



MISSOURI LAGERS

**Request for Proposal for
Professional Auditing Services**

March 24, 2025

Missouri Local Government Employees Retirement System

PO Box 1665
Jefferson City, MO 65102

Missouri LAGERS Request for Proposal

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Missouri LAGERS
Request for Proposal
Professional Auditing Services

I. General Information for the Bidder

A. Invitation to Submit Proposal

The Missouri Local Government Employees Retirement System (“LAGERS” or “the System”) is issuing the Request for Proposal (RFP) with the intent to select and hire an independent certified public accounting firm (“Firm” or “Auditor”). The Firm is to perform the following: (1) audit LAGERS financial statements, (2) examine LAGERS’ controls for processing census data and related financial data, and additions and deductions to employer and member accounts (“SOC 1 Type 2” report) and (3) audit LAGERS Staff Retirement Plan and Retiree Healthcare Plan financial statements. LAGERS expects to enter into a Master Service Agreement with the selected Firm for a five-year contract, with a five-year renewable option to include the contract term beginning with:

- 1) The financial audits for the year ended June 30, 2026, and the fiscal years 2027, 2028, 2029, and 2030, and
- 2) The SOC 1 Type 2 engagement for the initial attestation period of July 1, 2025 through June 30, 2026 and for the subsequent 12-month periods ending June 30, 2030.

B. LAGERS Contact Person

Direct all questions and correspondence regarding the RFP to:

Contact Person for All Matters Relating to this RFP	
Name & Title	Danielle Plassmeyer, Accountant III
Email	dplassmeyer@molagers.org
Telephone	573-632-6355
Physical Address	701 W. Main Street, Jefferson City, MO 65101
Mailing Address	PO Box 1665, Jefferson City, MO 65102

Only written questions submitted by the question deadline in Section I.C. will be accepted. Written answers to such questions shall be sent to those Firms notifying LAGERS of its intent to bid.

From the date of the issuance of this RFP until the selection of a Firm is completed and announced, Firms that intend to submit a Proposal should not contact any LAGERS staff or Board Trustee other than to submit written questions to the “Contact Person.” Communicating directly or indirectly with any other LAGERS staff or Board Trustee regarding the RFP process during this RFP process may result in immediate disqualification.

C. Proposal Timetable

Proposals are due by **5:00 PM CST on Friday, April 30, 2025** marked to the attention of the Contact Person in Section 1.B. It is the responsibility of the Firm to ensure the proposal arrives on or before the time and date in the RFP Schedule below. LAGERS reserves the right to reject any or all proposals submitted. To be considered, Firms must meet the requirements as noted in Section IV.

RFP Schedule		
Deliverable	Date	Time
RFP Issued	March 24, 2025	
Notice of Intent Due	April 2, 2025	5:00 pm CST
Firm Questions on RFP Due to LAGERS	April 16, 2025	5:00 pm CST
LAGERS Answers to RFP Questions Sent to Firms	April 23, 2025	5:00 pm CST
RFP Submission Due Date	April 30, 2025	5:00 pm CST
RFP Review Panel Selects Top Proposals	May 9, 2025	
Panel Makes Recommendation to Audit & Finance Committee	May 30, 2025	
Board Awards the Contract	June 13, 2025	
Engagement Letter Executed	June 30, 2025	

II. Description of LAGERS and Other Information

A. LAGERS Description

LAGERS was established in 1967 and is administered in accordance with RSMo. 70.600-70.755. LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri and is qualified under section 401(a) of the Internal Revenue Code (“IRC”). LAGERS is not subject to Title I of the Employees Retirement Income Security Act of 1974 (ERISA).

At June 30, 2024, there were 877 participating political subdivisions in the System. Each subdivision selects the benefits to be provided to its employees from various options provided in statutes. Funds available to finance retirement, death and disability benefits result from the accumulation of employer and member contributions plus annual income allocated from investments. An annual actuarial valuation is performed for each municipality and the plan as a whole (as of the last day in February) to determine each employer's fiscal-year contribution rate.

