

**Contra Costa County Employees' Retirement Association
("CCCERA")
Request for Proposal -
Audit of
Pension Administration Systems**

Overview

The Contra Costa County Employees' Retirement Association ("CCCERA") invites proposals from interested parties to provide audit services of CCCERA's Pension Administration Systems.

CCCERA deployed CPAS, a pension administration system. The intent of the deployment was to eventually replace and decommission Subledger which performs pension administration reporting functions for the retirement system. CPAS and Subledger have both been performing pension reporting functions.

Subledger is a collection of algorithmic reporting programs written in COBOL with reports generated using SQL Server. CPAS is a vendor supplied full service, browser based open architecture pension administration and reporting system that is managed locally by CCCERA information technology staff.

The purpose of the Subledger decommissioning review is to provide a basis for the formulation of the Subledger Decommissioning Plan and retirement of the reporting functions performed by Subledger.

In order to finalize the Subledger Decommissioning Plan, CCCERA wishes to complete an audit of key data points, processes and reports, and to provide assurance that the pension administration information and reporting capabilities will operate as intended on CPAS when Subledger becomes fully decommissioned.

Section I - Background

CCCERA is a defined benefit pension plan covering the employees of the County of Contra Costa and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, *et seq.* CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County.

CCCERA is an independent employer separate from Contra Costa County. (Gov't Code Section 31522.9, eff. January 1, 2015).

Currently, Contra Costa County and 16 other participating agencies are members of CCCERA. The participating agencies include:

Bethel Island Municipal Improvement District
Byron, Brentwood, Knightsen Union Cemetery District
Central Contra Costa Sanitary District
Contra Costa County Employees' Retirement Association
Contra Costa Housing Authority
Contra Costa Mosquito and Vector Control District
First 5 - Children & Families Commission
In-Home Supportive Services Authority (IHSS)
Local Agency Formation Commission (LAFCO)
Rodeo Sanitary District
Superior Courts of Contra Costa County
Contra Costa Fire Protection District
East Contra Costa Fire Protection District
Moraga-Orinda Fire Protection District
Rodeo-Hercules Fire Protection District
San Ramon Valley Fire Protection District

In addition, CCCERA administers retirement, disability, or survivor benefits to retirees or beneficiaries of the following former participating agencies:

Alamo-Lafayette Cemetery District
City of Pittsburg
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Kensington Fire Protection District
Superintendent of Schools - Contra Costa County Office of Education
Stege Sanitary District

CCCERA's current membership includes approximately 12,000 active and deferred members and approximately 9,000 retired members and beneficiaries. Current market value of assets total approximately \$7.6 billion.

Section II – General Scope of Audit Services Sought

The objective of the audit is to perform an independent review of key data that Subledger reports on and to independently verify that key data is accurately maintained in CPAS. In addition, the audit should provide assurance that the reporting functions performed by Subledger will be performed efficiently and accurately by CPAS. The following are the core audit scope items:

1. Review and analyze Subledger programs and SQL reports and perform a comparison between underlying data and queried report results;
2. Review and compare actuarial data points in Subledger to equivalent data points in CPAS;
3. Review and compare actuarial data in CPAS to its resulting actuarial extract report;
4. Review and analyze active member data and compare to benefit statement report extract;
5. Review and analyze compensation and pension contribution data in both Subledger and CPAS and compare to reports;
6. Review and analyze pension benefit payment and payee data and compare to report results in CPAS.

Section III – General Information

No Contact

No contact with CCCERA Board members regarding the contents of this RFP will be allowed during the pendency of this RFP.

Due Date

All communications regarding this RFP, including the final response, should be submitted to AuditRFP@cccera.org with “Audit of Pension Administration Systems” in the subject line.

All materials are due no later than **5:00 p.m. on March 3, 2017**. Please see the Proposal Submission and Award Timeline in Section VII of this RFP for specific submission and response dates. Additionally, please submit a hard copy response to the following address:

CCCERA
1355 Willow Way, Suite 221
Concord, CA 94520

No Reimbursement For RFP Expenses

CCCERA will not provide reimbursement for any fees, expenses, or other costs incurred in connection with this RFP including the costs of preparing the response, providing any additional information and attending an interview or interviews. All material submitted in response to this RFP will become the sole property of CCCERA. CCCERA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights.

Interviews

Interviews may be conducted at CCCERA's discretion. All firms selected for interview will be notified of the interview date(s) at least one week in advance.

