



JAMES E. MCGREEVEY
Governor

State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
PURCHASE BUREAU
P.O. Box 230
TRENTON, NJ 08625-0230

JOHN E. MCCORMAC, CPA
State Treasurer

March 11, 2004

TO: All Potential Bidders

RE: RFP #: 04-X-36727
RFP Title: Audits of Pension funds, Agency funds and Health Benefit Program Funds

Enclosed please find a complete set of bid documents for the above referenced solicitation.

The following are the key dates for the project:

Date	Time	Event
April 6, 2004	10:00AM	Mandatory Pre-Bid Conference (Refer to RFP Section 1.3.3 for more information)
April 27, 2004	2:00 PM	Bid Submission Due Date (Refer to RFP Section 1.3.4 for more information)

All questions concerning the RFP contents and the bidding process must be directed to the undersigned.

Sincerely,

Edward T. Cotterell

Edward T. Cotterell
Procurement Specialist

E-Mail Address: ed.cotterell@treas.state.nj.us
Phone: 609-984-6241
Fax: 609-292-5170

ATTENTION VENDORS

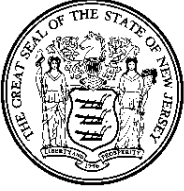
Vendor Information and Bidding Opportunities

The Purchase Bureau maintains a bidders mailing list. You as a vendor may have basic information about your firm added to the bidders mailing list by visiting our website at <http://www.state.nj.us/treasury/purchase/forms/forms.htm> and submitting a bidders mailing list application online. You may also download the application and instructions and submit the application by mail. Applications submitted online are processed more quickly than mailed applications.

A bidders mailing list application gives you the opportunity to identify yourself as a potential bidder for the types of goods and services that your firm provides. The Purchase Bureau attempts (but does not guarantee) to provide firms on the bidders mailing list with notice of bidding opportunities related to the goods and services identified in the application.

If you are already on the Purchase Bureau's bidders mailing list and you need to change your information, contact Bid List Management at (609) 984-5396

Note: If you are an awarded State contractor and payments are not being directed to your proper remit-to address, you must send a letter on company letterhead to the Office Of Management and Budget, Vendor Control Unit, PO Box 221, Trenton, NJ 08625 or fax that letter to 609-292-4882. In the letter you must include the current incorrect remit to address and your new correct remit-to address. If you have any question about this process you may call (609) 292-8124 for more information.

	STATE OF NEW JERSEY REQUEST FOR PROPOSAL	BID NUMBER: 04-X-36727
	FOR: Audits of Pension Trust Funds, Agency Funds and Health Benefit Program Funds	TERM CONTRACT #: T-1225 REQUESTING AGENCY: Division of Pensions and Benefits
	ESTIMATED AMOUNT: N/A CONTRACT EFFECTIVE DATE: 05/1/04 CONTRACT EXPIRATION DATE: 4/30/09 COOPERATIVE PURCHASING: NO SET ASIDE: NA	<u>DIRECT QUESTIONS CONCERNING THIS RFP TO:</u> BUYER NAME: Edward T. Cotterell PHONE NUMBER: 609-984-6241 FAX NUMBER 609-292-5170 E-MAIL ADDRESS: Ed.Cotterell@treas.state.nj.us

TO BE COMPLETED BY BIDDER:

Address: _____

Firm Name: _____

PURSUANT TO N.J.S.A. 52:34 - 12 AND N.J.A.C. 17:12 - 2.2, PROPOSALS WHICH FAIL TO CONFORM WITH THE FOLLOWING REQUIREMENTS WILL BE AUTOMATICALLY REJECTED:

