures, real estate investment holdings, offshore investments, private company holdings, partnerships, common collective funds, hedge funds, and insurance contracts. We've worked through several valuation and disclosure issues to determine whether such investments are appropriately stated and adequately disclosed. Our audit efforts concentrate on confirming the existence of investments and assessing their proper valuation at year-end.

## 6. CLA's resources for public sector clients (continued)

### Support at every turn

With [dedicated services specific to state and local governments](#), you have access to guidance on all aspects of your operations.

- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [Cybersecurity](#)
- [Enterprise risk management](#)
- [Forensic accounting, auditing, and fraud investigation](#)
- Fraud risk management
- [Grant compliance](#)
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- [Internal audit](#)
- [Outsourced business operations](#)
- [Performance auditing](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)
- Strategic, financial, and operational consulting
- [Telecom management services](#)
- [Business opportunity assessments](#)
- [System optimization and selection](#)



### GASB requirements for retirement systems

CLA routinely helps clients with implementing GASB statements. Many of our principals provide training and aid in implementation of new standards, including the accounting, preparation of financial statements, and required disclosures. We help you understand the reasons behind the standards — as well as existing alternatives. This includes the creation of templates (general and client specific) in use by some governmental entities.

A significant amount of time in our training is spent on financial statement preparation and understanding the reporting models, as well as the impact of GASB standards. We've helped our clients produce financial statements that continue to receive the GFOA Certificate of Excellence in Financial Reporting, and have aided first-time filers in acquiring and maintaining their certificates.

CLA was actively involved in providing direct feedback to the GASB throughout the implementation of GASB 67 and 68. We've spoken multiple times at the Public Pension Financial Forum (P2F2) and the Association of Public Pension Fund Auditors on the topic. Members of your assigned team helped state pensions around the country with initial implementation and adoption of GASB 67 and assisted employers with the requirements under GASB 68. In 2013, CLA engaged an external actuary as an auditor's specialist to strengthen our audit work over the actuarial requirements of GASB 67, while our government retirement team has built out tools to assist with GASB 68 calculations and verifications. We've developed risk-based census data testing procedures to prioritize value over effort from the required employer testing.



## D. Services approach

### Financial statement audit approach



#### *Phase 1: Planning and strategy*

The main objective of the planning phase is to identify significant areas and design efficient audit procedures, such as:

- Meet with ERS personnel to agree on responsibilities and timeframes. The agenda will include audit approach, assistance from ERS personnel, initial concerns, and principal contacts.
- Understand ERS operations using budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations.
- Perform a preliminary overall risk assessment.
- Compile an initial comprehensive list of items to be prepared by ERS

One of the key elements in the planning of this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact with ERS as to what we are finding and where we expect it will lead.

#### *Phase 2: Systems evaluation*

- Understand the internal control structure of ERS for financial accounting and relevant operations
- Identify control objectives for each type of control that is material to the financial statements
- Determine the nature, timing and extent of our control testing and perform tests of controls

Our assessment will determine whether ERS has established and maintained internal controls to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized
- Assets are safeguarded against loss
- Transactions are executed in accordance with laws and regulations

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client list based on our test results and our anticipated substantive testing. Additionally, we will review general and application information systems (IS) controls to conclude whether they are properly designed and operating effectively.

### *Phase 3: Testing and analysis*

#### **Schedule of Employer Allocations**

As a part of our audit related to the schedule of employer allocations, we will do the following:

**Note:** This schedule would display the proportionate relationship of each employer to all employers and each employer's allocation percentage.

- We will obtain an understanding of the plan methodology for allocating the individual employers' collection pension amounts.

**Note:** The basis of allocation must be consistent with the manner in which contributions to the plan are determined. GASB Statement No. 68 encourages an allocation method, often prepared by an actuary, based on an employer projected long-term contribution effort to the plan, and as compared to the total projected long-term contributions efforts of all employers contributing to the plan. The standard also allows for other allocation methods to be used, including allocations based on historical measures such as actual contributions or covered payroll. Allocations of historical measures may not be appropriate in certain circumstances (i.e. different classes of benefits) and should be evaluated to determine it is consistent with GASB Statement No. 68.

- We will obtain a schedule of the allocation base by employer, and then test the schedule's clerical accuracy and trace totals to the general ledger, if appropriate. Our testing will include the following:

**Note:** IDEA can be used to test clerical accuracy. It may not be necessary to test clerical accuracy if the schedule is computerized and the software was tested in prior years.

- Confirm a sample of the allocation base for the plan year with employers participating in a multiemployer plan.

**Note:** The sample used to confirm the allocation base can be the same sample selected for testing of employer reporting. Confirmation should generally be requested if (1) the allocation base will not be traced to employer records, or (2) reconcile any differences on confirmation replies.

**Note:** If confirmation replies are received via facsimile, consider verifying the source and response by telephone and documenting this verification in the workpapers.

- Relate the testing performed in the participant data above to the schedule of the allocation base by employer provided by the plan.

#### **Schedule of Pension Amounts by Employer**

We will perform the following for the schedule of pension amounts by employer.

**Note:** The AICPA State and Local Government Expert Panel recommends the schedule of pension amounts by employer; however, plans have the option to present the simpler schedule of collective pension amounts. If the schedule of pension amounts by employer is presented two additional deferred inflow/outflow of resources will need to be included, (1) the net impact of changes in proportion (that

is, the allocation percentage) between periods, and (2) differences between actual employer contributions and the employer's proportionate share of contributions.

- Perform the following procedures related to the actuary and the information provided by the actuary:
  - Obtain satisfaction regarding the professional qualifications and reputation of the actuary.
  - Obtain a confirmation from the plan actuary as of the benefit information date. The confirmation can be designed to either request a copy of the actuary's report as part of the response, or to request verification of information in a report provided by the actuary to the client.
  - Reconcile the aggregate census data (number of participants and total compensation) from the employers' records to the actuary's report and confirmation.
  - Compare the relevant plan provisions and amendments per review of plan documents with those summarized in the actuary's report as used in the actuarial determination.
  - Consider whether the actuary's assumptions and methods conform to standards for measuring the total pension liability and to the standards for assumptions in GASB Statement No. 68, Financial Reporting for Pension Plans and appear reasonable in relation to the plan's provisions and experience. Specifically, we will consider the reasonableness of the following assumptions:
    - The discount rate (i.e. the rate of return on plan assets)
    - Mortality rates
    - Trends and nature of benefit distributions (for example, lump sum versus annuity)
    - Turnover and retirement assumptions
    - Note: For example, a shift in the plan population over time could warrant a different assumption for turnover or retirement if participants are retiring earlier or later than assumed.
    - The effects of plan benefit formula changes or a freezing of the plan
    - Review the total pension liability for reasonableness.