Confidentiality

All responses to this RFP become the property of CCCERA and will be kept confidential until such time as a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, such portion may be marked "confidential." CCCERA will use reasonable and legally permissible means to ensure that such confidential information is safeguarded to the extent that CCCERA, in its independent judgment, concludes that the information is in fact exempt from disclosure, but CCCERA will not be liable for inadvertent disclosure of such materials, data and information. Proposals marked "confidential" in their entirety will not be honored and CCCERA will not deny public disclosure of all or any portion of submittals so marked.

By submitting information with portions marked "confidential", the respondent represents it has a good faith belief that such material is exempt from disclosure under the California Public Records Act and agrees to reimburse CCCERA for, and to indemnify, defend and hold harmless CCCERA, its officers, fiduciaries, employees and agents from and against: (a) 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 CCCERA's non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

Section IV – Proposal Requirements

Following is a list of the information to be provided. A proposal that does not include the information required below may be deemed non-responsive and subject to rejection.

In setting forth its qualifications, each firm shall provide, in concise but adequate detail, the information sought below. Responses shall be limited to 10 single-sided pages (not including resumes).

1. Service Description/Scope of Work

Describe the overall services your firm intends to provide and the audit methodology that will be proposed for each element of the audit scope.

2. Organizational Background

Describe your firm's history, mission, programs, and audit services provided; administrative structure; and experience providing similar services. Attach an organizational chart. Include detailed and relevant information that fully demonstrates that the proposer meets the criteria of experience set forth in Section IV 3 below.

3. Audit Experience Requirements

Proposals should contain information reflecting but not limited to:

- A. Regular and continuous engagement in the business of providing defined benefit pension administration reporting and information management audit services for at least five (5) years prior to the date of this RFP issue.
- B. Demonstrable technical expertise in database, information system, and technical workflow audits.
- C. Knowledge of and experience in auditing pension administration system data.
- D. High level skill and demonstrated experience in:
 - o Standard principles of technology and database audits,
 - o Auditing tabular data specifically in the areas of actuarial extracts, payroll records, and employee demographic records.
 - o Comparative technical analysis of Oracle databases, data extraction, and reporting functions;
 - o Evaluating SQL scripts, queries and reports;
 - o COBOL program testing

4. Staffing

List the staff anticipated to perform the services including disciplines and degrees, as appropriate. Indicate the qualifications, training, and experience of each team member, and provide a list of auditing services performed during the past year by the personnel listed, with the name of the cities, counties, other government agencies, and/or business entities, and a brief description of the scope of work.

5. Costs

Proposals shall contain the following:

1. State the rates at which the audit services would be provided to CCCERA. Include:
 - a. The fee that you propose to charge for the full completion of the audit project. This can be a single sum. Or, if the proposer intends to charge an hourly rate or fee for the audit services, an estimate of the maximum hours to complete the audit project.
 - b. Please note that CCCERA expects not to pay for travel time unless substantive work takes place during the travel time. Please address if and how travel time will be billed by all providers.
2. In addition, each proposer may propose any alternative fee structure deemed appropriate as a supplement to the fees requested above.
3. State any special considerations with respect to billing or payment of fees and expenses that your firm offers and that you believe would differentiate it from other proposers and make your firm's services more cost effective to CCCERA.
4. CCCERA expects to receive the lowest rate charged by your firm for its governmental and/or non-profit clients. If for any reason your agency is not prepared to do so, please indicate your reasons.

Section V – Evaluation and Selection Process

Evaluation Criteria

CCCERA will evaluate the proposals and make a recommendation to CCCERA's Board of Retirement for approval. The Selectors will consider the following factors:

1. Program Description – clear understanding of the scope and services to be provided and sufficient staffing to provide services
2. Proposer's Experience - history of successfully providing similar audit services and capability and experience of key personnel
3. Financial Narrative - pricing
4. Conformance to the terms and conditions of this RFP
5. Positive references and background checks

Selection Process

Any proposal that does not address all requested requirements or is incomplete will be rejected.

CCCERA will evaluate all responsive proposals based on the criteria stated above.

CCCERA may conduct interviews with Proposers found to be most qualified to perform the services required, based upon the criteria listed in this RFP. If so, Proposers will be notified in advance of the proposed interview date.

All Proposers will be notified in writing once one or more proposers have been selected.