Board of Trustees: Responsibility for the operation and administration of the System is vested in the LAGERS Board of Trustees consisting of seven persons. Three trustees are elected by the employees who participate in the System, three trustees are elected by the members of the governing body of those political subdivisions which participate in the system, and one trustee is appointed by the governor of the State of Missouri. The Board of Trustees delegates the daily functions of LAGERS to its Executive Director. The Executive Director is responsible for employment of the System's staff and for the operation of the System within the scope of statutes and LAGERS governance policies and charters.

B. Fund Structure

LAGERS is a public trust fund that has the responsibility of administering the System in accordance with RSMO 70.600-70.755. The statutes establish funds that comprise the net assets held in trust. The following funds are included in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position of the LAGERS Pension Trust Fund:

- Member Deposit Fund
- Employer Accumulation Fund
- Benefit Reserve Fund
- Casualty Reserve Fund
- Income Expense Fund

C. LAGERS' Employees and Retirement Benefits

LAGERS' employees do not participate in the LAGERS pension plan. The Board of Trustees has established a single-employer pension plan for the employees of LAGERS with assets held in a separate trust. The Board of Trustees have also established a trust for the employees' retiree healthcare reimbursement plan.

D. Budgetary Basis of Accounting

LAGERS prepares a detailed operating and capital expenditures budget annually which is approved by the Board and is not subject to appropriation by the Missouri Legislature.

E. Federal and State Financial Assistance

LAGERS does not receive federal or state financial assistance.

F. Component Units

LAGERS is not a component unit of any other entity. Based on the GASB Statement No. 84 guidance, the LAGERS Staff Retirement Plan and Retiree Healthcare Plan are fiduciary component units of the System and are reported as such in the financial statements.

G. Joint Ventures

LAGERS does not participate in joint ventures.

H. Overview of Financial Operations

1) Investments

LAGERS held investments of \$10.8 billion in market value as of June 30, 2024. The asset allocation as of June 30, 2024, compared with the strategic target allocation, is as follows:

Asset Class	Actual Allocation	Target Allocation
Alpha	5.5%	5.0%
Equities	36.1%	39.0%
Fixed income	27.8%	23.0%
Real assets	32.0%	33.0%
Strategic	4.7%	7.0%
Cash	9.6%	3.0%
Leverage	-15.7%	-10.0%

The Investment Policy (July 2024), which governs the investment of assets for LAGERS, states the Board has the fiduciary duty of overseeing LAGERS' investment program. The Board members are individual fiduciaries with respect to the System and must discharge their duties solely in the interest of the members and retirants for the exclusive purpose of providing benefits to members, retirees, and their beneficiaries.

The Board is also responsible for appointing all board service providers such as: custodial banks, actuary, legal counsel, auditor, legislative consultant and medical

advisors. Along with appointing service providers, the Board approves the strategic plan and annual operating budget.

- Responsibility for the investment of LAGERS funds is vested in the Board. The Board delegates day-to-day management of the investment program to the Chief Investment Officer and investment staff.
- Northern Trust serves as the System’s Custodial Bank and is the official “book of record” for LAGERS’ investments.
- The System retains investment managers to assist LAGERS staff with the management of the LAGERS investment portfolio.

2) Contributions

The contribution rates for employees are 0%, 2%, 4% or 6% of gross earnings and are elected by the participating employer. The contribution rate for each participating employer is determined annually by the System’s actuary, using the Entry Age Normal actuarial cost method. Gabriel, Roeder Smith & Company (GRS) currently provides actuarial services to the System. The individual and consolidated actuarial valuations are prepared annually as of the last day of February.

Employee contributions are withheld from the individual’s compensation and forwarded to LAGERS monthly, along with the employer’s monthly contribution amount. Monthly contributions are due to LAGERS by the 12th of the month following the effective payroll period(s) and are remitted via Automatic Clearing House (ACH) or by check payment.