- 1) **PROPOSALS MUST BE RECEIVED AT OR ON BEFORE THE PUBLIC OPENING TIME OF 2 PM ON 4/27/04 AT THE FOLLOWING PLACE: DEPARTMENT OF THE TREASURY, PURCHASE BUREAU, PO BOX-230, 33 WEST STATE STREET, 9TH FLOOR, TRENTON, NEW JERSEY 08625-0230. TELEPHONE, TELEFACSIMILE OR TELEGRAPH PROPOSALS WILL NOT BE ACCEPTED.**
- 2) THE BIDDER MUST SIGN THE PROPOSAL.
- 3) THE PROPOSAL MUST INCLUDE ALL PRICE INFORMATION. PROPOSAL PRICES SHALL INCLUDE DELIVERY OF ALL ITEMS, F.O.B. DESTINATION OR AS OTHERWISE PROVIDED. PRICE QUOTES MUST BE FIRM THROUGH ISSUANCE OF CONTRACT.
- 4) ALL PROPOSAL PRICES MUST BE TYPED OR WRITTEN IN INK.
- 5) ALL CORRECTIONS, WHITE-OUTS, ERASURES, RESTRIKING OF TYPE, OR OTHER FORMS OF ALTERATION, OR THE APPEARANCE OF ALTERATION, TO UNIT AND/OR TOTAL PRICES MUST BE INITIALED IN INK BY THE BIDDER.
- 6) THE BIDDER MUST SUBMIT WITH THE PROPOSAL BID SECURITY IN THE AMOUNT OF \$ **NA** OR **NA** %.
CHECK THE TYPE OF BID SECURITY SUPPLIED:
ANNUAL BID BOND ON FILE: NA BID BOND ATTACHED: NA
CERTIFIED OR CASHIERS CHECK ATTACHED: NA LETTER OF CREDIT ATTACHED: NA
- 7) THE BIDDER MUST COMPLETE AND SUBMIT, PRIOR TO THE SUBMISSION OF THE PROPOSAL, OR ACCOMPANYING THE PROPOSAL, THE ATTACHED OWNERSHIP DISCLOSURE FORM. (SEE N.J.S.A. 52:25-24.2). [SEE ATTACHMENT 1](#)
- 8) THE BIDDER MUST ATTEND THE MANDATORY PRE-BID CONFERENCE(S) AND SITE VISIT(S) AT THE FOLLOWING DATE(S) AND TIME(S):
PRE-BID CONFERENCE **04/6/04**
SITE INSPECTION **NA**

ADDITIONAL REQUIREMENTS

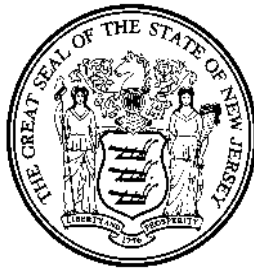
- 9) PERFORMANCE SECURITY: **NA** OR **NA** % 10) PAYMENT RETENTION **25** %
- 11) AN AFFIRMATION ACTION FORM ([ATTACHMENT 3 OF RFP](#)) 12) A MACBRIDE PRINCIPALS CERTIFICATION ([ATTACHMENT 2 OF RFP](#))
- 13) REQUESTED DELIVERY: SEE DETAILS ELSEWHERE IN RFP
- 14) CERTIFICATION OR NOTIFICATION OF REGISTRATION WITH THE SECRETARY OF STATE IF A FOREIGN (NON-NJ) CORPORATION, IF NECESSARY (SEE N.J.S.A 14A:13-1 ET SEQ. AND N.J.A.C. 17:12-2.12).
- 15) FOR SET ASIDE CONTRACTS ONLY, N.J. DEPARTMENT OF COMMERCE REGISTRATION AS A SMALL BUSINESS (SEE N.J.A.C. 17:13-1.1 et. seq.).

TO BE COMPLETED BY BIDDER

- 16) DELIVERY CAN BE MADE _____ DAYS OR _____ WEEKS AFTER RECEIPT OF ORDER.
- 17) CASH DISCOUNT TERMS (SEE RFP) _____ %, _____ DAYS: NET 60 DAYS. 18) BIDDER PHONE NO: _____
- 19) BIDDER FAX NO. _____ 20) BIDDER E-MAIL ADDRESS. _____
- 21) BIDDER FEDERAL ID NO. _____ 22) YOUR BID REFERENCE NO. _____

SIGNATURE OF THE BIDDER ATTESTS THAT THE BIDDER HAS READ, UNDERSTANDS, AND AGREES TO ALL TERMS, CONDITIONS, AND SPECIFICATIONS SET FORTH IN THE REQUEST FOR PROPOSAL, INCLUDING ALL ADDENDA, FURTHERMORE, SIGNATURE BY THE BIDDER SIGNIFIES THAT THE REQUEST FOR PROPOSAL AND THE RESPONSIVE PROPOSAL CONSTITUTES A CONTRACT IMMEDIATELY UPON NOTICE OF ACCEPTANCE OF THE PROPOSAL BY THE STATE OF NEW JERSEY FOR ANY OR ALL OF THE ITEMS BID, AND FOR THE LENGTH OF TIME INDICATED IN THE REQUEST FOR PROPOSAL. FAILURE TO ACCEPT THE CONTRACT WITHIN THE TIME PERIOD INDICATED IN THE REQUEST FOR PROPOSAL, OR FAILURE TO HOLD PRICES OR TO MEET ANY OTHER TERMS AND CONDITIONS AS DEFINED IN EITHER THE REQUEST FOR PROPOSAL OR THE PROPOSAL DURING THE TERM OF THE CONTRACT, SHALL CONSTITUTE A BREACH AND MAY RESULT IN SUSPENSION OR DEBARMENT FROM FURTHER STATE BIDDING. A DEFAULTING CONTRACTOR MAY ALSO BE LIABLE, AT THE OPTION OF THE STATE, FOR THE DIFFERENCE BETWEEN THE CONTRACT PRICE AND THE PRICE BID BY AN ALTERNATE VENDOR OF THE GOODS OR SERVICES IN ADDITION TO OTHER REMEDIES AVAILABLE.