**Note:** If the amounts in the actuary's report or confirmation appear unreasonable, additional procedures such as obtaining the opinion of another specialist will be necessary.

- Trace amounts in the Schedule of Pension Amounts by employer to the actuary report or other supporting schedules confirmed with the actuary.
- Test the clerical accuracy of the schedule and the allocation of the various elements which include the net pension liability, deferred inflows and outflows of resources and the pension expense.

#### *Phase 4: Reporting and follow-up*

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, our opinion, the financial statements, and management letter will be issued.

Reports to management will include oral and/or written reports regarding:

#### **Independent Auditor's Report**

- Independent Auditor's Report on the Employer Schedules and Other Reporting Required by *Government Auditing Standards*



## Management Letter

- Written Communication to Those Charged with Governance, which includes the following areas:
  - Our responsibility under auditing standards generally accepted in the United States of America
  - Changes in significant accounting policies or their application
  - Unusual transactions
  - Management judgments and accounting estimates
  - Any significant audit adjustments
  - Other information in documents containing the audited financial statements
  - Any disagreements with ERS
  - ERS's consultations with other accountants
  - Major issues discussed with management prior to retention
  - Any difficulties encountered in performing the audit
  - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, the financial statements and management letter will be issued.

ERS will be provided a draft of any comments that we propose to include in the management letter, enabling you to review the comments for accuracy prior to final release. Any items that come to our attention that are not what we consider major items may be discussed verbally with management and not included in the management letter. Our management letter will include items noted during our analysis of your operations. We will also make a formal presentation of the results of the audit to those charged with governance of ERS, if requested.



## E. Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.





## Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Cherry Bekaert LLP  
Charlotte, North Carolina  
November 18, 2022



**SERVICE AGREEMENT**  
between  
**DS CONSULTING GROUP, LLC**  
and  
**Employees' Retirement System of the City of Milwaukee**

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<b>General Service Description:</b>	Professional Management, Information Services, and Quality Assurance Consulting Services
<b>Time of Performance:</b>	January 1, 2027 through December 31, 2031
<b>Maximum Compensation Not to Exceed:</b>	\$1,769,040.00

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**THIS AGREEMENT** is effective January 1, 2027 (the "Effective Date"), by and between DS Consulting Group, LLC, a Wisconsin domestic limited liability company ("CONTRACTOR") and the Employees' Retirement System of the City of Milwaukee, a body corporate and politic under the laws of the State of Wisconsin ("ERS").

**WHEREAS**, CONTRACTOR represents self as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Agreement as an independent business and not as an employee of the ERS; and

**WHEREAS**, ERS wishes to retain the services of CONTRACTOR as described herein.

**NOW, THEREFORE**, the parties hereto do mutually agree as follows:

**1. RETENTION OF SERVICES, STANDARDS, CONTRACT DOCUMENTS.**

- 1.1. The ERS hereby agrees to engage CONTRACTOR and CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the ERS, the services hereinafter set forth, all in accordance with the terms and conditions of this Agreement.
- 1.2. CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR's field of endeavor and like services, and as more specifically set forth in Exhibit B – Contractor's Proposal for Services.
- 1.3. The following constitute the contract documents (collectively the "Agreement"). If there is a conflict or ambiguity (including but not limited to the Effective date and/or the dates of service), the Agreement shall be governed by these listed documents in descending order of precedence:

First:	Service Agreement (this document)
Second:	Pledge of Confidentiality (Exhibit A)
Third:	Contractor's Proposal for Services (Exhibit B)

**2. TIME OF PERFORMANCE.**

- 2.1. The term of this Agreement (“Term”) shall begin on the Effective Date and shall end upon December 31, 2031, or if applicable, earlier termination pursuant to the provisions of this Agreement. The term of this Agreement may be extended by mutual written agreement for an addition term of five years.
- 2.2. Continuation of the Agreement, or any subsequent extension beyond December 31<sup>st</sup> of any year, is contingent upon the proper ERS and City of Milwaukee officials appropriating funds for this purpose.
- 2.3. In addition to all other remedies inuring to the ERS should CONTRACTOR’s obligations and duties under the Agreement not be completed by the end of the Term, CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR’s responsibility to complete the scope of services and to execute any necessary amendments to this Agreement.

**3. SCOPE OF SERVICES.**

- 3.1. CONTRACTOR shall provide services as specified in Contractor’s Proposal for Services, attached as Exhibit B.

**4. CONDITIONS OF PAYMENT.**

- 4.1. CONTRACTOR shall submit invoices to ERS on a monthly basis. Upon receipt of a properly submitted and approved invoice, CONTRACTOR shall be compensated for services and equipment actually provided at the rates and prices set forth on p. 4 of Attachment B (Statement of Work and Estimate) of Exhibit B; however, no payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in Section 11 has been provided. Services are to be provided by Terry Siddiqui at the following hourly wages for an average of 1,800 hours per year: \$180 per hour for 2027 to be increased in 2028, 2029, 2030, and 2031 by the increase in the CPI-W, CPI for Urban Wage Earners and Clerical Workers, US city average, not-seasonally adjusted as published by the U.S. Bureau of Labor Statistics in November of 2027, 2028, 2029, and 2030, respectively, provided that the "not to exceed" shall not be exceeded over the Term.
- 4.2. All other costs, fees, charges and expenses (including but not limited to travel and administrative costs and fees) not set forth in Exhibit B are excluded hereunder unless ERS agrees to those additional fees by written amendment, before they are incurred.
- 4.3. Total compensation to CONTRACTOR shall not exceed \$1,769,040.00 over the Term, except as provided in section 14.
- 4.4. ERS strives to make timely payment on all invoices. Payment to CONTRACTOR shall be deemed timely if the payment is mailed, delivered, or transferred within 30 calendar days after receipt of a properly completed invoice or receipt and acceptance of the property or

service under the order or contract, whichever is later. If ERS does not make payment by the 45<sup>th</sup> calendar day, ERS shall pay simple interest beginning with the 31<sup>st</sup> calendar day at the rate of 1% per month (unless ERS disputes the amount of the invoice). *Reference* Common Council File No. 101137 adopted January 19, 2011, provisions of state statute section 66.0135.