Contributions Received in Fiscal Year Ending June 30, 2024	
Contributor	Amount
Employer Contributions	\$349.9 million
Member Contributions	\$28.9 million

3) Benefit Payments

As of June 30, 2024, LAGERS had approximately 31,000 retirees and beneficiaries receiving benefits. Monthly annuity payments are made primarily via ACH direct deposit, with some paper check payments issued, and totaled \$489.5 million annually as of June 30, 2024. At retirement, a member may choose to receive a partial lump-sum distribution (PLUS) coupled with a reduced future monthly benefit, which is equal to 24 monthly payments of the life allowance amount. The PLUS payment is payable within 90 days of the retirees first payment date. Various joint and survivor annuity options are also available to retirees.

4) Withdrawals

Members who leave covered employment may withdraw their contributions made to LAGERS or present value (if vested) in a lump sum. Withdrawal payments, or refunds, issued during the 2024 fiscal year totaled \$2.6 million. LAGERS will allow eligible rollover distributions to be paid directly to a financial institution of the member's choice, to the extent allowed by the IRC.

5) Administrative and Investment Expenses

Administrative expenses and internal investment expenses are paid in accordance with the annual operating budget approved by the Board. For the fiscal year 2024, administrative expenses totaled \$10.5 million and internal investment expenses (e.g., staff salaries and benefits, travel, training, consulting, legal, etc.) totaled \$4.1 million. External investment expenses (investment management and custodial fees) totaled \$124.3 million. Total investment expenses are recorded as a reduction of investment income and totaled \$128.5 million for fiscal year 2024.

6) Custodial and Depository Banks

Money received by LAGERS is deposited at Central Bank in Jefferson City, MO. LAGERS invests excess funds each day in a short-term investment fund managed by Central Bank.

As stated earlier, Northern Trust is the official book of record for LAGERS' investments. In that capacity, Northern Trust provides the System's investment staff with monthly reporting information, from which the investment staff records monthly investment activity for the accounting staff to enter into the System's general ledger. LAGERS receives an Independent Service Auditors Assurance Report on the processing of transactions of Northern Trust as a service organization prepared pursuant to Statement on Standards for Attestation Engagements No. 18 Reporting on Controls at a Service Organization.

7) Fiscal Year

The fiscal year for LAGERS begins July 1 and ends June 30.

8) Financial Reporting

Financial statements are provided to the Board on a monthly basis, along with budget-to-actual reports for operating expenses. LAGERS has implemented all applicable Governmental Accounting Standards Board (GASB) Statements in its June 30, 2024 financial statements.

Additional information on LAGERS' finances can be found in the LAGERS' 2024 Annual Comprehensive Financial Report ("ACFR"), which is available in the Financial Reports section of our website at www.molagers.org/financial-reports/.

I. Computer Systems/Applications

Microsoft Dynamics ("Great Plains") is the accounting application used by the System to track all general ledger activity. The modules currently in use are all version 18.5 and include: general ledger, payables management, bank reconciliation, and fixed asset management. Great Plains is a third-party, client server application that runs under Windows Server 2019. Microsoft SQL Server 2019 is the backend database. Microsoft Dynamics was implemented at LAGERS in April of 2009, and the most recent upgrade to Dynamics GP v18.5 occurred in 2023. During this contract, LAGERS will be implementing a new Enterprise Resource Planning (ERP) system.

LAGERS, as an employer, uses a third-party cloud-based solution, Paycor, to process employee payroll on a semi-monthly basis.

NeoSpin ("ECLIPSE") is the pension system used by LAGERS to manage, track and administer member benefits. ECLIPSE supports four main functions: (1) creation and maintenance of employer retirement plan options; (2) creation and maintenance of member and retiree data; (3) creation and maintenance of payment processing (refunds, annuity, and partial lump-sum distributions); and (4) tracking of detailed fund transactions and balances. ECLIPSE is a custom-built application which was built and supported by Sagitec Solutions.

LAGERS utilizes DocStar version 23.2.84 as our document management system for all administrative record keeping.