23) ORIGINAL SIGNATURE OF BIDDER	24) NAME OF FIRM
25) PRINT/TYPER NAME AND TITLE	26) DATE



Bid Number: 04-X-36727

**REQUEST FOR PROPOSAL FOR:
AUDITS OF PENSION TRUST FUNDS,
AGENCY FUNDS
AND
HEALTH BENEFIT FUNDS**

Date Issued: March 11, 2004

Purchasing Agency
State of New Jersey
Department of the Treasury
Division of Purchase and Property
Purchase Bureau
PO Box 230
33 West State Street
Trenton, New Jersey 08625-0230

Using Agency
State of New Jersey
Division of Pensions and Benefits

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1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

The Purchase Bureau, Division of Purchase and Property, Department of the Treasury (the Division"), on behalf of the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues this Request for Proposal (RFP). The purpose of this Request for Proposal (RFP) is to solicit proposals from independent public accounting firms to perform annual audits for each of the several pension trust funds and agency funds administered by the Division of Pensions and Benefits (DOP&B).

The intent of this RFP is to award a contract to that responsible bidder whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

The term of this contract shall be 5 years. The contract shall start on May 1, 2004 or when the awardee receives a final signed professional contract, whichever comes later, and shall end on April 30, 2009. There is an option to extend for two one-year periods. Work under this contract may start on approximately May 15th of every year when the first postings become available for the third quarter and shall end on October 31 of every year when the final audited statements are to be completed by the contractor. It is not anticipated that any work shall be performed between November and April of each year of the contract.

1.1.1 FUNDS

The funds to be audited are:

1. Public Employees' Retirement System (PERS)
2. Teachers' Pension and Annuity Fund
3. Police and Firemen's Retirement System (CPFRS)
4. State Police Retirement System (SPRS)
5. Judicial Retirement System (JRS)
6. Consolidated Police and Firemen's Pension Fund (CPFP)
7. Prison Officers' Pension Fund (POFP)
8. Central Pension Fund (CPF)
9. Supplemental Annuity Collective Trust (SACT)
10. New Jersey State Employees' Deferred Compensation Plan (NJEDCP)
11. Pension Adjustment Fund (Agency Fund)*
12. Alternate Benefit Program Fund (Agency Fund)*
13. Health Benefit Program Fund – State
14. Health Benefit Program Fund – Local
15. Dental Expense Program Fund
16. Prescription Drug Program Fund – State
17. Prescription Drug Program Fund – Local

** These are the funds that are referred to collectively herein as "the agency funds".*

The contractor shall produce audited financial statements for each of the above funds. In addition, the contractor shall produce audited financial statements for combinations of these funds, referred to herein as Combined Annual Financial Reports (CAFR). The CAFRs that shall be prepared for this contract are:

I. Pension Trust Funds CAFR

The funds that shall be combined to create this CAFR are:

- Public Employees Retirement System
- Teachers' Pension and Annuity Fund
- Police and Firemen's Retirement System
- State Police Retirement System
- Judicial Retirement System
- Consolidated Police and Firemen's Pension Fund

Prison Officers Pension Fund
Central Pension Fund
Supplemental Annuity Collective Trust
New Jersey Sate Employees Deferred Compensation Plan

II. Health Benefit, Prescription Drug Plan, Dental Expense Plan CAFR

The funds that shall be combined to create this CAFR are:

Health Benefit Program Fund – State
Health Benefit Program Fund – Local
Dental Expense Program Fund
Prescription Drug Program Fund – State
Prescription Drug Program Fund - Local

III. Agency Funds CAFR

The funds that shall be combined to create this CAFR are:

Alternate Benefit Program Fund
Pension Adjustment Fund

IV. Division of Pensions and Benefits CAFR

The funds that shall be combined to create this CAFR are:

All funds listed above and on preceding page

V. State of New Jersey CAFR and Notes for Pension Funds

The funds that shall be combined to create this CAFR are:

All funds listed above and on the preceding page

1.2 BACKGROUND

Total fund balances of the pension trust funds (listed as Item I above) as of June 30, 2003 were \$65.5 billion. Total assets and liabilities for the agency funds (listed as item III above) as of June 30, 2003 were \$27.4 million.