- 4.5. Compensation for services required under this Agreement shall be contingent upon each activity being reviewed for approval by the ERS and approved by ERS for payment. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the ERS Executive Director or its designee shall prevail.
5. **NOTICES.** Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

DS Consulting Group  
4775 Spartan Circle  
Brookfield, WI 53005  
Attention: Terry Siddiqui

and to the ERS at:

Employees' Retirement System  
789 N Water Street, Suite 300  
Milwaukee, WI 53202  
Attention: Bernard J. Allen, Executive Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

6. **REPORTS.** At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information as the ERS may request pertaining to matters covered by this Agreement.

## 7. DOCUMENT OWNERSHIP & CONFIDENTIALITY.

- 7.1. Document ownership. All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same for any purpose without any additional compensation to CONTRACTOR.

- 7.2. Confidentiality.

- 7.2.1. All of the reports, information, data, documents, etc., whether electronic, hard copy, or in any other format (1) prepared or assembled by CONTRACTOR under this Agreement, (2) provided to CONTRACTOR by ERS, and/or (3) developed by CONTRACTOR based on information provided by the ERS in the performance of this Agreement (collectively referred to herein as "confidential material") are confidential and CONTRACTOR agrees that confidential material shall not be made available to any individual or organization, other than an appropriate agency of the United States

Government or as otherwise required by law, without the prior written approval of the ERS Executive Director.

- 7.2.2. Upon termination of this Agreement, CONTRACTOR shall deliver all confidential material of the ERS in its possession to the ERS within thirty (30) business days of such termination and provide ERS with a certification that all of CONTRACTOR's copies of the material delivered to ERS have been destroyed. If there are certain confidential materials that CONTRACTOR cannot practicably return to ERS, or provide a copy to ERS and then provide certification of destruction as described above, or must continue to retain by law or regulation, CONTRACTOR shall provide notice of those retained documents to ERS, and ERS and CONTRACTOR shall consult regarding the ongoing retention, return and/or destruction of those documents. Irrespective of the foregoing, any confidential materials retained by CONTRACTOR must be maintained subject to the confidentiality restrictions set forth in this Agreement, and subject to the requirements of Section 17 "RECORDS".
- 7.2.3. CONTRACTOR further agrees to abide by all federal, state, and local laws, and best business practices, related to the collection, use, storage, protection and dissemination of personally identifiable information.
- 7.2.4. Notice of Unauthorized Acquisition of Confidential Information. CONTRACTOR shall notify the ERS if it has knowledge of an unauthorized acquisition of confidential information within one business day of such knowledge. CONTRACTOR shall take all steps required by law in the event that personal information in the possession of CONTRACTOR is acquired by a person that is not authorized to acquire the personal information.
- 7.3. Access to ERS database. Without limiting sections 7.1 or 7.2, CONTRACTOR acknowledges that in order to perform the scope of services set forth in this Agreement, CONTRACTOR's employee(s) will need to have access to the ERS computer system.
  - 7.3.1. Some portions of the ERS computer system contain confidential records and personally identifiable information relating to individual members of the ERS system including, but not limited to: (1) applications for enrollment/retirement, (2) home addresses, (3) home phone numbers, (4) email addresses, (5) social security numbers, (6) driver's license numbers, (7) financial account numbers, (8) benefit estimate and computation records, (9) beneficiary designations, (10) benefit election forms, (11) medical information, (12) death/birth/marriage certificates.
  - 7.3.2. Only those individual(s) named here may access the ERS database. Before accessing the ERS computer system, these individual(s) are required to sign the written pledge of confidentiality attached hereto as Exhibit A. Individual(s) authorized: Terry Siddiqui.
  - 7.3.3. CONTRACTOR shall implement administrative, physical, and technical safeguards when accessing, transmitting, or storing any data or records from the ERS computer system.

## **8. CONTRACTOR IS INDEPENDENT CONTRACTOR.**

- 8.1. No fringe benefits. Neither CONTRACTOR, nor CONTRACTOR's employees, shall receive or be eligible for any fringe benefits or any other benefits to which ERS salaried employees are entitled to or are receiving.
- 8.2. Taxes, Social Security, Insurance, and Government Reporting. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of CONTRACTOR receiving payment under this Agreement shall be the sole responsibility of CONTRACTOR. Insurance requirements are set forth in Section 11.
- 8.3. Responsibility for CONTRACTOR's Insurance. CONTRACTOR shall be solely responsible to meet CONTRACTOR's insurance needs as required by the ERS during the terms of this Agreement or any extension thereof.
9. **SUBCONTRACTING.** CONTRACTOR shall not subcontract for the performance of any of the services set forth in this Agreement without prior written approval obtained from the ERS Executive Director. CONTRACTOR shall be as fully responsible to the ERS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for acts and omissions of persons directly employed by it.
10. **INDEMNIFICATION AND DEFENSE OF SUITS.**
- 10.1. Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives from all losses, damages, costs, expenses, judgments, or decrees arising out of such action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees. CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom.
- 10.2. Indemnification. 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, agents and representatives against all liabilities, judgments, costs, attorneys fees, and expenses which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever.
11. **INSURANCE.**
- 11.1. General Insurance Requirements.