III. Nature of Services Required

A. General

LAGERS is soliciting the services of a qualified independent certified public accounting firm to perform annual audit services under a Master Services Agreement for a period up to five years, with a five-year renewable option for the following services:

- 1) Audit LAGERS' financial statements for the fiscal years ending June 30, 2026, 2027, 2028, 2029, 2030;
- 2) Audit LAGERS Staff Retirement Plan and Retiree Healthcare Plan financial statements for the fiscal years ending June 30, 2026, 2027, 2028, 2029, 2030; and

3) Examine LAGERS' description, design and operating effectiveness of the controls for processing census data and related financial data, and additions and deductions to employer and member accounts (SOC 1 Type 2) for the period of July 1, 2025 to June 30, 2026 and subsequent 12 month periods ending 2030.

- These audits are to be performed in accordance with the provisions in this RFP.
- LAGERS reserves the right to use the Proposals to hire a Firm to provide additional audit services as LAGERS deems necessary on a non-exclusive basis upon mutual agreement of the scope and fees.

B. Scope of Work and Applicable Standards

The selected independent auditor will be required to perform three engagements:

- 1) An audit with the objective of expressing an opinion on whether the financial statements contained in LAGERS' ACFR prepared by management, with the oversight of the Board, are presented fairly, in all material respects, in conformity with GAAP and all applicable federal and state laws, regulations and rules.
- 2) Audits with the objective of expressing an opinion on whether the financial statements of the LAGERS Staff Retirement Plan and Retiree Healthcare Plan prepared by management, with the oversight of the Board, are presented fairly, in all material respects, in conformity with GAAP and all applicable federal and state laws, regulations and rules (two separate audits and reports).
- 3) An examination with the objective of expressing an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description regarding census data and related financial data, and additions and deductions to employer and member accounts (SOC 1 Type 2).

To meet the requirements of this RFP, the engagements shall be performed in accordance with generally accepted auditing standards ("GAAS") and attestation standards as applicable and as set forth by the American Institute of Certified Public Accountants.

C. Audit and Attestation Schedules

Deliverables and Activities	Description
Schedule of the Annual Fiscal Year Audit	
Audit Plan and Programs	At least three weeks prior to commencing fieldwork, the Firm shall provide LAGERS a summary audit plan and a list of all schedules to be prepared by LAGERS.
Fieldwork	<p>September - LAGERS will have most records ready for audit and all management personnel available to meet with the Firm's personnel. Some information, such as the Staff Retirement and Retiree Healthcare GASB 68 reporting, may not be available until early October. In addition, the timing of any interim test work shall be mutually agreed upon by LAGERS and the audit team.</p> <p>September to October - The Firm shall expect to complete fieldwork and give an opinion on LAGERS ACFR in this period.</p>
Draft ACFR	<p>October - LAGERS shall provide a complete draft of the ACFR, which includes draft financial statements, notes, all required supplementary schedules, actuarial information and statistical data.</p> <p>October - The Firm shall provide all recommendations to management available for review.</p>
Draft Reports	October - The Firm shall have drafts of recommendations to management available for review.
ACFR Presented to LAGERS Board	December - A senior representative of the Firm must be available to attend the December Board meeting to present the audit results and related reports.

Deliverables and Activities	Description
Schedule for the Annual Examination of Service Organization Controls	
Audit Plan and Kick-off Meeting	Summer (annually)
Fieldwork	Anticipate approximately two to three phases of test work. Timing of test work throughout the audit period should be mutually agreed upon by LAGERS and the audit team. Auditor should provide updates of test work results as each phase is completed.
(First) Draft Report	October - Firm provides LAGERS with draft report.
(Final) Draft Report	October - LAGERS provides final draft report to Firm.
Issue Report	October
SOC-1 Report Presented to LAGERS Board	December - A senior representative of the engagement team must be available to attend the December Board meeting to present the SOC-1 results.