Total fund balances for the Health Benefit, Dental, and Prescription Drug – State (Governmental) funds as of June 30, 2003 were \$56.0 million.

Total fund balances for the Health Benefit and Prescription Drug – Local (Proprietary) funds as of June 30, 2003 were \$66.4 million.

The DOP&B is a unit within the State of New Jersey Department of the Treasury. However, it is the Division of Investment within the Department of the Treasury that is responsible for investing the money in the funds and managing the assets. The Division of Investment invests a significant portion of the funds' assets in various securities while the remaining funds are held as cash and cash equivalents to pay liabilities.

As with all pension funds, there must be actuarial assumptions that form the basis for the return on investment and the disbursement of benefits. Such is the case for the State funds. The DOP&B has contracted with actuaries to perform annual actuarial valuations for each of the Pension Trust Funds and every three (3) years for SACT. Experience studies are done every three (3) years for all Pension Trust Funds. As part of this contract, the contractor must have actuaries on staff to review the actuarial assumptions that appear within the financial statements.

1.3 KEY EVENTS

1.3.1 QUESTIONS AND INQUIRIES

It is the policy of the Division to accept questions and inquiries from all potential bidders receiving this RFP.

Written questions can be, e-mailed, faxed or mailed to the Purchase Bureau to the attention of the assigned Purchase Bureau buyer at the following address:

Attn: Edward T. Cotterell
State of New Jersey
Division of Purchase and Property
Purchase Bureau
PO Box 230
Trenton, New Jersey 08625-0230

E-Mail: Ed.Cotterell@treas.state.nj.us
Phone Number: 609-984-6241
Fax Number: 609-292-5170

After the submission of bid proposals, unless requested by the State, contact with the State is limited to status inquiries only and such inquiries are only to be directed to the buyer. Any further contact or information about the proposal to the buyer or any other State official connected with the solicitation shall be considered an impermissible supplementation of the bidder's bid proposal.

1.3.1.1 CUT-OFF DATE FOR QUESTIONS AND INQUIRIES

A Mandatory Pre-Bid Conference has been scheduled for this procurement. The cut-off date for submission of questions shall be the date of the Mandatory Pre-Bid Conference. While all questions shall be entertained at the Mandatory Pre-Bid Conference, it is strongly urged that questions be submitted in writing prior to the Mandatory Pre-Bid Conference. It is requested that bidders having long, complex or multiple part questions submit them in writing as far in advance of the Mandatory Pre-Bid Conference as possible. This request is made so that answers can be prepared by the State by the time of the Mandatory Pre-Bid Conference.

1.3.1.2 QUESTION PROTOCOL

Questions must be submitted in writing to the attention of the assigned Purchase Bureau buyer. The writer should directly tie written questions to the RFP. Questions should be asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Short procedural inquiries may be accepted by telephone by the Purchase Bureau buyer, however, oral explanations or instructions given over the telephone shall not be binding upon the State. Bidders shall not contact the Using Agency directly, in person, by telephone or by email concerning this RFP.

1.3.2 MANDATORY PRE-BID CONFERENCE

A Mandatory Pre-Bid Conference has been scheduled for this procurement. The date, time and location are provided as follows:

Date:	April 6, 2004
Time:	10:00 AM
Location:	DEPARTMENT OF THE TREASURY DIVISION OF PURCHASE AND PROPERTY PURCHASE BUREAU BID OPENING ROOM, 9TH FLOOR 33 WEST STATE STREET TRENTON, NJ 08625-0230 Directions to the Pre-bid Conference can be found at the following website: http://www.state.nj.us/treasury/purchase/directions.shtml

CAUTION: Bid proposals shall be automatically rejected from any bidder that was not represented or failed to properly register at the Mandatory Pre-Bid Conference.

The purpose of the Mandatory Pre-Bid Conference is to provide a structured and formal opportunity for the State to accept questions from bidders regarding this RFP.

Any revisions to the RFP resulting from the Mandatory Pre-Bid Conference shall be formalized and posted on the web site as a written addendum to the RFP. Answers to deferred questions shall also be posted on the web site as a written addendum to this RFP.