- 11.1.1. CONTRACTOR will secure and maintain throughout the duration of the Agreement, insurance of such types and in such amounts as may be necessary to protect itself and the interests of the ERS against all hazards or risks of loss as hereafter specified.
- 11.1.2. The form, limits, and underwriter of all required insurance coverage is subject to ERS approval; however, regardless of any ERS review, it shall be the responsibility of CONTRACTOR to maintain adequate insurance coverage at all times.
- 11.1.3. Failure of CONTRACTOR to maintain the specified coverage or to ensure that any subcontractors maintain the specified coverage will not relieve CONTRACTOR of any contractual responsibility or obligation.
- 11.1.4. All policies are to contain notice requirements that ensure that 60 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.
- 11.1.5. Insurers which provide the insurance coverage referenced in this section are to have an A.M. Best rating of no less than A/VIII. CONTRACTOR will provide immediate written notice to the ERS if there is any change in the A.M. Best rating of any insurer.
- 11.1.6. Certificates of Insurance for all of the coverage limits referenced herein must be provided prior to the Effective Date and for each year that the Agreement is in effect.
- 11.1.7. If subcontractors are used, each subcontractor shall meet all requirements in this section 11 (Insurance). It shall be the responsibility of CONTRACTOR to ensure that all subcontractors are in compliance with all insurance and bonding requirements.
- 11.1.8. **All policies other than Workers Compensation/Employers Liability, Professional Liability, Crime and Cyber Risk/Network Security are to include the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives as additional insureds. CONTRACTOR shall ensure that the additional insured status is shown on the Certificates of Insurance and shall provide a copy of the endorsements.**
- 11.1.9. No payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in this section has been provided by CONTRACTOR to ERS.
- 11.1.10. All policies shall be written on an occurrence form, other than professional liability and Crime and Cyber Risk/Network Security as noted below.

11.2. Commercial Automobile Liability.

Combined Single Limit	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	\$1,000,000 per occurrence
Medical Expense	\$10,000 each person

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- If CONTRACTOR owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

#### 11.3. Commercial General Liability.

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate – other than Products/Completed Operations	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must be equivalent to ISO form CG0001 or better.
- Coverage must be occurrence based.
- Coverage will apply on a primary and non-contributory basis. We suggest the following wording:

“If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance.”

- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

#### 11.4. Professional Liability (Errors and Omissions).

Combined Single Limit	\$1,000,000 each accident/incident
	\$1,000,000 Aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.
- Coverage is to be provided on a “per project” basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.
- CONTRACTOR will certify that the policy will be renewed each year of the contract.

#### 11.5. Workers’ Compensation Insurance.

Workers’ Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$100,000 each employee
	\$500,000 policy limit

In addition to those requirements noted above in sections 11.1.1-11.1.9:

- Employer’s Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

#### 11.6. Umbrella (Excess) Liability.

Umbrella (Excess) Liability	\$3,000,000 each occurrence
	\$3,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- The Umbrella insurance policy shall provide coverage excess of the Commercial General Liability, Auto Liability, and Employer’s Liability Coverages, including the amendments stated above.

#### 11.7. Cyber Insurance.

Cyber Insurance	\$1,000,000 each accident
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage shall include cost of notification, cost of identity protection and repair insurance for affected individuals and third party liability.



- 11.8. Self Insurance. Any request for self-insurance must be submitted in writing to the ERS and the ERS' Risk Management Consultant for consideration.
- 12. REGULATIONS.** CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related to the scope of work.
- 13. TERMINATION.**
- 13.1. Termination of Agreement for cause. If, through any cause, CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Agreement, the ERS Executive Director shall thereupon have the right to terminate this Agreement by giving written notice to CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of the termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, or other materials related to the services prepared by CONTRACTOR under this Agreement shall, at the option of the ERS, become the property of the ERS. Notwithstanding the foregoing, CONTRACTOR shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the Agreement by CONTRACTOR, and the ERS may withhold any payments to CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the ERS from CONTRACTOR is determined.
- 13.2. Termination for convenience. The ERS may terminate this Agreement at any time for any reason by giving at least 180 days' notice in writing from the ERS Executive Director to the CONTRACTOR including providing a minimum of 900 billable hours of work during that notice period. Reduction of average billable hours made available to the CONTRACTOR to less than 100 hours per month over two consecutive months may also constitute a notice for termination for convenience unless otherwise mutually agreed upon in writing. If CONTRACTOR is terminated by the ERS as provided in this section 13.2, and not if terminated for cause pursuant to section 13.1, CONTRACTOR will be paid an amount for the services actually and satisfactorily performed.
- 13.3. In no event shall CONTRACTOR charge ERS fees or penalties for termination under this Section 13.
- 14. CHANGES.** The ERS Executive Director may, from time to time, request changes in the scope of services of CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR's compensation which is mutually agreed upon by and between the ERS and CONTRACTOR, shall be incorporated in written amendments to the Agreement.
- 15. PERSONNEL.**
- 15.1. CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the ERS.
- 15.2. All of the work or services required hereunder will be performed by CONTRACTOR or

under their supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

- 16. ASSIGNABILITY.** CONTRACTOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the ERS Executive Director. Provided, however that claims for money due or to become due CONTRACTOR from the ERS under this Agreement may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the ERS Executive Director.

**17. RECORDS.**

- 17.1. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that “any record produced or collected under” this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS.

- 17.2. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Agreement and shall be clearly identified and readily accessible.

- 18. AUDITS AND INSPECTIONS.** 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, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General 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 this Agreement.

**19. CONFLICT OF INTEREST.**

- 19.1. Interest in Contract. 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 this Agreement pertains, shall have any personal interest, direct or indirect in this Agreement.

- 19.2. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Agreement shall have any personal interest, direct or indirect, in this Agreement.
- 19.3. Interest of Contractor and Employees. CONTRACTOR covenants that no person described in sections 19.1 and 19.2 above who presently exercises any functions or responsibilities in connection with the Agreement has any personal financial interest, direct or indirect, in this Agreement. CONTRACTOR further 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 hereunder. CONTRACTOR further covenants that in the performance of this Agreement no person having any conflicting interest shall be employed. An interest on the part of CONTRACTOR or its employees must be disclosed to the ERS. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.

## **20. DISCRIMINATION PROHIBITED.**

- 20.1. In all hiring or employment made possible by or resulting from this Agreement there (1) will not be any discrimination against any employee or applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.
- 20.2. No person in the United States shall, on the ground of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. The ERS and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.
- 20.3. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- 20.4. CONTRACTOR agrees that they will comply with all applicable requirements of the

Americans with Disability Act of 1990, 42 U.S.C. 12101, et seq.

**21. WITHHOLDING OF SALARIES.** If in the performance of this Agreement there is any underpayment of salaries by CONTRACTOR or by any subcontractor thereunder, the ERS shall withhold from CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the ERS for and on account of CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

**22. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES.** Claims and disputes pertaining to salary rates or to classifications of architects, draftsmen, technical engineers, and technicians, if any, performing work under this Agreement shall be promptly reported in writing by CONTRACTOR to the ERS for the latter's decision, which shall be final with respect thereto.

