



OMAHA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

Cecelia M. Carter P 531-299-0329
Executive Director F 531-299-0406

3215 Cuming Street
Omaha, NE 68131-2024

www.osers.org
osers@ops.org

Board of Trustees
Patrick Bourne, Esq.
President
Roger Rea
Vice President
DeLayne Havlovic
Scott Herchenbach
Faith Johnson
Cheryl J. Logan, Ed.D.
Matthew Placzek

March 8, 2021

Dear Prospective Bidder:

The Board of Trustees of the Employees Retirement System for the School District of Douglas County 0001, also known as the Omaha School Employees' Retirement Board of Trustees (OSERS Board), through the Omaha School Employees' Retirement System (OSERS), is soliciting bids for a compliance audit of OSERS.

The successful bidder will submit a proposal responsive to the attached Project Description and Scope of Work, including a cost proposal for each identified deliverable, and for the total project.

Bids must be received by the OSERS office by 4:00 p.m., central time, on Friday, April 9, 2021 to be considered. All reference to time in this request is in the central time zone.

If you wish to submit a proposal, we are available for a conference call to address any questions you may have. Questions regarding this solicitation may be addressed to Cecelia M. Carter, Executive Director up until March 26, 2021. You may email your questions to: cecilia.carter@ops.org Questions and responses will be posted to the OSERS website at: www.osers.org

Respectfully,

Cecelia M. Carter

Cecelia M. Carter
Executive Director

Every student. Every day.
Prepared for success.

Project Timeline

DATE	ACTION
March 4, 2021	OSERS Board Approves Solicitation Draft
March 8, 2021	Solicitation Letter posted to OSERS web site and sent to potential firms
April 9, 2021	Bids must be received by OSERS by 4:00 p.m.
May 6, 2021	OSERS selects a bidder
By May 21, 2021	OSERS & selected bidder negotiate contract
June - September	Monthly written status updates
October 6, 2021	Fifteen (15) copies and an electronic copy of the 1 st Draft of Report to OSERS by 4:00 p.m.
October 20, 2021	OSERS Comments on 1 st Draft by 4:00 p.m.
October 27, 2021	Thirty-five copies and an electronic copy of the Final Report Delivered to OSERS by 2:00 p.m.
November 4, 2021	Firm to present to OSERS Board of Trustees in public hearing
By November 15, 2021	Report filed with NE Legislative Retirement Committee & Omaha Public Schools Board of Education, etc.
Date TBD	Present to the Nebraska Legislative Retirement Committee

Bidders should review Legislative Bill 145 (2021) in the 107th Nebraska Unicameral regarding the Omaha School Employees' Retirement System

Link to LB 145 (2021):

https://www.nebraskalegislature.gov/bills/view_bill.php?DocumentID=44048

I. PROJECT DESCRIPTION AND SCOPE OF WORK

The bidder must provide the following information in response to this Request for Proposal.

A. PROJECT OVERVIEW

The Omaha School Employees' Retirement System (OSERS) Board of Trustees is seeking a qualified firm to conduct auditing services for a separate compliance audit of OSERS, which shall include but not be limited to, an examination of records, files, and other documents and an evaluation of all policies and procedures to determine compliance with all state and federal laws. A written report of the compliance audit shall be given to the OSERS Board of Trustees (OSERS Board),. The report shall be presented to the OSERS Board and the Nebraska Legislative Retirement Systems Committee at separate public hearings.

B. PROJECT ENVIRONMENT

The OSERS Board, administers a single employer defined benefit pension retirement system for the Omaha Public School District.

OSERS is administered in accordance with the Nebraska Revised Statutes §§ 79-978 through 79-9,123 and applicable federal law. OSERS carries out its mission from one location in Omaha, Nebraska. The current staff numbers 4 employees; an executive director, a retirement specialist, and two retirement technicians.

As of January 1, 2020, OSERS served approximately 14,300 active, inactive and retired members, with approximately \$1.3 billion of assets under management as of December 31, 2020.

C. MANDATORY BUSINESS AND PROJECT REQUIREMENTS MATRIX

Respondents to the proposal solicitation must meet all of the following mandatory qualifications. If any of these mandatory requirements are left blank or not filled in with a "Yes", the bidder's proposal response will not move forward in the evaluation process.

Mandatory Business and System Requirements Matrix		
Item #	Mandatory Requirement	Mark "Yes" if Solution Meets Mandatory Requirement
RQ 1.	As of December 31, 2020, the firm must have performed at least three (3) public pension compliance audits	
RQ 2.	The firm must have at least five (5) years' experience with public pension funds	
RQ 3.	The firm's lead attorney or consultant on the account must have at least ten (10) years' experience in public pension funds	

D. BUSINESS REQUIREMENTS

Please provide written answers (in a numbered format) to the following:

1. The full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business and Federal Employer Identification Number;
2. A general description of the law firm or legal practice, including years of existence, size, number of attorneys (broken down by partner, associate, of counsel, etc.), number of non-attorney professionals and other employees, other descriptive material about the firm, and e-mail addresses for attorneys and non-attorney professionals who will be providing services under the contract;
3. Identification of the attorney who will provide the primary work under the contract, and each attorney or non-attorney professional who will provide work under the contract, broken down by percentage of the total contract to be spent by the individual on work under the contract;
4. Information regarding the professional and experience qualifications of each attorney who will perform work under the contract. This must include:
 - a. A Curriculum Vitae or resume for each attorney.
 - b. The number of years each attorney has represented or worked for public employee retirement plans.
 - c. A list of each attorney's specific experience working for and representing defined benefit retirement plans. This list must include a brief description of the plans previously represented by each attorney, the size of each plan (number of employees and employers) and the types of programs offered by each plan

5. Describe the experience of the firm in conducting compliance audits for public pension funds;
6. Indicate how your firm approaches and manages communication with client staff, members of the boards of retirement systems for which you have provided compliance auditing services in the past, and other public officials;
7. A list of disciplinary actions, if any, taken by any professional organization, governmental licensing agency or other regulatory body, against each attorney to be assigned to this project;
8. Three references from public employee retirement plans represented by the firm with 7,500 or more participants. Please include, at a minimum, the contact names, the name of the client entity, current address and phone numbers for each reference.