1.3.3 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE RIGHT PLACE SHALL BE REJECTED.** THE DATE, TIME AND LOCATION ARE:

DATE:	April 27, 2004
TIME:	2:00 PM
LOCATION:	BID RECEIVING ROOM - 9TH FLOOR PURCHASE BUREAU DIVISION OF PURCHASE AND PROPERTY DEPARTMENT OF THE TREASURY 33 WEST STATE STREET, P.O. BOX 230 TRENTON, NJ 08625-0230 Directions to the Purchase Bureau can be found on the following website: http://www.state.nj.us/treasury/purchase/directions.shtml

1.4 ADDITIONAL INFORMATION

1.4.1 REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision shall be by addendum.

ALL RFP ADDENDA SHALL BE ISSUED ON THE PURCHASE BUREAU WEB SITE. TO ACCESS ADDENDA THE BIDDER MUST SELECT THE BID NUMBER ON THE PURCHASE BUREAU BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

[HTTP://WWW.STATE.NJ.US/TREASURY/PURCHASE/BID/SUMMARY/BID.SHTML](http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml)

There are no designated dates for release of addenda. Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

1.4.2 ADDENDUM AS A PART OF THIS RFP

Any addenda to this RFP shall become part of this RFP and part of any contract resulting from this RFP.

1.4.3 ISSUING OFFICE

The Purchase Bureau, Division of Purchase and Property issues this RFP. The buyer noted in Section 1.3.1 is the sole point of contact between the bidder and the State for purposes of this RFP.

1.4.4 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after bids are opened because of a bidder's failure to be knowledgeable of all the requirements of this RFP. By submitting a bid proposal in response to this RFP, the bidder represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

1.4.5 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by bidders before the award of the contract resulting from this RFP.

1.4.6 CONTENTS OF BID PROPOSAL

The entire content of every bid proposal shall be publicly opened and becomes a public record. This is the case notwithstanding any statement to the contrary made by a bidder in its bid proposal.

All bid proposals, as public records, are available for public inspection. Interested parties can make an appointment with the Purchase Bureau buyer to inspect bid proposals received in response to this RFP.

1.4.7 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to do so may preclude an award being made to the bidder.

1.4.8 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Affirmative Action Employee Information Report, MacBride Principles Certification, and business registration must be supplied for each party to a joint venture.

2.0 DEFINITIONS

The following definitions shall be part of any contract awarded or order placed as result of this RFP.

2.1 STANDARD DEFINITIONS

Addendum – Written clarification or revision to this RFP issued by the Purchase Bureau before bids are submitted.

Amendment – A change in the scope of work to be performed by the contractor after the contract is awarded. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder - An individual or business entity submitting a bid proposal in response to this RFP.

Contract - This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

Contractor - The contractor is the bidder awarded a contract.

Director - Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division - The Division of Purchase and Property

Evaluation Committee - A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

May - Denotes that which is permissible, not mandatory.

Project - The undertaking or services that are the subject of this RFP.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement shall result in the rejection of a bid proposal as materially non-responsive.

Should - Denotes that which is recommended, not mandatory.

State Contract Manager – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work.

Subtasks – Detailed activities that comprise the actual performance of a task.

State - State of New Jersey.

Task – A discrete unit of work to be performed.

Using Agency or Agency - The entity for which the Division has issued this RFP and shall enter into a contract.

2.2 CONTRACT SPECIFIC DEFINITIONS

All inclusive hourly rate – all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, materials, supplies, managerial support and all documents, forms, and reproductions thereof. Hourly rates also include portal to portal expenses. Time spent in traveling to and from the work site or employee's normal work station shall not be paid separately in addition to the hourly rates.

CAFR - Combined Annual Financial Report. This is a financial report that combines the results of several funds. There are five Combined Annual Financial Reports for which audited statements must be produced each year of this contract.

Comfort Letter – Letter issued by contractor to Office of Management & Budget stating that financial statements and notes provided by the DOP&B can be used in the New Jersey State CAFR report. This letter precedes the official reports issued by the contractor.

Confirmation Notice – Letters issued by the contractor to random employers/members of the various pension funds asking them to verify specific information regarding their individual account at the DOP&B.

Crosswalk –A trial balance for a particular fund to show groupings of accounts on the fund's balance sheet and revenue and expense statements.

Experience Studies – Conducted by actuaries every three (3) years examining each pension fund to determine if basic assumptions are accurate or if they need to be revised.

Independent Letter - A letter issued by the contractor that gives the State Auditor permission to use the contractor's audit produced under this contract in the State of New Jersey's CAFRs.

Management Letter – Discretionary letter issued by the contractor to management of the DOP&B setting forth issues that the contractor deems necessary to be addressed.

Opinion Letter - The letter signed by a partner or principal of the auditing firm that is included in the audited financial statements of each fund.

Proprietary Funds – Proprietary funds are the Health Benefit Program and Prescription Drug Program Local Funds

Statement of Auditing Standards (SAS) 70 - A Statement on Auditing Standards is an internationally recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). See section 3.11 of this RFP for more information concerning the (SAS) 70

Postings (3rd and 4th quarter) – Posting of contributions to individual member's account in the applicable pension funds are made quarterly. The Contractor may start work on the audits each years when third quarter postings are available on or about May 15th. The fourth quarter postings are available on or about August 15th.