**23. SEVERABILITY.** If any term or condition of the Agreement shall be held invalid or unenforceable, the remainder of the Agreement shall not be affected and shall be valid and enforceable.

**24. GOVERNING LAW & JURISDICTION.**

24.1. Governing Law. The provisions of the Agreement will be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin.

24.2. Jurisdiction. The venue for any proceedings before a court of law (whether federal or state) will be geographically located in Milwaukee County, Wisconsin.

**25. MISCELLANEOUS.**

25.1. Headings. All headings and titles used in contract documents exist for the purposes of document organization and reference and will not be considered a term or condition of any agreement entered into by CONTRACTOR and the ERS.

25.2. Consent to Breach Not Waiver. The consent to a breach of any term or condition of this Agreement by either party will not be considered a waiver of such term or condition nor will such breach be considered consent to a subsequent breach.

25.3. Force Majeure. Neither party will be liable for any failure or delay in the performance of its obligations under this Agreement (and the failure or delay will not be deemed a default of this Agreement or grounds for termination) if both of the following conditions are satisfied: (1) the failure or delay could not have been prevented by reasonable precautions, and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and (2) the failure or delay is caused, directly or indirectly, by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, equipment, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the non-performing party. Upon the occurrence of an event which satisfies both of the above conditions (a "Force Majeure Event"), the non-performing party will be excused from any further

performance of those obligations under this Agreement affected by the Force Majeure Event for as long as (a) the Force Majeure Event continues; and (b) the non-performing party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Upon the occurrence of a Force Majeure Event, the non-performing party will immediately notify the other party by telephone (to be confirmed by written notice within two business days of the failure or delay) of the occurrence of a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

- 25.4. CONTRACTOR agrees time is of the essence and will meet all deadlines and any schedules as set forth in this Agreement.

[THE REMAINDER OF THIS PAGE IS BLANK]

IN WITNESS WHEREOF, the CONTRACTOR and the ERS have caused this Agreement to be executed for and on their respective behalf as of the dates hereinafter set forth.

EMPLOYEES' RETIREMENT SYSTEM  
OF THE CITY OF MILWAUKEE:

DS CONSULTING GROUP, LLC:

By: \_\_\_\_\_  
Matthew P. Bell, Chair  
Pension and Annuity Board

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Bernard J. Allen, Executive Director

Date: \_\_\_\_\_

COUNTERSIGNED:

By: \_\_\_\_\_  
Bill Christianson  
Comptroller, City of Milwaukee

Date

EXAMINED AND APPROVED  
AS TO FORM AND EXECUTION:

By: \_\_\_\_\_  
Assistant City Attorney

Date

**EXHIBIT A**

**PLEDGE OF CONFIDENTIALITY**

A. \_\_\_\_\_ (“contractor employee”) pledges that he/she will safeguard all confidential records at all times; that any notes taken by employee or output of any confidential records that are generated as a result of the project will be held in strictest confidence and not be made available to any unauthorized individual without the express, written consent of the City of Milwaukee Employees’ Retirement System (“ERS”) and that upon completion of the project, all notes or output containing confidential information will be returned securely to the custody of the ERS.

B. All requests for confidential records to the contractor employee from third parties shall be referred to the ERS. The contractor employee shall not make any confidential records available to third parties without the express, written consent of the ERS.

Dated at Milwaukee, Wisconsin this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Subscribed and sworn to before me

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Notary Public, State of Wisconsin

My Commission expires: \_\_\_\_\_

EXHIBIT B – CONTRACTOR’S PROPOSAL FOR SERVICES



May 19, 2025

Employees' Retirement System  
Of the City of Milwaukee  
Attn.: Mr. Jerry Allen, Executive Director  
789 N. Water Street, Suite 300  
Milwaukee, WI 53202

Dear Mr. Allen:

DS Consulting Group (DSCG) is pleased to provide the enclosed proposal for professional management, information services, and quality assurance consulting services to the ERS for the period of January 1, 2027 through December 31, 2031.

DSCG have been providing operational and IT-related services for ERS since the Global Pension Settlement (GPS) project in 2001, and then with MERITS since its inception in 2002. Our involvement in MERITS started with the development of the RFP for MERITS (formerly PMIS), continued with the GAP design and build phase, through testing, and the final rollout of MERITS. We provide subject matter expertise in various areas, including MERITS functionality and operations, liaising with auditors and actuaries, working with the City and its agencies on various matters including insurance, wage and contribution reporting, ERS / WRS eligibility and reporting, and budgetary matters. DSCG also provides expertise with various aspects of IT functions including project management, quality assurance, functional application analysis, and reporting.

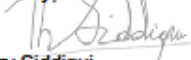
This deep involvement with the ERS and MERITS has given DSCG a sound understanding of the application and processes used by ERS, as well as the body of law that the ERS operates under, including the more recent changes under the Wisconsin 2023 Act 12.

DSCG continues to be interested in working with the ERS and providing services as required. Services being offered include, but are not limited to quality assurance services, user and application support for MERITS, and any planning and implementation efforts related to system upgrade projects. We would also like to indicate that our services will be valuable for the ongoing projects such as the MERITS optimization and Struts projects, as well as upcoming projects such as the network redesign and security enhancements, Workday-related activities, and investigating the possible use of AI in the ERS's work environment.

If the ERS is interested in continuing a relationship with us, we respectfully request the approval of the enclosed contract.

Thank you for your consideration of this request. If you have any questions, please feel free to Terry Siddiqui at 312-399-6206 or [ths@dscg.us](mailto:ths@dscg.us).

