

05/30/2013

TO: ALL OFFERS

FROM: Kathleen Davies
Chief Administrative Auditor

SUBJECT: ADDENDUM TO INVITATION TO BID – RFP13-CPA-05, Professional Services for Office of the State Treasurer, State of Delaware 403(b) Plan

ADDENDUM #1

Please note: The attached sheets hereby become a part of the above mentioned RFP. The Office of Auditor of Accounts (AOA) received the following questions for clarification in response to its RFP posted on May 21, 2013.

1. Who will prepare the financial statement compilation for the 403(b) plan?
Per FAQ #7 on page 27 of the RFP, “For the years ended December 31, 2012 and 2013, the Office of the State Treasurer has contracted with an independent firm to obtain appropriate information from several vendors and compile the financial statements.”
2. Do you have a copy of the complied financial statements for December 31, 2012?
The financial statements for the year ended December 31, 2012 are expected to be available by the end of June 2013.
3. Who will prepare and provide the schedules that support the financial statements?
Per FAQ #1 on page 27 of the RFP, “It is the agency’s responsibility to ensure the financial statements are related notes are prepared for the audit.”
4. What standards apply to this audit GASB or FASB?
Please read the RFP carefully, as per Section IV. B. on page 5 of the RFP, “The meet the requirements of this RFP, the engagement must be performed in accordance with standards established by the American Institute of Certified Public Accountants and the U.S. Government Accountability Officer’s *Government Auditing Standards*.” Therefore, this is considered an in scope question as part of the engagement.
5. Will the agency prepare the confirmations necessary for the audit of the plan?
The firm should plan with sufficient hours to complete all necessary aspects of the engagement including confirmation procedures. Insufficient detail and hours in proposals will result in a low technical score.
6. How many investment options does a participant have?
Per Section V. B. on page 7 of the RFP, “Employees electing to participate in the Plan may contribute to any of the following options:

- Various fixed earnings investments
- Variable earnings investments consisting of various publicly-traded mutual funds
- Annuity payout options administered by AXA, VALIC, Horace Mann, Great American and Security Benefit Corp.”

7. How many investment managers does the plan have?

The Plan currently has 13 investment providers and 1 insurance company that are vendors. The complete list can be found at www.delawaresaves.com under the 403(b) tab.

8. Will the SSAE 16 report be available for all investment managers of the plan?

The Office of the State Treasurer is requesting the SOC-1 (SSAE-16) report from each investment provider.

9. What is the current acceptable rate for mileage reimbursement?

Per Section VII. B. on page 13 of the RFP, “Out-of-pocket expenses for firm personnel (e.g., travel, lodging, and subsistence) will be reimbursed at the prevailing rates used by the State of Delaware for its employees.” According to 29 Del. C. §7102, “The authorized mileage rate for employees of the State, its agencies and departments shall be 40 cents per mile effective July 1, 2006.”