3.0 SCOPE OF WORK

3.1 FUNDS TO BE AUDITED

A general description of each fund to be audited is contained in Appendix 3 to this RFP. Auditor reports for year ended June 30, 2002 can be accessed at the DOP&B website at <http://www.state.nj.us/treasury/pensions/annrprts.htm>

3.2 AUDIT PERIOD

The audit period shall be the State's fiscal year, which starts on July 1 and ends on June 30 of the following year. The first year to be audited shall be the fiscal year starting on July 1, 2003 and ending June 30, 2004.

3.3 TASK 1 - AUDIT SCOPE

Task 1 includes all the work of this contract except for that specified in Task 2 (Section 3.10). A separate audit and opinion shall be provided for each fund. Audits shall be performed in accordance with generally accepted auditing standards and include the following:

3.3.1 The contractor's opinion as to the fair presentation of the financial statements, notes to the financial statements and other schedules as necessary for full disclosure in accordance with generally accepted accounting principles. The audit of the financial statements, notes and schedules includes, but is not limited to, the balance sheets, the statements of revenues, expenses and changes in fund balances, the statement of cash flows (proprietary funds), and, for the agency funds, statements of changes in assets and liabilities.

3.3.2 The contractor's opinion as to the fair presentation of the basic financial statements of the Pension Trust Funds, Agency Funds, Health Benefits Funds, and the Pensions and Benefits Combined Report. It is noted that the statements required in 3.3.2 must also be presented separately in the format required for inclusion in the State's general purpose financial statements. The DOP&B shall provide the statement format. That format shall be similar to the statements in the audits posted on the web site at <http://www.state.nj.us/treasury/pensions/annrprts.htm>

3.3.3 The contractor's audit of the crosswalks that are provided by DOP&B showing the conversion of the trial balance of each fund to the funds' final statements in the format required for inclusion in the State's general purpose financial statements.

3.3.4 The contractor's independent letter. The independent letter is issued by the contractor, which gives permission to the State Auditor to use the contractor's audit produced under this contract to be included in the State of New Jersey CAFRs.

The contractor shall make arrangements with the prior contractor that performed the audits of all funds to obtain any documents or information from the prior audit that may be needed to perform the work of this contract if the State Contract Manager does not make such information available to the contractor.

3.3.5 The contractor shall have an internal audit plan that must include a review of the most recent actuarial assumptions for validity, application and effect upon the financial statements. Actuarial staff shall be members of either the Society of Actuaries or the Conference of Actuaries in Public Practice. The actuary performing services under this contract must at a minimum be an enrolled actuary under federal law. The contractor's actuaries that participate in the review of the actuarial assumptions must be directly employed by the contractor and may not be subcontractor personnel. No subcontractors are permitted for this contract.

3.3.6 The DOP&B has implemented Governmental Accounting Standards Board (GASB) 34 accounting standards starting with the fiscal year ending June 30, 2002. All the fund statements are in compliance with GASB 34 accounting standards. The contractor shall perform an audit of such statements.

3.3.7 The contractor shall make a presentation to the Deferred Compensation Board, that oversees the State of New Jersey Deferred Compensation Plan on the results of the audit for the Deferred Compensation Plan. The contractor shall also present the results of the audit of any other fund to the related boards, if so requested by the State Contract Manager. The Pension Boards in particular may require the contractor to

make a presentation. The contractor shall assume that it may be required to make a presentation to all the Pension Boards as part of this contract.

3.3.8 The contractor shall either prepare a management letter or a written statement stating why a management letter is not necessary.

3.3.9 The contractor shall prepare a comfort letter by September 15 of each year, and submit it with the draft audit report.

3.3.10. The final audits, delivered by the contractor, shall provide documentation of a concurring partner review performed in accordance with generally accepted accounting standards.

3.4 WORKING PAPERS

As part of any normal audit, an auditor maintains working papers consisting of notes and written records created during the performance of the audit. The contractor shall create and maintain audit working papers while performing the work of this contract. Audit working papers are not a deliverable during the performance of this contract and payments are not dependent on the presentation of working papers to the State Contract Manager. However, it is expected as part of generally accepted auditing standards that the contractor shall create files of working papers related to all the audits of all the funds. The working papers shall be maintained in the contractor's office as a backup record for the audit. The contractor's audit working papers shall be indexed in a logical manner and shall contain evidence that each working paper or group of working papers has been subjected to appropriate supervisory review. The contractor's working papers shall be clearly titled, dated and show the name of the auditor preparing the working paper. The contractor shall retain the working papers for a period of three years from the date of State acceptance of the final audits and the retained working papers shall be available for review by the staff of the State Auditor and the Department of the Treasury, including representatives of the DOP&B at their respective office locations (or in the contractor's local office after expiration of the contract) at any time during the retention period. The contractor shall also make the working papers and any other information related to the audits available to any future replacement-auditing contractor during the retention period specified herein. There shall be no separate payment to the contractor for providing access to the working papers as long as that access is requested during the retention period specified herein, even if the contract has expired. Failure to make working papers available on request shall be a contract non-performance item subject to section 5.16.3 of this contract.