D. Reports to be issued and Required Communications

Following the completion of the audit of the fiscal year's financial statements and the attestation examination on processing census data, related financial data, and additions and deduction to employer and member accounts, the Firm shall issue:

- **Independent Auditors Reports.** The Firm will opine on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the Unites States of America.
- **SOC 1 Type 2 Report.** The Firm will opine on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description regarding census data and related financial data, and additions and deductions to employer and member accounts.
- **Management Letter, if applicable.** The Firm will communicate in a letter to management any material weaknesses or reportable conditions found during the audit.
- **Schedule of Changes in Fiduciary Net Position by Participating Employer.** The Firm will opine on the completeness, accuracy, and presentation of the Schedule.

- **Internal Control over Financial Reporting.** The Firm shall provide LAGERS management with internal control recommendations at the completion of the audit fieldwork. The parties shall mutually agree upon the format of the recommendations.
- **Reports and communications required under Generally Accepted Auditing Standards (GAAS).** Reports and communications required under GAAS must be made in writing and presented to the Board. LAGERS executive team/or Board may require the Firm to attend Board meetings to provide required communication and results. The Firm 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 Board.

E. Special Considerations

LAGERS will send its ACFR to the Government Finance Officers Association (“GFOA”) for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Firm will be required to review the ACFR prior to its issuance and perform appropriate review procedures to ensure compliance with the requirements of that program.

LAGERS may also require the Firm’s assistance to ensure that any new GASB reporting requirements are met.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Firm’s expense, for a minimum of (7) seven years after audit completion, unless the Firm is notified in writing by LAGERS of the need to extend the retention period. The Firm will be required to make working papers available, upon request, to LAGERS or its designees. 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.

G. Assistance to be Provided to the Firm

The Accounting team will be the lead contact for the engagements to assist the Firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of LAGERS.

The Technology team will be available as needed to run routine queries and reports needed by the Firm, and to provide systems documentation and explanations. The Firm will also be provided with “read only” access to ECLIPSE.

The Firm will be granted read-only access to Northern Trust's Passport services to view system reports.

All LAGERS management personnel from each functional department will be available during the audit to assist in providing information and/or access to their team members during the audit.

IV. Detailed Proposal Requirements

A. General Requirements

1) Submittal of Notice of Intent

Firms interested in submitting a proposal must submit their "Notice of Intent" by 5:00 p.m. CST on April 2, 2025 in the format included in Appendix C to the LAGERS Contact Person. Failure to do so will disqualify Firms from submitting a proposal.

2) Submission of Proposals

The following material must be received by the LAGERS Contact Person electronically by 5:00 p.m. CST on April 30, 2025 for a proposing Firm to be considered:

- **Transmittal Letter.** A signed letter of transmittal briefly stating the Firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the Firm believes itself to be best qualified to perform the engagements, and a statement that the proposal is a firm and irrevocable offer.
- **Detailed Proposal.** The detailed proposal (both Technical and Fees) should follow the order set forth in Section IV B and C of this RFP.
- **Sample Engagement Letter.** The Firm should include a copy of a sample engagement letter that would be created, should the Firm be awarded the contract for audit services for the System.

B. Technical Proposal Mandatory Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Firm. The Technical Proposal should demonstrate the qualifications of the Firm and the proposed staff to be assigned to this engagement. It should also address items 1 through 7 below.

1) Firm Qualifications

The Firm is required to:

- Provide information related to its experience auditing pension funds; experience auditing defined benefit public pension funds is required.
- Provide a brief profile of the Firm, including the types of services offered, form of the organization (corporation, partnership, sole proprietorship), size and location of the Firm, the size of the Firm's pension audit staff, the location of the office from which the work on these engagements is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and on a part-time basis.
- Provide information on the external quality control reviews performed during the last five (5) years (for the office from which the work on this engagement is to be performed), including when the review was performed, and the results. The Firm should also state whether that quality control review included a review of specific public pension engagements.
- Provide information on the results of all federal or state desk reviews or field reviews (e.g. Public Company Accounting Oversight Board) of its audits during the past five (5) years. In addition, the Firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the Firm during the past five (5) years with regulatory bodies or professional organizations.
- Affirm that it is independent of LAGERS as defined in GAAS.
- List and describe the Firm's relationships, if any, involving current LAGERS employees or Board members for the past (5) years, with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audits.
- Affirm it is licensed to practice in Missouri and is in good standing with the State.
- Confirm that the Firm currently maintains, or will obtain if selected, errors and omissions insurance coverage, including the coverage amount.