Sincerely,

  
Terry Siddiqui  
Partner  
Enclosures

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[www.dscg.us](http://www.dscg.us)



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**DS CONSULTING GROUP, LLC**

**PROPOSAL FOR SERVICES**

**PREPARED FOR  
EMPLOYEES' RETIREMENT SYSTEM**

**CONTRACT PERIOD  
1/1/2027 THROUGH 12/31/2031**

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**Table of Contents**

Attachment A – Qualification of Resources

Resume – Terry Siddiqui

Attachment B – Statement of Work and Estimate

## **Attachment A**

### **Qualifications of Resources**

### **ERS Relevant Qualifications Summary**

- Over 27 years of IS-related experience
- Over 24 years of ERS specific experience
- Knowledge of the jClarety application and architecture generally, and the MERITS application specifically
- Knowledge of Chapter 36, legal opinions, ARIS, ERS processes, and Chapter 350
- Understanding of the City rules related to contributions, benefit payments, GPS, group life insurance, retiree health insurance, etc.
- Knowledge of the impact of WI 2023 Act 12 including new eligibility and reporting requirements
- Close working relationship with staff of ERS and deep understanding of ERS operations
- Close working relationship with entities associated with ERS including agencies; Actuary; auditors (internal and external); City departments including the City Attorney's Office, Comptroller's, DER; and health and prescription providers

## **Tariq H. (Terry) Siddiqui**

### **Experience Summary**

Currently serving as ERS QA Manager and Operations Manager providing business operations support across IT and the organization. Within IT, primary duties include managing the changes and releases to MERITS, updating and designing processes and interfaces to respond to changing business needs, and providing expertise for implementing security and operational controls. Outside IT, primary duties involve user support for all aspects of operations, managing annual processing jobs that have external interfaces such as tax reporting, actuarial reports, auditor data requests; reconciliation and quality checking of monthly payroll; liaising with City and external entities such as the City Attorney's Office, Actuary and health care providers; working with the City and agencies on items such as contribution reporting (including WRS), insurance, and budgetary requests; and working on other ad hoc issues.

Prior to the current role, served in the capacity of Business Architect, System Testing Lead, Rollout Lead, and was involved deeply in the conversion process. Prior duties related to the MERITS project included review of the vendor deliverables including design documents, development and execution of test conditions, validation of the requirements to validate the application met the business requirements in the contract, and served as the primary point of contact for vendor analysts.

Before coming to the ERS for the MERITS project, worked at Accenture in various capacities and these are summarized below. Served at Accenture from June 1999 through August 2003.

Prior to Accenture, worked at the Department of Veterans Affairs Health Care System, Lakeside Division in Chicago in the capacity of Program Assistant for the Research and Development Service.

### **Professional Affiliations and Certifications**

- Project Management Professional (PMP) – 2015
- Member, Program Management Institute (PMI)
- Member, Institute of Internal Auditors (IIA)

### **Skills Summary**

- |   |  |
|---|--|
| • Application Design and Development          | • Functional Design and Development    |
| • Business Architecture Analysis & Design     | • General Management                   |
| • Business Process Mapping                    | • Health and Life Insurance Benefits   |
| • Business Recovery Planning                  | • Process Engineering and Mapping      |
| • Creation of Organizational Policies         | • Project Management                   |
| • Creation of RFPs and RFQs                   | • Quality Assurance                    |
| • Data Conversion                             | • Requirements Analysis and Definition |
| • Business Continuity Planning and Validation | • Rollout Management                   |
| • Disaster Recovery Planning and Validation   | • System Implementation                |

#### Experience Summary and Major Responsibilities

- **Information Systems and Technology**
  - Implementation of a web-based pension management system (COTS product purchased through HP (fka Covansys) – MERITS).
    - Review of governing laws
    - Requirement definition and contractual validation of delivery
    - Business architecture & design
    - Functional design review
    - Data conversion from legacy systems
    - Quality assurance of products
    - Rollout management
  - Development and review of governance policies in light of CoBIT standards and PMBOK
  - Development and execution of system testing methodologies
  - Development of queries and data analysis using PeopleSoft HRMS and Financials
  - Testing of various implementations related to hardware and software upgrades
  - Working with City during WorkDay implementation as that impacts file feeds to ERS, etc.
  - On-going business operations support and quality assurance services
- **Business Recovery Planning**
  - Business impact analysis
  - Disaster recovery planning (DR) and business continuity planning (BCP)
  - Testing of BCP and DR capabilities
- **Life Insurance**
  - Design and development of custom application using VBA and SQL server
  - Management of migration to new underwriter / vendor
- **Health Insurance**
  - Management of migrations to several new providers
  - Health and prescription insurance management, including member issues
  - Benefits design analysis
  - Bill reconciliation
- **Wisconsin Retirement System (WRS) Implementation**
  - Worked with City and others to implement 2023 Act 12
  - Designed and developed changes in MERITS to assist with WRS file processing
  - Devised processes for reporting to WRS, including monthly and annual reconciliation
  - Provide expertise with City and internally to ERS staff regarding eligibility and reporting
- **Audits**
  - Liaise with business and internal auditor for operational and IT audits
  - Liaise with business and external auditor for operational and IT audits
- **Organizational Management**
  - Review and implementation of governing law, policies, and union contracts
  - Development of security awareness policies
  - Development of standard practice instructions
  - Business process mapping utilizing tools such as Visio and ARIS
  - Development and implementation of a contract management system
  - Small scale internal organizational studies to manage workflow
  - Compensation studies
  - Liaise between business and internal / external auditors
  - Actuarial and financial statements data collection, review, and report validation
  - Tax reporting for governmental 401(b) retirement plan

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Tools Experience	
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- ARIS
- Microsoft Office and VBA
- Microsoft SQL Server
- Splunk Search Processing Language

Work Experience	
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2005 – Present	Partner / Owner DS Consulting Group, LLC, Milwaukee, WI
2003 – 2005	Consultant Omni Resources, Milwaukee, WI
1999 – 2003	Analyst to Senior Consultant Accenture (formerly Andersen Consulting), Chicago, IL
1993 – 1998	Program Assistant VA Lakeside Medical Center, Chicago, IL

Education	
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1998	Bachelor of Science / Mechanical Engineering University of Illinois, Chicago, IL
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## **Attachment B**

