

Audits of Debt Investment Program – Section 11.A.3

1. Q: Do you anticipate travel costs for on-site audits of the Debt Investment Program?

A: We anticipate very minimal, if any, travel costs associated with the audit of the Debt Program. Once a firm from the audit pool has been selected to perform an audit engagement, reasonable travel expenses, approved by LACERA, will be reimbursed in accordance to LACERA's travel policy.

2. Q: Have previous audits of the Debt Investment Program been performed as desk reviews?

A: No, LACERA has not performed desk reviews of the Debt Investment Program.

Fee Schedule – Attachment A

1. Q: Can we expand the "Out of Pocket Expense" section to include all travel expenses including (airfare, per diem, transportation, parking, etc.)?

A: Yes, you can expand this section to include all travel expenses.

2. Q: Will travel costs become a reimbursable cost in addition to the audit fees?

A: Yes, reasonable travel expenses will be reviewed and approved by LACERA for each audit engagement assigned to a firm. Expenses will be reimbursed in accordance to LACERA's travel policy.

3. Q: Will LACERA accept multi-tier pricing options for 12.31, 9.30 and 6.30 work?

A: A firm can provide multi-tier pricing options, however, the majority of work is based on a 6.30 fiscal year work schedule and the fees should primarily reflect costs during that time period. Firms selected for the audit pool, will have the opportunity to bid on specific audit engagements and provide their current pricing, at LACERA's approval, when an audit engagement is assigned to them. The fees requested for this proposal are only used to gauge the estimated fees of a firm and are not binding.

4. Q: With regard to populating Attachment A, can LACERA provide portfolio details or a summary of assets so respective hours and costs can be calculated? Or, can LACERA provide "generic" descriptions of several "typical assets" to be audited so respective hours and costs can be calculated?

A: We requests firms provide their current costs based on fees and hours that they have charged for audits similar to services included in this RFP. The fees can reflect engagements that the firm has performed in the past. A firm can also provide a description of the type of audit used for their cost analysis and bid. Please also note that firms selected for the audit pool will have the opportunity to bid on specific audit engagements and provide their current pricing when an audit engagement is assigned to them. The fees requested for this proposal are only used to gauge the estimated fees of a firm and are not binding.

5. Q: LACERA notes that assignments will be for 5 years with two, one year extensions. Will LACERA accept a multi-year pricing option to account for inflation?

A: Please provide current fees. Firms are not held to proposed fees included in their proposal since their fees may have changed at the time that bids are requested for specific audit engagements. Once a firm has been selected to participate in the audit pool, the firm will have the opportunity to provide bids for each audit engagement that reflect their fees at that time. The fees requested for this proposal are only used to gauge the estimated fees of a firm and are not binding.