2) **Partner, Supervisory, and Staff Qualifications and Experience**

- The Firm shall provide information on the specific public pension plan, government auditing and SOC 1 Type 2 experience for each person. In addition, include information on relevant continuing professional education for the past three (3) years.
- The Firm shall indicate how the quality of staff over the term of the agreement will be assured. This should include turnover rates experienced on engagements and at the Firm during the last three years.
- The Firm shall provide the Firm's policy for rotation of the audit partner, concurring review partner, manager, supervisory staff, and technical resources.

Engagement and concurring partners, managers, and 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 be changed for other reasons with the express prior written permission of LAGERS. However, in either case, LAGERS retains the right to approve or reject replacements.

Consultants and Firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of LAGERS, which retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the Firm provided that replacements have substantially the same or better qualifications and experience.

3) **Business References of Other Audit Clients**

- The Firm, or its proposed lead audit partner, must confirm that it has conducted at least two similar engagements for public pension systems with assets of at least \$5 billion in the past five years.
- For the Firm's office that will be assigned responsibility for the audit, list three to five of the most significant engagements described in this RFP (especially multi-employer public pension systems subject to GASB statements). Each should include the following:

- Client's name and address
- Principal client contact name, title, email, and phone number
- A brief statement on scope of work

By submitting a proposal, the Firm authorizes LAGERS to contact the clients listed for comments regarding the audit services.

4) **Specific Approach for the Engagements**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section III of this RFP. Proposers will be required to provide sufficient information on their audit approach and their expertise to conduct a quality audit that encompasses a diversified investment portfolio, annual actuarial valuations for participating employers, as well as information technology implications.

5) **Identification of Potential Audit Issues**

The proposal should identify and describe any anticipated potential audit issues (including those due to changes to regulations and accounting and auditing standards), the Firm's approach for resolving these problems, and any special assistance requested from LAGERS.

6) **Attendance at LAGERS Board Meetings**

The Firm is required to attend LAGERS' Board meetings to present the final audit reports (typically December). The Firm should provide an affirmative statement that its representatives (minimum of engagement partner) will attend required Board meeting.

In addition, Management may request that the Firm attend additional meetings; LAGERS will provide at least 30 days prior notice of requested meeting date(s).

7) **SAS 114 Board Communication and Client Status Report**

The Firm is required to provide sample client documents, including the SAS 114 Board communication and a client status report.

C. Fixed Fees and Hourly Rates (Appendices A and B)

1) Authorized Official

The fee proposal should include a certification that the person signing the proposal is entitled to represent the Firm, empowered to submit the proposal, and authorized to enter a contract with LAGERS.

2) Total All-inclusive Fixed Fee Pricing

- The fixed fee proposal should contain all pricing information relative to performing the engagements as described in this RFP on an annual basis for all five years, for the financial audit and attestation examination. The total all-inclusive fixed fee is to contain all direct and indirect costs; including out-of-pocket expenses (see Appendix B).
- A similar schedule should be completed for each year of the contract term and for the financial audit and attestation examination engagements. LAGERS is not responsible for expenses incurred in preparing and submitting a response to the proposal. Such costs should not be included in the proposal.

3) Hourly Rates of Staff

- The fee proposal should include a schedule of professional hourly rates that support the fixed price.

The schedule should include rates by staff level (partner, manager, supervisory and staff) multiplied by the number of hours anticipated for each (see Appendix B – Schedule of Professional Rates).

4) Out-of-Pocket Costs

LAGERS will not reimburse for out-of-pocket costs. Out-of-pocket costs should be included in professional fees.