### **Statement of Work and Estimate**



## Scope / Statement of Work

1. Operations and Application Support and Subject Matter Knowledge
  - Assistance in annual jobs processing including 1099s, actuarial reporting, health enrollment, outside earnings, tax calculations, rollover, member statements, unclaimed properties
  - Liaising with member agencies related to contribution postings and actuarial contribution billing
  - Assistance in WRS processing
  - Managing ad hoc data fixes
  - End user support including but not limited to MERITS application support, Chapter 36, legal opinions, ARIS
  - Serving as liaison between end-users and development and technical teams
  - Training of staff on MERITS and other processes
2. Quality Assurance
  - Management of QA processes, including but not limited to process management, reporting, KPI reporting
    - i. This covers the overall management of the quality assurance SOG, including its updates, implementation, and adherence. Performance measures (metrics) are generated as needed to report on the tickets and change requests.
  - Review of MERITS releases (fixes)
    - i. This items includes the testing of all releases for MERITS and any changes to the application that are released to production. In addition to testing individual changes, a cumulative regression test is performed with all major releases exercising major functional areas, regardless of whether they were updated or not.
  - Review of key deliverables from vendors
    - i. As necessary, deliverables from vendors (such as interim deliverables during the WAS upgrade and the FileNet upgrade) are validated. In addition to the interim testing, validation of the final products are also performed.
  - Review of non-MERITS products, upgrades, and enhancements
    - i. From a QA perspective, any products that are delivered by third party vendors (such as SANs, cmers.com) are validated to ensure that they are working with the Production environment as needed.
  - Development of artifacts such as test plans, test cases, test conditions, etc. depending upon situation
    - i. This activity is part of any major testing effort to document the methodology followed and the items tested, such as during optimization upgrades, struts upgrades, etc.
  - Testing and planning related to business continuity
    - i. BCP and DR tests that are performed are co-owned by the QA team to ensure that the business requirements, recovery time and point objectives, etc. are being met.
3. Design and Analysis
  - Serving as primary and/or backup functional analyst for a wide range of areas within MERITS

- i. As previous functional analysts rolled off, the analysis for several areas transitioned. Primary areas of responsibility as FA: Healthcare, Member Account Maintenance, General Ledger, Payroll, Retirement, and Tax, and Wage and Contribution. Secondary areas of responsibility as FA: Administration, Benefit Adjustment, Case Management, Estimate, and Member Self-Service
  - Serving as end-user contacts and primary help for MERITS application related questions and issues
    - i. Work with users on issues and special situations that come up. Training of staff/new users as necessary.
  - Development of detailed designs
    - i. New functionality that needs to be added requires the preparation of detailed designs that can then be programmed. E.g. updates to unclaimed property, creation of address updates for self-service, etc.
  - Development of functional requirements
    - i. Development of functional requirements for various new functionality. E.g. vendor management, member self-service updates
  - Liaising between end-user and development team
    - i. This item ties back to the development of requirements, generation of detailed designs, and working on tickets/issues
  - Analyzing requirements in light of Chapter 36 and other sources to reduce potential gaps in final application
    - i. As Chapter 36 is updated with new changes, functional requirements analysis has to be completed, followed by detailed design, estimate generation, etc. E.g. when employer contributions changed to employee-paid, when Tier II benefits were added, etc.
  - Designs related to WRS implementation
  - Analysis for the introduction of AI in the ERS environment
4. Upgrade Support and Review
- Development of business cases for upgrades
    - i. As necessary, develop (or assist in the development of) business cases for management to make upgrades to the current MERITS application.
  - Development of artifacts such as test plans, test cases, test conditions, etc. for major projects (as required by the ERS SOG)
    - i. This activity is part of any major testing effort to document the methodology followed and the items tested.
  - Review of finished products before implementation into Production
    - i. Validation of any deliverables to ensure that they are working with the Production environment as needed, and that the requirements and design specifications are met.
  - Providing end-user and production functional support for applications
    - i. Functional analyst role that provides analysis and the development of detailed designs for changes and updates needed to MERITS.
5. Project Management
- Serve on the PMO team to provide support to the Deputy Director and CTO in analysis of MERITS and other applications / projects
  - Development of the IT Strategic Plan
  - Provide KPI information related to QA and other projects

6. Other Applications / Other Duties

- Provide expertise, design and development effort related to the Group Life Insurance and the Vendor Management applications
- Provide backup operator services for the Planet Press (check printing) application
- Develop and maintain the reporting database and train users in its usage
- Perform other duties as assigned by the senior ERS managers

The estimated breakdown of effort by category of work performed for the proposed work is as follows:

Category	Est. Effort
Business Operations, Support, and Subject Matter Expertise	50%
Quality Assurance	20%
Functional Analysis and Design	15%
Project Management, Upgrades and Other IT Operations	10%
Other Applications and Ad Hoc	5%

**Estimate**

DSCG is proposing the following rates and budget for the period of 1/1/2027 to 12/31/2031:

Year	Hourly Rate	Est. Hours	Sub-Total	Contingency @ 5%	Total
2027	\$180.00	1,800	\$324,000	\$16,200	
2028	\$184.00	1,800	\$331,200	\$16,560	
2029	\$187.00	1,800	\$336,600	\$16,830	
2030	\$191.00	1,800	\$343,800	\$17,190	
2031	\$194.00	1,800	\$349,200	\$17,460	
<b>Total</b>			<b>\$1,684,800</b>	<b>\$84,240</b>	<b>\$1,769,040</b>

The hourly rate increases in year 2 and onwards are provided for budgetary purposes; the actual increase will be based upon the CPI-W, seasonally unadjusted rate published by the Bureau of Labor Statistics using the values published for November of the year prior to the effective date of the change to November two years prior to the effective date of the change. The new rates will be effective for work performed starting January 1 of a given year. This language follows the contract language that DSCG is currently operating under.

It is requested that the termination for convenience clause be modified to include a minimum of 180 days notice (currently approved at 120 days notice) for termination for convenience by the ERS with a minimum of 900 hours (currently approved at 500 hours) of chargeable work being provided during that period. Unless mutually agreed upon, reduction of billable hours for two consecutive months to less than 120 hours per month may be considered as notice for termination for convenience.

The budget does not include costs for any additional resources that may be added to the project at a later date.