SECTION VI - PROPOSAL INSTRUCTIONS AND CONDITIONS

1. This RFP does not commit CCCERA to award a contract, pay any costs incurred in the preparation of a response, or procure or contract for services of any kind whatsoever. CCCERA reserves the right, in its sole discretion, to negotiate with any or all firms considered, or to cancel this RFP in whole or in part.
2. Proposers may be requested to clarify the contents of their proposal.
3. A proposer may be required to participate in negotiations and to submit hourly fee, price, costing, technical or other revisions to its proposal which may result from such negotiations.
4. All material submitted in response to this RFP will become the sole property of CCCERA.

Proposal Submission

Proposals **must** include a cover letter indicating the mailing address of the office from which the proposal is submitted, the name of the individual who will represent the agency as the primary contact person for the proposal, and the telephone, fax and e-mail information of the primary contact person.

Administrative Specifications

1. All proposals must be irrevocable for 180 days and signed by an authorized officer of the agency.
2. Successful Proposers must agree to provide CCCERA with audit access on request during the term of the contract and for 7 years thereafter.
3. CCCERA at any time, in its sole discretion, may terminate its contract with the selected agency(s), or postpone or delay all or any part of the contract, upon written notice to the selected agency(s).

SECTION VII – PROPOSAL SUBMISSION AND AWARD TIMELINE

Events	Date
RFP Issued	1/20/2017
Audit Services Provider Inquiry Period Begins	1/21/2017
Audit Services Provider Inquiry Period Ends	2/10/2017
CCCERA Responses to Audit Services Providers Inquiries Due	2/17/2017
Letter of Intent to Submit Proposal Due	2/24/2017
Final Date for Proposal Submission	3/3/2017
Invitation for Audit Service Provider Presentations	3/10/2017
Audit Service Provider Presentations/Discussion Sessions/Interviews with CCCERA Staff	3/27/2017
Proposal Evaluation Completed	4/7/2017
Vendor Notification of Selection for Contract Negotiation	4/10/2017
Notification to Non-Selected Vendors	4/10/2017
Contract Negotiation Begins	4/13/2017
CCCERA Staff Recommendation to CCCERA Audit Committee and Final Audit Services Provider Presentations	TBD
CCCERA Audit Committee Recommendation to the Board of Retirement	TBD
Approval of the Audit Services Provider	TBD
Approval of Audit Services Provider Contract	TBD
Commencement of Audit Services Work	TBD

SECTION VIII - CONTRACT APPROVAL

CCCERA's selection of one or more successful Proposer(s) shall not be binding until it has been approved by CCCERA's Board of Retirement.

This FAQ document provides additional details concerning CCCERA's request for proposal for the audit of pension administration systems.

1.	<p>What are the actuarial data points that will be in the scope of review and testing?</p> <p>RESPONSE:</p> <p>The following basic member data points will fall within the testing scope:</p> <ul style="list-style-type: none">i. Date of birthii. Retirement Tieriii. Date of hireiv. Date of entry in the retirement systemv. Age at entry in the retirement systemvi. Total service creditvii. Employee pension contribution rateviii. Employer pension contribution rateix. Employee pensionable compensation <p>In addition, members of the retirement system are divided amongst the following seven categories:</p> <ul style="list-style-type: none">a) Members who are active or on leave of absenceb) Members who have deferred retirementsc) Members who have terminated and withdrawn pension contributionsd) Members who have retirede) Members who are receive pension benefits as beneficiaries;f) Members who receive pension benefits pursuant to qualified domestic relations orders (QDROs)g) Members who have died
2.	<p>What are the number of processes and reports within Subledger and CPAS?</p> <p>RESPONSE:</p> <p>Subledger: 41 Member Record Processes, 23 Job Run Processes, 40 Report Processes</p> <p>CPAS: 246 Member Record Processes, 42 Employer Record Process, 145 Administrative & Batch Processes, 207 Report Generation Processes</p>
3.	<p>Will auditors be able to access SL and CPAS data or systems remotely?</p> <p>RESPONSE:</p> <p>No.</p>

CCCERA Pension Administration Systems Audit RFP FAQ

4.	<p>Will access to Contra Costa County mainframe computer be required?</p> <p>RESPONSE:</p> <p>No. SL data are converted in to SQL Server Database and can be tested within development environment. SL data is reported on using SQL scripts and queries.</p>
5.	<p>What is the environment that the CPAS Oracle database resides in?</p> <p>RESPONSE:</p> <p>CPAS Oracle database, which is version 10g, resides in CCCERA's local server.</p>
6.	<p>Will auditors have access to and have the ability to independently query the CPAS Oracle database?</p> <p>RESPONSE:</p> <p>Yes. A copy of the CPAS Oracle database main tables are converted into SQL Server from which the auditors will be given access to query.</p>