5) Additional Services

If it should become necessary for LAGERS to request the Firm to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in a separate

engagement letter or statement of work between LAGERS and the Firm. Any such additional work agreed to between LAGERS and the Firm shall be performed at the same hourly rates set forth in the schedule of rates in Appendix B (see Section III.A.).

6) **Manner of Payment**

Firm shall not invoice LAGERS more than monthly. Invoices will be paid within 30 days of receipt.

V. Review and Evaluation of Proposals

A. Evaluation Process

Proposals submitted will be evaluated by select members of LAGERS staff, with recommendation of finalists made to the LAGERS Board. Proposals will be evaluated on the quality of responses to all items included in Section IV as follows:

Weighted Factors for Evaluating Responses	
Fee Proposal	15%
Firm's qualifications and references	30%
Professional personnel	25%
Engagement approach, including timeframes	25%
Sample Board and Management communication	5%

- During the evaluation process, LAGERS reserves the right to request additional information or clarification from Firms, or to allow corrections of errors or omissions where it may serve the System's best interest.
- By submitting a response to this RFP, the respondent agrees to acceptance of the terms and conditions contained in this RFP.
- LAGERS reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between LAGERS and the Firm selected.
- When electing a Firm, emphasis will be on attaining the best value for LAGERS in terms of quality and expertise and the ability to perform the audit within LAGERS timeframe.

- LAGERS reserves the right to use the Proposals to hire a Firm to provide additional audit services as LAGERS deems necessary on a non-exclusive basis upon mutual agreement of the scope and fees.

B. Oral Presentations

At the discretion of LAGERS, Firms submitting proposals may be requested to make an oral presentation of approximately one hour and possibly a second, shorter presentation as part of the evaluation process. Not all Firms may be asked to make such oral presentations.

C. Final Selection

The LAGERS Board will select a Firm with input from LAGERS staff. It is anticipated that a Firm will be selected at the June 13th, 2025 Board meeting. Following the notification to the selected Firm, it is expected that a Master Services Agreement and engagement letter will be executed by July 1, 2025. These dates are estimates and are subject to change with notice.

D. Right to Reject Proposals

Submission of a proposal indicates the Firm accepts the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between LAGERS and the Firm selected. LAGERS reserves the right in its sole discretion to accept or reject any or all proposals, to negotiate modifications or revisions to a response, and to negotiate with any Firms responding to the RFP.

VI. Term of Engagement

A. Engagement Length

- 1) LAGERS will enter into a five-year agreement, with a five-year renewable option, with annual engagements subject to the satisfactory negotiation of terms, including a price acceptable to both LAGERS and the selected Firm.
- 2) LAGERS reserves the right to terminate any engagement at any time, including all future engagements, with or without cause, upon 30 days written notice to the Firm, in which event compensation will be paid only for services rendered through the date of termination.

B. Subcontracting

If the Firm plans to subcontract any portion of the audit work, that fact, and the name of the proposed subcontracting Firms, must be clearly identified in the Firm's response to the RFP. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the System.

VII. Notice Regarding the Missouri Law

LAGERS is a statewide public retirement system created under the laws of the State of Missouri, and as such, there are constitutional and statutory limitations on the authority of LAGERS to enter into certain terms and conditions. Firms participating in the proposal process understand and agree that LAGERS is limited on terms and conditions it may accept, including, but not limited to, terms and conditions relating to liens or LAGERS assets and property; granting control of litigation or settlement to another party; liability for acts or omissions of third parties, payment of attorney's fees, dispute resolution; indemnification obligations; jurisdiction, venue, and confidentiality. The contract will be construed under Missouri state law.

