



KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

3100 Broadway, Suite 1211
Kansas City, MO 64111
Email: kcpsrs@kcpsrs.org

816.472.5800
Fax: 816.472.5909
Website: www.kcpsrs.org

REQUEST FOR PROPOSAL (RFP)

TO PROVIDE

PROFESSIONAL AUDITING SERVICES

August 1, 2021

Table of Contents

| | |
|---|-----------|
| INTRODUCTION | 3 |
| BACKGROUND | 3 |
| SCHEDULE OF DELIVERABLES | 4 |
| AUDIT SERVICES REQUIRED | 4 |
| Scope of Work | 4 |
| ASSISTANCE TO BE PROVIDED TO AUDIT FIRM | 5 |
| PROPOSER QUESTIONS REGARDING RFP | 6 |
| PROPOSAL SUBMISSION REQUIREMENTS | 6 |
| General Requirements | 6 |
| Technical Requirements | 7 |
| Fees and Hourly Rates Requirements | 8 |
| RIGHT TO REJECT PROPOSAL | 9 |
| REVIEW AND EVALUATION OF PROPOSAL | 9 |
| BID AWARD | 10 |
| ADDENDA | 10 |
| MISSOURI SUNSHINE LAW | 10 |
| WORKING PAPER RETENTION | 11 |
| ADDITIONAL INFORMATION | 11 |
| GLOSSARY | 11 |
| APPENDIX A: PROPOSER GUARANTEES AND WARRANTIES | 12 |
| APPENDIX B: SAMPLE FEE STRUCTURE | 13 |

INTRODUCTION

The Kansas City Public School Retirement System (the “KCPSRS” or “System”) is issuing this Request for Proposal (“RFP”) to solicit proposals from qualified professional auditing firms (the “Firm” or “Proposer”) to perform the annual audit of KCPSRS' financial statements in conformity with auditing standards generally accepted in the United States (please refer to [Audit Services Required](#) for [Scope of Work](#)). KCPSRS expects to enter a five (5) year contract with the contract term beginning with the audit for the year ending December 31, 2021.

BACKGROUND

KCPSRS, created in 1944, is governed by the statutes of the state of Missouri. KCPSRS is designed to provide a significant and stable source of retirement, disability, and survivor benefits for the employees of the Kansas City, Missouri School District (the “School District”); the Kansas City Public Library District (the “Public Library”); the Charter Schools within the boundaries of the Kansas City Missouri School District; and the Retirement System. As of January 1, 2021, KCPSRS had total assets over \$690 million when measured on a market value basis for the approximately 11,300 members served by the System, of which over 4,000 are retirees.

KCPSRS is a Defined Benefit (“DB”) pension plan (the “Plan”) providing lifetime retirement benefits to qualified members based on calculation formulas set by Missouri law. A twelve-member Board of Trustees (the “Board”) is responsible for the overall administration of KCPSRS. The Board administers and operates the Plan in accordance with the statutes of the State of Missouri. The System is a cost-sharing Plan funded by employee and employer contributions and investment earnings. The Plan assumes full responsibility for investment decisions. KCPSRS’ mission works to fulfill the expectation of a secure retirement for employees of the School District, Charter Schools and Public Library. In pursuit of its mission, the System’s work is guided and informed by four core values:

- **Fiduciary Stewardship:** We are legally and ethically responsible to our members to safeguard the assets that provide for their future financial security.
- **Accountability:** Our principle obligation and concern is the security of member assets through efficient operations and prudent investment decisions.
- **Transparency:** We ensure openness in all aspects of governance and operations for our members and community.
- **Member Focused:** We strive to make all decisions in the best interest of our members. All of our work begins with the question, “Is it good for our members?”

All regular, full-time employees of the School District, the Public Library, Charter Schools, and the Retirement System become participants as a condition of employment. Regular employment means working at least five hours per day, five days per week, nine months per year. Temporary and part-time employees are excluded. The Plan offers two retirement plans: Plan B applies to anyone who retires on or after June 30, 1999 and was hired prior to January 1, 2014. Plan C applies to members hired on or after January 1, 2014. All members with Plan A benefits have terminated or retired.