3.5 AUDIT REPORT DUE DATES

An audit report consists of the audited financial statements, notes and schedules and the signed opinion letter from the contractor that is attached to the audited financial statement. The contractor shall prepare and submit a preliminary draft audit report for all of the individually audited funds and a preliminary draft audit report for each of the five (5) combined annual financial reports. The preliminary drafts shall be submitted to the State Contract Manager by September 15th following the close of each fiscal year. The contractor shall print, bind and deliver 60 copies of each final fund audit report and 60 copies of the five CAFR audit reports and deliver those copies to the State Contract Manger by October 30.

An additional five (5) copies of the State of New Jersey CAFR, with Notes for Pension Fund over and above the 60 copies noted above are separately required.

All of the above reports shall be sent to the State Contract Manager at the following address:

Division of Pensions and Benefits
C/O Mary Ellen Conway
Chief, Financial Reporting, Payments and Collections
50 West State Street- 7th Floor
P.O. Box 295
Trenton, NJ 08625

3.5.1 AUDIT START DATE

The contractor shall start the audit on or about May 15 of every year unless otherwise notified by the State Contract Manager of a later start date. The start date for the first year may be later depending on the date of contract award. On May 15th, the following will be available for auditing:

Third Quarter Postings – These postings to member accounts are available on or about May 15 and the contractor shall begin the audit when these postings become available.

The following is the general order of materials and documents that will become available and that the State Contractor will deliver to the contractor or otherwise make available to the contractor after May 15th of each year:

Fourth Quarter Postings – These postings to member accounts are available on or about August 15th

DOP&B prepared financial statements and notes with letters – These are developed in conjunction with the contractor on or about September 15.

3.5.2 WORKING SPACE AT THE DOP&B OFFICES

The State Contract Manager will make space available for the contractor's auditors and staff to work in DOP&B office in Trenton at 50 West State Street or, if the DOP&B moves its office during the term of the contract, at the new office location. The space has historically been a converted conference room. The contractor shall bring its own computers, printers and other equipment to perform the audit and to make notes and records while performing the audit. The DOP&B will provide one (1) or two (2) computers in the space available that will serve as terminals for the contractor's staff to access data needed to perform the audits.

It is also expected that some work will occur in the contractor's office, particularly any actuarial reviews by the contractor's actuarial staff.

3.6 PREPARATION OF AUDIT STATEMENTS AND AUDIT LETTERS

The staff of the DOP&B shall prepare all financial statements and letters for all individual funds and CAFRs. The contractor will not be required to prepare, type or print the first draft of the financial statements for each fund, as that function will be performed by the DOP&B. The State Contract Manager will provide the draft financial statements and letters to the contractor. However, the contractor shall make bound copies of the final audited statements as specified in Section 3.5.

The purpose of DOP&B preparing the draft financial statements and the draft audit letters that will be signed by the contractor is to assure a common format for all of the financial statements and a common layout to the associated letters. In performing the audits, the contractor shall make any adjustments to the financial statements, footnotes, or letters based on the results of the audit and the independent and professional determination of the accuracy of the financial statements of each fund and each CAFR. However, the contractor's comments and adjustment must be inserted in such a way that the basic format and layout of the original draft statements and letters do not change. Such changes must be brought to the attention of the State Contract Manager.

For each fund and for each CAFR, the State Contract Manager will provide the contractor with computer diskettes that contain the DOP&B prepared financial statements, footnotes and letters. The contractor shall perform the audit and make adjustments to the financial statements, footnotes and letters as dictated by the results of the audit. The audit adjusted financial statements with the associated signed letters constitute the deliverables under this contract.

3.7 PROGRESS REPORTS AND MEETINGS

Project control meetings shall be held on a monthly basis to update the State Contract Manager on the progress of the audit. The meetings shall be held in Trenton in the DOP&B office.

An initial kickoff meeting will occur within 10 days or sooner after contract award in the DOP&B offices. At this first meeting, the contractor must bring at a minimum the Managing Partner, Supervisor and Senior auditor who will be supervising staff during the audit.