# IT Projects and Ticket Statistics

- Major Projects/Initiatives:

- Microsoft Windows Desktop and Laptop OS Upgrade (In Progress)
- IP Address Review and Cleanup 2024 (In Progress)
- DNS Review and Cleanup 2024 (In Progress)
- AD Review and Cleanup 2024 (In Progress)
- Network Redesign (In Progress)
- Titan Upgrade for CMERS.com (In Progress)
- Firewall Review and Cleanup 2024 (Completed)
- Storage Area Network Firmware Upgrade (Completed)
- VMware Environments Upgrade (Completed)
- IT Vulnerability Audit (Completed)
- Network Infrastructure Firmware/OS Upgrade (Completed)
- Struts Upgrade and Modernize MERITS Website (In Progress)
- Upgrade FileNet P8 to IBM CloudPak4BA (In Progress)
- Upgrade EJB from 2.0 to 3.0 (Completed)
- Rational Application Developer for Windows 11 Upgrade (Completed)

- Application Statistics:

Category	High Priority	Low Priority	Total
Current Inventory	13	0	13
PIR's	5	0	5
CCR's	8	0	8
Pending/Hold	0	0	0
Deployed(Awaiting Next stage) /Ready for Production	1	0	1
Net Current Inventory	12	0	12

Portfolio as of June 3, 2025

Project Health	% Work Complete	Priority	Complexity (S / M / L)	Project Name	Project Mgr	Description	Strategic Goal	Status	Additional Vendor Required: Y/N	Actual Start Date	Target Completion Date	Estimates (Hours)	Actuals (Hours)	Hours Variance = Estimates - Actuals
G	35%	1	M	Microsoft Windows Desktop and Laptop OS Upgrade @	Powell	Upgrade the OS for Desktops and Laptops to Latest Stable Version	G1	IP	N	2/1/24	10/15/25	100	86.25	13.75
G	80%	2	M	Investigate Potential Replacements for Tracker/Serena/Solutions Business Manager @	John	Determine and Implement the Replacement Product for Tracker	G1	IP	N	5/3/24	6/30/25	300	198.00	102.00
G	15%	3	M	Titan Upgrade @	Zaffiro	Upgrade Titan to Latest Stable Version	G1	IP	Y	1/31/25	7/31/25	100	11.25	88.75
G	29%	4	M	IP Address Review and Cleanup 2024 @	Zampino	Complete the Yearly IP Address Review for 2024	G1	IP	N	2/27/25	9/30/25	100	6.25	93.75
G	80%	5	M	DNS Review and Cleanup 2024 @	Zampino	Complete the Yearly DNS Review for 2024	G1	IP	N	2/27/25	9/30/25	100	7.50	92.50
G	24%	6	M	AD Review and Cleanup 2024 @	Zampino	Complete the Yearly AD Review for 2024	G1	IP	N	2/27/25	9/30/25	100	6.25	93.75
G	1%	7	L	Network Redesign	Zaffiro	Project to Redesign Network Infrastructure	G1	IP	Y	11/27/24	12/31/26	600	15.00	585.00
G	13%	8	L	Upgrade FileNet P8 to IBM CloudPak4BA	Manchu	Upgrade Scanning, Indexing and Imaging to IBM CloudPak for Business Automation	G1	IP	Y	4/15/24	8/31/25	1,637	130.00	1,507
G	86%	9	L	Upgrade Struts and Modernize MERITS Website	Manchu	Upgrade Struts Framework and Modernize MERITS Web Application	G1	IP	N	6/10/21	12/31/25	18,850	17,433	1,417
Green = On Target / No Significant Issues / All Updates Approved								@ = Activity (no charter)		NS = Not Started		OH = On Hold		
Yellow = On Watch List – Issues Being Addressed										IP = In Process		C = Completed		
Red = Project cannot move forward as planned without management attention or approval.														

Completed Projects & Tasks in Last 12 Months	Finished	Hours
Perforce Upgrade @ (John)	4/17/2024	34 hours
Upgrade Network Infrastructure Firmware/OS @ (Zampino)	4/24/2024	91 hours
Change Auditor Upgrade @ (Prosser)	4/30/2024	9.75 hours
Upgrade Tracker/Serena Business Manager/Solutions Business Manager @ (John)	5/1/2024	31.75 hours
Upgrade SAN Firmware and DSM @ (Raynal)	5/8/2024	23.25 hours
Upgrade Altiris/Symantec IT Management Suite @ (Prosser)	5/8/2024	31.25 hours
IT Vulnerability Audit @ (Zampino)	6/26/2024	66.25 hours
Upgrade CentOS Systems to Red Hat Enterprise Linux 9 @ (Zampino)	6/26/2024	19.50 hours
Upgrade Backup Exec and Agents on PDBKDR2 and PDBK2 @ (Prosser)	6/26/2024	108.25 hours
AD Review and Cleanup 2023 @ (Powell)	7/16/2024	17.25 hours
Firewall Review and Cleanup 2023 @ (Powell)	7/19/2024	7 hours
IP Address Review and Cleanup 2023 @ (Powell)	8/2/2024	18.50 hours
DNS Review and Cleanup 2023 @ (Powell)	8/26/2024	9.75 hours
Upgrade System Galaxy Security System @ (Prosser)	9/18/2024	7 hours

Completed Projects & Tasks in Last 12 Months	Finished	Hours
MERITS - SQL LiteSpeed Upgrade @ (John)	10/9/2024	20.25 hours
MERITS - SQL Sentry Upgrade @ (John)	10/16/2024	4 hours
Disaster Recovery Test @ (Siddiqui)	11/12/2024	50 hours
Upgrade Printer Firmware @ (Powell)	1/8/2025	5 hours
Upgrade 789 and RO PC Firmware @ (Powell)	1/8/2025	13.75 hours
Upgrade Planet Press @ (John)	1/31/2025	24.75 hours
Upgrade Planet Press @ (John)	2/1/2025	24.75 hours
Upgrade Server Firmware @ (Prosser)	1/9/2025	38.75 hours
SQL LiteSpeed Upgrade @ (John)	3/26/2025	15 hours
MERITS - EJB Upgrade @ (Manchu)	4/3/2025	210 hours
Upgrade Network Infrastructure Firmware/OS @ (Zampino)	4/2/2025	33.5 hours
Internal Audit Vulnerability Assessments @ (Zampino)	4/2/2025	87.75 hours
Upgrade VMware Environments @ (Prosser)	4/2/2025	235 hours
Upgrade SAN Firmware and DSM @ (Raynal)	5/16/2025	25.5 hours
Firewall Review and Cleanup 2024 @ (Zampino)	5/30/2025	9.25 hours

# Organizational/Personnel Update

Administration and Operations Committee

Wednesday, June 11, 2025

The ERS has no vacancies.