Normal Retirement Eligibility

- **Plan B:** Participants may retire after (a) the completion of five years of creditable service and the attainment of age 60, or (b) having a total of at least 75 credits, with each year of creditable service and year of age, both prorated for fractional years, equal to one credit.
- **Plan C:** Participants may retire after (a) the completion of five years of creditable service and the attainment of age 62, or (b) having a total of at least 80 credits, with each year of creditable service and year of age, both prorated for fractional years, equal to one credit.

Benefit

- Plan B: The normal retirement benefit payable monthly equals one twelfth of 2.00% (1.75% for participants who retired prior to June 30, 1999) of the participant's average final compensation multiplied by years of creditable service, subject to a maximum of 60% of average final compensation. Any participant whose years of creditable service exceed 34.25 years on August 28, 1993 shall have a maximum greater than 60%, which shall be equal to 1.75% times the participant's years of creditable service on August 28, 1993.
- Plan C: The normal retirement benefit payable monthly equals one twelfth of 1.75% of the participant's average final compensation multiplied by years of creditable service, subject to a maximum of 60% of average final compensation.

KCPSRS also provides a disability retirement benefit for members who become permanently incapacitated from performing their usual and customary duties (whether the disability was caused or related to providing service or not), subject to certain eligibility requirements, as well as death benefits.

SCHEDULE OF DELIVERABLES

| Deliverable | Date | Time |
|---|--------------------|-------------|
| Issue of RFP | August 1, 2021 | |
| Proposer questions due | August 20, 2021 | 4:30 PM CST |
| Answers to Proposer questions posted to website | September 3, 2021 | 4:30 PM CST |
| RFP submission deadline | September 17, 2021 | 4:30 PM CST |
| Notification to finalist(s) for presentation | October 5, 2021 | 4:30 PM CST |
| Firm(s) presentation to Audit Committee | October 19, 2021 | |
| *If necessary, to the full Board of Retirement | November 1, 2021 | |
| Award Contract | T.B.D. | |
| Executed Contract | November 15, 2021 | |

KCPSRS reserves the right to modify the schedule at any time.

AUDIT SERVICES REQUIRED

KCPSRS is soliciting the services of qualified Firms of certified public accountants to audit its financial statements — for a five (5) year term commencing with the year ending December 31, 2021 and continuing for the next four years ending December 31, 2025 – including audit preparation and communication of any significant deficiencies and material weaknesses in internal controls in a management letter. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, all applicable federal and state laws, regulations and rules, and the provisions contained within this request for proposal.

Scope of Work

- I. **Financial Statement Audit:** The selected Firm will be required to perform the audit with the objective of expressing an opinion about whether KCPSRS' financial statements are fairly presented, in all material respects performed in accordance with accounting principles generally accepted in the United States of America. Perform

an audit of the statements of financial position of KCPSRS and the related statements of activities for the years ending in December 31.

- 1) Review of Employee and Employer Contributions: Perform a review of employee and employer contributions sent to and received by KCPSRS via confirmation letters to the Charter Schools, the School District, the Public Library, and the Retirement System.
 - 2) Perform a review of the information provided by the custodial bank by sending confirmation letters to each of the money managers working for KCPSRS.
 - 3) With regards to KCPSRS' investment holdings review if unrelated business taxable income ("UBTI") is reported as part of the K-1 distributed to investors on an annual basis. for years ending December 31 under the 2017 Tax Cut and Jobs Act.
- II. **GASB 68 Audit:** In conjunction with the financial statement audit, the auditor will be required to perform an audit of schedules related to GASB Statement No. 68 ("GASB 68"), Accounting and Financial Reporting for Pensions, that is prepared by the System's actuary with the objective of expressing an opinion about whether these schedules are presented fairly, in all material respects, without qualification for the years ending December 31.
- III. **Comprehensive Annual Financial Report Review:** As part of the audit engagement, the auditor will be required to perform a review of the Comprehensive Annual Financial Report of the System for the years ending December 31. Since KCPSRS participates in the Government Finance Officers Association's (the "GFOA") Certificate of Achievement for Excellence in Financial Reporting program, the auditor will review KCPSRS' Comprehensive Annual Financial Report for compliance with the program.
- IV. The auditor will be required to present a report on the fair presentation of the financial statements to the KCPSRS' Audit Committee and, if necessary, to the full Board.
- V. The minimum number of meetings the auditor will be expected to attend includes one Audit Committee meeting and one Board meeting. If needed, the auditor may be requested to attend additional meetings.
- VI. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the KCPSRS' Audit Committee.