Firms submitting proposals pursuant to this request should understand and acknowledge that their bids may be subject to release under the Missouri Sunshine Law. However, certain information may be confidential and fall under exceptions to disclosure, including, but not limited to proprietary information, trade secrets, audit work papers, and where disclosure might cause substantial competitive harm. If a Firm believes its proposal contains confidential information in those categories, the Firm must specifically document this on either the top or bottom of each page that contains the information the Firm considers confidential, and must describe the specific nature of the exception to the Missouri Sunshine Law that the Firm believes applies. A general disclaimer that the bidder's response contains confidential information will not be sufficient to meet this requirement. This will not ensure that these provisions will be determined to be confidential under state law. However, it will simplify the process of requesting a Missouri Attorney General's opinion regarding their status. Firms submitting proposals should be prepared to defend any claimed exemption under the Missouri Sunshine Law.

Appendices

- A. Summary Schedule of Proposed Fees for 2026 to 2030
- B. Schedule of Professional Rates
- C. Notice of Intent – Template

Appendix A: Summary Schedule of Proposed Fees for 2026 to 2030

The Firm must state a firm, fixed price for the audit services as described in, and in accordance with the RFP.

1. Maximum fixed price for the year ended June 30, 2026	\$
2. Maximum fixed price for the year ended June 30, 2027	\$
3. Maximum fixed price for the year ended June 30, 2028	\$
4. Maximum fixed price for the year ended June 30, 2029	\$
5. Maximum fixed price for the year ended June 30, 2030	\$
6. Maximum fixed price for the SOC 1 Type 2 Report for period of July 1, 2025 to June 30, 2026	\$
7. Maximum fixed price for the SOC 1 Type 2 Report for period of July 1, 2026 to June 30, 2027	\$
8. Maximum fixed price for the SOC 1 Type 2 Report for period of July 1, 2027 to June 30, 2028	\$
9. Maximum fixed price for the SOC 1 Type 2 Report for period of July 1, 2028 to June 30, 2029	\$
10. Maximum fixed price for the SOC 1 Type 2 Report for period of July 1, 2029 to June 30, 2030	\$

Appendix B: Schedule of Professional Rates

Staff	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Financial Statements Audit				
		\$ -	\$ -	\$ -
Partners				
Managers				
Supervisory Staff				
Staff				
Other (specify):				
Subtotal				<u>\$ -</u>
Soc 1 Type 2 Engagement				
Partners				
Managers				
Supervisory Staff				
Staff				
Other (specify):				
Subtotal				<u>\$ -</u>
TOTAL all-inclusive fixed price for audit services				<u>\$ -</u>

Appendix C: Notice of Intent - Template

[ACCOUNTING FIRM'S LETTERHEAD]

[DATE]

Danielle Plassmeyer
Accountant III
Missouri Local Government Employees Retirements System
PO Box 1665
Jefferson City, MO 65102
Via Email: dplassmeyer@molagers.org

NOTICE OF INTENT

Dear Mrs. Plassmeyer:

Our Firm will be submitting a proposal for audit services to the Missouri Local Government Employees Retirement System (LAGERS), as set forth in the request for proposal (RFP) dated March 24, 2025.

By our signature below, we affirm that we meet the mandatory requirements as set forth in Section IV.B. and as noted below:

- a. Our Firm is independent, licensed to practice in Missouri and confirms attendance at LAGERS Board meetings.
- b. Our Firm has no conflict of interest with regard to any other work performed by the Firm for LAGERS.
- c. Our Firm will adhere to the instructions in this RFP on preparing and submitting the proposal.
- d. Our Firm has a record of quality audit work, based on the results indicated from our most recent external quality control review report.
- e. Our Firm's professional personnel, to be assigned to this engagement, have received adequate continuing professional education within the preceding three years.
- f. Our Firm, or its proposed lead audit partner, has conducted at least two similar engagements for public pension systems with assets of at least \$5 billion in the past five years.
- g. Our Firm - or asserts it will obtain and maintain if the selected Firm - insurance coverage, as specified in the Standard Terms and Conditions (Appendix D).

Our completed proposal will be sent to you by no later than 5:00 p.m. CST on Friday, April 30, 2025.

Sincerely,

[AUDIT FIRM]

Contact information for our Firm is as follows:

Audit Partner's Name

Email Address

Phone Number