E. SCOPE OF WORK

The compliance audit shall include an examination of records, files, and any other documents or resources of OSERS and an evaluation of all policies and procedures of OSERS, the school district, the Omaha Public Schools Board of Education and the OSERS Board related to the administration and operation of OSERS to determine compliance with all state and federal laws.

Under the direction of the OSERS Board and the Executive Director of OSERS, the firm will provide the following services:

1. FEDERAL COMPLIANCE

Conduct a complete and comprehensive review of the governing laws, plan documents, and administrative policy and procedures for OSERS to determine compliance under applicable provisions of federal law. This review shall determine compliance with all applicable federal law including all qualification issues affecting employee benefits plan design under the Internal Revenue Code, and will include, but is not limited to, the following federal compliance areas considered necessary or appropriate for OSERS to maintain its tax-qualified status:

- a. Internal Revenue Code (IRC) §§ 401, 403, 414 and 415 and their implementing regulations, policies, practices, and other publications and guidance;
- b. The exclusive benefit rule;
- c. Termination of employment (a.k.a. bona fide separation of service), and return to work, rules under the IRC;
- d. Rollover provisions and 20% withholding rules; and state of Nebraska 5% withholding

- e. Compliance with the definitely determinable rule;
- f. Vesting and normal retirement age;
- g. Age discrimination rules;
- h. Domestic relations orders;
- i. Veterans reemployment rights under pre-and post-USERRA amendments; and
- j. Family and Medical Leave Act requirements.

2. STATE COMPLIANCE

Conduct a complete and comprehensive review of the State laws governing OSERS to determine compliance. This review shall advise compliance of plan documents, including state laws, rules, and administrative policies and procedures of OSERS, and will include, but is not limited to, the following Nebraska Revised Statutes (Neb. Rev. Stat.) and areas:

- a. Class V Retirement Act - Neb. Rev. Stat. §§ 79-978 to 79-9,123 as in effect on and before January 1, 2021;
- b. State Dept. of Revenue Laws governing state taxes and pensions, Neb. Rev. Stat. Chapter 77;
- c. State estate and probate laws as applied to pension plans, Neb. Rev. Stat. Chapter 30;
- d. Open Meetings Laws — Neb. Rev. Stat. §§ 84-1408 to 84-1414;
- e. The implementing regulations of the laws identified above; and
- f. Termination of employment (a.k.a. bona fide separation of service), and return to work, rules under State law.

3. SPECIFIC ITEMS OF REVIEW

The compliance audit shall also include, but not be limited to, an examination and evaluation of:

- a. Eligibility and enrollment to ensure eligible individuals are properly and timely enrolled in the plan;
- b. Contributions, compensation, service hours, and other records to ensure that members are making the correct contributions, that only eligible compensation and eligible service hours are reported at the time and in the manner specified in plan documents, and that only the authorized interest or interest credits are being recorded;
- c. Termination of employment to ensure that only terminated members are taking distributions from the plan at the time and in the manner specified in the statutes and plan documents;
- d. Reemployment after retirement to ensure that retirees and employees who have terminated and who reemploy have complied with plan documents;
- e. Benefit calculations and benefit payments to ensure that the correct benefits are calculated for members and paid on a timely basis; and

f. Disability retirements to ensure:

- i. The determination of the member's disability status and any accrual of additional disability benefits due to deferred distribution of such benefits are conducted in accordance with the statutes; and
- ii. The amount of the disability retirement benefits is correctly calculated for members and paid on a timely basis.

4. MISCELLANEOUS

The examination of each of the issues listed shall also include, but not be limited to, a review of:

- a. The plan documents and training that OSERS has provided to the employees to ensure proper compliance with the procedures and processes;
- b. Oversight practices or processes used by the OSERS Board and administrator of the OSERS to identify whether the employer properly followed the plan documents; and
- c. Practices and processes used by the OSERS Board and administrator of OSERS to correct any errors made.

5. COMPLIANCE RECOMMENDATIONS

Provide specific, written recommendations on amendments to statutes, policies, and procedures to ensure the plan is in full compliance with the Internal Revenue Code qualification criteria, federal, state and constitutional law.

F. DELIVERABLES

Fifteen (15) printed copies of the draft report, and an electronic copy of the draft report, (identified clearly as a draft) must be submitted to the OSERS office no later than 5:00 p.m., October 6, 2021]. The copies must appear as they will in final form. Comments on the draft report by OSERS will be returned to the firm by October 20, 2021.

Thirty-five (35) printed copies of the final written report, and an electronic copy of the final report, documenting all findings, conclusions and recommendations resulting from the compliance review shall be submitted to the OSERS by 2:00 p.m., October 27, 2021.

G. PROVIDE LEGISLATIVE PRESENTATION

Presentations of the written report must be made at public hearings of the Omaha School Employees' Retirement Board and the Nebraska Legislative Retirement Systems Committee at a time to be determined.