ASSISTANCE TO BE PROVIDED TO AUDIT FIRM

If necessary, KCPSRS will provide the auditors workspace and read-only access to the relevant systems' applications. The auditors' Point of Contact(s) for the audit engagement will be KCPSRS' Executive Director and Associate Director. The Associate Director will prepare reports and documents as requested by the auditors on a timely basis. It is expected that KCPSRS' books will be closed and ready for audit towards the end of February with supporting documentation sent throughout the month of March. The auditor is expected to prepare a draft audit report and fair presentation of the financial statements at the June Board meeting with the GASB 68 audit completed thereafter (however, no later than end of August). KCPSRS prepared schedules and reports will include, but are not limited to, the following:

- I. Preliminary Trial Balance and Financial Statements
- II. Reconciled subsidiary ledgers and accounts
- III. Bank Reconciliations
- IV. Confirmations
- V. Analytical review
- VI. Note Disclosures

The Point(s) of Contact Information

| | |
|---|----------------------------------|
| Jim Roehner, Executive Director | Laura Oswald, Associate Director |
| 3100 Broadway, Suite 1211 / Kansas City, MO 64111 | |

| | |
|------------------------|-------------------------|
| (816) 897-8903 | (816) 897-8902 |
| jim.roehner@kcpsrs.org | laura.oswald@kcpsrs.org |

PROPOSER QUESTIONS REGARDING RFP

Proposers may email questions regarding this RFP to the Point of Contact(s) through 4:30 PM CST on Friday, August 20, 2021. Email is the preferred method of communication. All written questions must include the name of the Firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be posted on KCPSRS' web site, www.KCPSRS.org, no later than 4:30 PM CST on Friday, September 3, 2021. This will be the only distribution method for the Q&A responses.

PROPOSAL SUBMISSION REQUIREMENTS

A standard format for proposal submission is provided herein. Adherence to this format will help ensure a fair and objective analysis of submitted proposals. The requested information is organized into individual sections, which should correspond to individual sections in the submitted proposals. Proposals must respond to each topic in the order presented, and responses should be numbered as stated in [Requirements](#) of this RFP. KCPSRS reserves the right to declare as nonresponsive and reject any proposals in which information is requested and is not furnished or when a direct or complete answer is not provided.

General Requirements

I. Transmittal Letter

- 1) The letter should be addressed to the Executive Director. The letter should include the audit Firm's Point of Contact's name and title, address, telephone number, and email address.

II. Table of Contents

- 2) The proposal's table of contents should include a clear and complete identification of the materials by section and page number.

III. Proposal Summary

- 3) Each proposal shall provide a narrative summary of the proposal being submitted. This summary should identify all the services and work products that are being offered in the proposal and should demonstrate the Firm's understanding of the project.

IV. Firm Qualifications

- 4) The Firm should provide a brief profile of the Firm, including the types of services offered, form of the organization (corporation, partnership, sole proprietorship), number of offices, size and location of the Firm and the size of the Firm's governmental audit staff.
- 5) Provide information about the Firm's technical resources and participation in state and national accounting and auditing industry groups.
- 6) Briefly describe your Firm's diversity, equity & inclusion ("DEI") efforts. What meaningful progress has the Firm made that advances its business objectives with DEI efforts?
- 7) The Firm should be licensed to practice in the state of Missouri and be in good standing with the state.
- 8) Provide any material litigation which has been threatened against the Firm or to which the Firm is currently party; a list and brief description of litigation brought against the Firm by existing or former clients over the last five (5) years.
- 9) The Firm should have governmental accounting experience. Experience auditing pension funds would be favorable, but not required.

- 10) **Three (3) business references of other audit clients similar in size and need.** Each reference should include the following:
- i. Client's name, address, and phone number
 - ii. Principal client contact name, title, email, and phone number
 - iii. A brief statement indicating the scope of work.

V. Staff Qualifications and Experience

- 11) The Firm should identify the principal supervisory and management staff and other supervisors and specialists who would be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Missouri.
- 12) The Firm should provide their policy regarding the rotation of partners on financial statement audits.
- 13) The Firm should provide information on the governmental auditing experience of each person-including information on relevant continuing professional education for the past three (3) years. Include a biography or resume for everyone identified.
- 14) The Firm should also indicate how the quality of staff over the term of the agreement will be assured.
- 15) Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the Firm, are promoted, or are assigned to another office. These personnel may also change for other reasons with the express prior written permission of KCPSRS. However, in either case, KCPSRS retains the right to approve or reject the replacement staff.

VI. Proposer Guarantees and Warranties

- 16) The Proposer will guarantee to provide all services set forth in [Audit Services Required](#) section and warranty their compliance with this [Requirements](#) section of the RFP. See [Appendix A](#).

Technical Requirements

VII. Standard Professional Services Contract

- 17) Provide a copy of your Firm's standard professional services contract.

VIII. Specific Audit Approach

- 18) The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform audit services required as stated in the [Scope of Work](#). Provide in sufficient detail the Firm's approach to KCPSRS' audit, including but not limited to, the following:
 - procedures to be performed
 - tasks to be accomplished under GASB #40 and other GASB pronouncements
 - extent to which statistical sampling is to be used in the engagement
 - type and extent of use of software in the audit engagement
 - analytical procedures that may be used
 - the approach to be taken to gain and document an understanding of KCPSRS' internal control structure
 - the approach to be taken in drawing audit samples for purposes of compliance testing
 - the consideration of laws and regulations
 - any other assistance required from KCPSRS' Point of Contact(s) not otherwise listed in the schedule above.

IX. Identification of Anticipated Potential Audit Problems

- 19) The proposal should identify and describe any anticipated potential audit problems, the Firm's approach to resolving these problems, and any special assistance that will be requested from KCPSRS' staff.

X. Report Format

- 20) The proposal should include sample formats for required audit reports that may help illustrate the proposed methodology and final work product.

XI. Confidentiality

- 21) The Proposer is expected to comply with Missouri statues regarding confidentiality of membership data and agrees not to disclose confidential membership information to other parties without KCPSRS's prior authorization and approval.

Fees and Hourly Rates Requirements

XII. Total All-Inclusive Maximum Price

- 22) The proposal should contain all audit fees and estimated hours relative to performing this engagement as described in this RFP for the five (5) year contract. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including out-of-pocket expenses.
- 23) The costs associated with (1) audit of the statements of financial position, including a review of employee and employer contributions AND a review the reporting provided by the custodial bank with the information provided by the money managers working for KCPSRS; (2) the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer audit (GASB 68 Audit); and (3) review of the Comprehensive Annual Financial Report. The work should be included as a separate line items in the fee proposal. See [Appendix B- Schedule of Professional Fees and Expenses](#) for an example.
- 24) All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the Firm shall provide in writing and in advance, the reasons for the additional services together with the Firm's estimate of costs, and a statement that no work will be performed without advance approval by KCPSRS.
- 25) KCPSRS will not be responsible for expenses incurred in preparing and submitting the technical proposal or the bid. Such costs should not be included in the proposal.
- 26) The fee proposal should include a certification that the person signing the proposal is entitled to represent the Firm, empowered to submit the bid, and authorized to enter a contract with KCPSRS.

XIII. Hourly Rates of Staff

- 27) The fee proposal should include a schedule of professional fees and expenses that supports the all-inclusive maximum price.
- 28) The schedule should include rates by staff level (partner, manager, supervisory and staff) times the number of hours anticipated in aggregate. See [Appendix B- Schedule of Professional Fees and Expenses](#) for an example of fee proposal.

XIV. Out-of-Pocket Costs

- 29) All estimated out-of-pocket expenses to be reimbursed should be presented in the bid. Out-of-pocket costs should be listed by type, meals and lodging, transportation, etc. See [Appendix B- Schedule of Professional Fees and Expenses](#) for an example.

All RFP packages should be submitted to:

Kansas City Public Schools Retirement System
Attention: Jim Roehner, Executive Director
3100 Broadway, Suite 1211
Kansas City, MO 64111

Proposals are due by 4:30 PM CST on Friday, September 17, 2021, and are to be received by KCPSRS, marked to the attention of the Executive Director, within this timeframe. It is the responsibility of the Proposer to ensure that the proposal arrives on or before the time and date written herein. Failure to comply with this provision will result in immediate disqualification from the RFP outstanding search process. KCPSRS reserves the right to reject any or all proposals submitted.

In addition to receiving an original proposal and seven (7) hardcopies, an electronic copy, either in Microsoft Word or Adobe Acrobat PDF format of the proposal, must be sent directly to jim.roehner@kcpsrs.org, or through the Dropbox link provided on KCPSRS' website, within this timeframe as well.

Note that Proposer responses will be subject to disclosure to the public upon written request under the Missouri Sunshine Law (see below for more detail regarding the [Missouri State Open Meetings and Records Law](#)).

KCPSRS has enacted a Quiet Period Rule to ensure that the process of selecting Investment Managers and/or Service Providers is efficient, diligent, and fair. Therefore, potential beneficiaries of a Service Provider RFP are prohibited from contacting the Staff, or the Board during an RFP outstanding search process. Violation of this rule may lead to immediate disqualification from further review.

RIGHT TO REJECT PROPOSAL

- I. Proposals received past the deadline will automatically be disqualified.
- II. By submitting a proposal, Proposers acknowledge that they have read this RFP, understand it, and agree to be bound by its requirements unless clearly and specifically noted in the response submitted. KCPSRS reserves the right without prejudice to reject any and all responses. KCPSRS reserves the right to modify the terms and requirements of this RFP. Any such changes or corrections will be posted on KCPSRS' website, available at www.kcpsrs.org.
- III. If the information in the Firm's response is deemed to be insufficient for evaluation, KCPSRS reserves the right to request additional information or to reject the submittal outright. False, incomplete, or unresponsive statements in connection with a submittal may be sufficient for its rejection. The selection of the fulfillment of the requirements will be determined by KCPSRS and such judgement shall be final.
- IV. All terms, conditions, requirements, and procedures included in the RFP must be met for a response to be qualified as responsive. A submission that fails to meet any material term, condition, requirement, or procedure of this RFP may be disqualified.
- V. KCPSRS reserves the right to modify, amend, or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP. A proposal shall constitute an irrevocable offer for 120 business days following the deadline for submission. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

REVIEW AND EVALUATION OF PROPOSAL

KCPSRS will convene a review panel to evaluate all proposals and develop recommendations to the Audit Committee. Proposals will be evaluated on the quality of responses to all the items included in the [Requirements](#) of this RFP. During the evaluation process, KCPSRS reserves the right, where it may serve KCPSRS' best interest, to request additional information or clarifications from Proposers, or to allow corrections of non-material errors or omissions. The following weighted factors will be considered when evaluating the responses:

- | | |
|---|-----|
| I. Firm's experience, capabilities, and references | 20% |
| II. Quality and experience of assigned professional personnel | 20% |
| III. Schedule, estimation of hours and audit approach | 20% |
| IV. Communication, understanding of scope and overall quality of proposal | 20% |
| V. Fee Proposal | 20% |

BID AWARD

One or more of the respondents may be selected as a finalist. Finalists will be required to make an oral presentation to the Audit Committee on Tuesday, October 19, 2021. The Audit Committee will make their selection based on the quality and responsiveness of the oral presentation and the information provided in the written proposal. KCPSRS reserves the right to negotiate the terms of any contract that may result from the RFP outstanding search process. Any contract resulting from this RFP shall be governed by and in accordance with Missouri laws. Before any work can commence under the contract, final approval must be given by the Board. KCPSRS is not responsible for any costs incurred by the Proposers prior to the execution of the contract. Each Proposer will be notified in writing as to the award of the bid. Upon acceptance of the contract, payment will be made by KCPSRS via progress billings with 25 percent being retained until submission of the final report.

ADDENDA

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

MISSOURI SUNSHINE LAW

The proposal your Firm submits in response to this RFP will become the exclusive property of KCPSRS. It will not be returned to you, and it will be subject to public disclosure pursuant to the Missouri State Open Meetings and Records Law – Mo. Rev. Stat. Secs. 610.010 to 610.030., (the "Law"). The Law provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Law.

If you believe that any portion of your proposal is exempt from public disclosure under the Law, such portion must be marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY." KCPSRS will deny public disclosure of any portions so designated, provided that such designation is, in KCPSRS' reasonable discretion, in accordance with applicable law. Proposals marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and KCPSRS will not deny public disclosure of all or any portion of proposals so marked. By submitting a proposal with specifically selected portions marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" you represent you have a good faith belief that such material is exempt from disclosure under the Law, and you agree to reimburse KCPSRS for, and to indemnify, defend and hold harmless KCPSRS, its officers, fiduciaries, employees and agents from and against: any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to KCPSRS' no - disclosure of any such designated portions of your proposal; and (b) any and all Claims arising from or relating to KCPSRS' public disclosure of any such designated portions of your proposal if KCPSRS reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

In addition to the foregoing, KCPSRS Board and Committee meetings are subject to Missouri open-meeting requirements set forth in the Law. Your proposal and/or contract (if your Firm is selected) may be presented or discussed at a public meeting of the KCPSRS Board (or at a Board committee meeting). Among other things, that means that, regardless of whether you mark portions of your proposal as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY," that information may be discussed or presented at a meeting that is open to the public under the Law.

WORKING PAPER RETENTION

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

ADDITIONAL INFORMATION

Proposals may include any additional information that might be helpful to gain an understanding of the proposal, e.g., diagrams, excerpts from reports, or other explanatory documentation that would clarify and/or substantiate the proposal. Any materials included in this section should be specifically referenced elsewhere in the proposal.

GLOSSARY

Each proposal shall provide a glossary of all abbreviations, acronyms, and technical terms used to describe the services or products proposed. This glossary should be provided even if the terms are described or defined when first used in the proposal response.

APPENDIX A: PROPOSER GUARANTEES AND WARRANTIES

Proposer Guarantees and Warranties

PROPOSER GUARANTEES

The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in [Audit Services Required](#) section of this RFP.

Signature of Official: _____ Date: _____

Name (typed): _____

Title: _____

Firm: _____

PROPOSER WARRANTIES

- I. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents thereof; Workers Compensation and Employer’s Liability; Comprehensive General Liability and Bodily Injury Insurance, and Automobile Liability (Owned and Non-Owned); and Property Damage Insurance. Prior to any commencement of audit services, the auditor will be required to provide certificates of insurance coverage to KCPSRS.
- II. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of KCPSRS.
- III. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____ Date: _____

Name (typed): _____

Title: _____

Firm: _____

APPENDIX B: SAMPLE FEE STRUCTURE

Hourly Rates

Hourly rates of the Firm’s employees should be provided by the Firm for services which may be requested outside the scope of the audits as shown below. The hourly rates should be inclusive:

| Classification | Hourly Rate |
|-------------------|-------------|
| Partner | \$ |
| Manager | \$ |
| Senior Accountant | \$ |
| Staff Accountant | \$ |
| Other (Specify) | \$ |

Schedule of Professional Fees and Expenses For the Audit of KCPSRS

| Services | Estimated Hours / Costs | Year Ended December 31 | | | | |
|--|-------------------------|------------------------|-----------|-----------|-----------|-----------|
| | | 2021 | 2022 | 2023 | 2024 | 2025 |
| Financial Statement Audit | | \$ | \$ | \$ | \$ | \$ |
| GASB 68 Audit | | \$ | \$ | \$ | \$ | \$ |
| Comprehensive Annual Financial Report Review | | \$ | \$ | \$ | \$ | \$ |
| Out-of-Pocket Expenses: | | | | | | |
| Meals | | \$ | \$ | \$ | \$ | \$ |
| Lodging | | \$ | \$ | \$ | \$ | \$ |
| Transportation | | \$ | \$ | \$ | \$ | \$ |
| Other (Specify) | | \$ | \$ | \$ | \$ | \$ |
| Total All-Inclusive Maximum Price for Audit | | \$ | \$ | \$ | \$ | \$ |