3.8 EXTENSIONS OF TIME

Requests for extensions of time relative to the dates noted in section 3.5 must be made to the State Contract Manager. The State Contract Manager must approve any time extensions. If the State Contract Manager does not grant a time extension, then the contractor must perform the work of the contract within the timeframes specified in Section 3.5 and failure to meet those time frames will constitute non-performance in accordance with section 5.16.3.

The contractor must anticipate that contract award may occur after May 15th of the first year of the contract, but that a final audit will still be required by October 31 of that year, despite any compression in the schedule that may result.

3.9 PROJECT MANAGEMENT - STATE CONTRACT MANAGER

The State Contract Manager is:
Mrs. Mary Ellen Conway
Chief, Financial Reporting, Payments and Collections
Division of Pensions and Benefits
P. O. Box 295
Trenton, New Jersey 08625-0295

The State Contract Manager (or her designee) will be the sole point of contact between the State and the contractor. The State Contract Manager will be responsible for reviewing and approving all deliverables specified in this Scope of Work.

3.10 NEW JERSEY CERTIFIED PUBLIC ACCOUNTANT

All final audit reports, submitted by the contractor to the State Contract Manager, shall be approved by a New Jersey Certified Public Accountant employed by the contractor.

3.11 STATEMENT ON AUDITING STANDARDS - TASK 2

As a separate task under this contract, at the option of the State, the contractor shall prepare a Statement on Auditing Standards (SAS) No.70 for the Deferred Compensation Fund, Supplemental Annuity Collective Trust and the Alternate Benefit Program Funds.

In the performance of this task, the State Contract Manager shall provide the contractor with all documentation that is requested and have staff available to answer all inquiries. A Statement on Auditing Standards is an internationally recognized auditing standard, developed by the American Institute of Certified Public Accountants (AICPA). An SAS 70 audit represents that a service organization has been through an in-depth audit of its control activities, which generally include controls over information technology and related processes. An SAS 70 examination signifies that a service organization has had its control objectives and control activities examined by an independent accounting and auditing firm. A formal report including the auditor's opinion shall be issued to the DOP&B at the conclusion of the SAS 70 examination.

The contractor shall prepare and deliver the SAS 70 every year, in accordance concurrent with the Task 1 audit. Therefore, the draft SAS 70 shall be delivered by September 15th and the final SAS 70 delivered by October 31st of each year.

4.0 PROPOSAL PREPARATION AND SUBMISSION

4.1 GENERAL

The bidder must follow instructions contained in this RFP and in the bid cover sheet in preparing and submitting its bid proposal. The bidder is advised to thoroughly read and follow all instructions.

The information required to be submitted in response to this RFP has been determined to be essential in the bid evaluation and contract award process. Any qualifying statements made by the bidder to the RFP's requirements could result in a determination that the bidder's proposal is materially non-responsive. Each bidder is given wide latitude in the degree of detail it elects to offer or the extent to which plans, designs, systems, processes and procedures are revealed. Each bidder is cautioned, however, that insufficient detail may result in a determination that the bid proposal is materially non-responsive or, in the alternative, may result in a low technical score being given to the bid proposal.

4.2 PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP cover sheet. Bidders submitting proposals are cautioned to allow adequate delivery time to ensure timely delivery of proposals. State regulation mandates that late bid proposals are ineligible for consideration. **THE EXTERIOR OF ALL BID RESPONSE PACKAGES MUST BE LABELED WITH THE BID IDENTIFICATION NUMBER, FINAL BID OPENING DATE AND THE BUYER'S NAME.** All of this information is set forth at the top of the RFP cover sheet ([page 3 of the RFP](#)).

4.3 NUMBER OF BID PROPOSAL COPIES

Each bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. Each bidder should submit **7 (Seven) full, complete and exact copies** of the original **for a total of 8 submissions**. Bidders failing to provide the requested number of copies will be charged the cost incurred by the State to produce the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

4.4 PROPOSAL CONTENT

The bid proposal should be submitted in one volume and that volume divided into four (4) sections as follows:

- Section 1 - Forms (Section 4.4.1)
- Section 2 - Technical Proposal (Section 4.4.2)
- Section 3 - Organizational Support and Experience (Section 4.4.3)
- Section 4 - Cost Proposal (Section 4.4.4)

The following table describes the format of the bid proposal that should be prepared with tabs (separators), and the content of the material located behind each tab.

TAB	CONTENTS	RFP SECTION REFERENCE	COMMENTS
1	Forms	Cover sheet	Completed and signed cover sheet (Page 3 of this RFP)
		4.4.1.1	Ownership Disclosure Form (Attachment 1)
		4.4.1.2	MacBride Principles Certification (Attachment 2)
		4.4.1.3	Affirmative Action Employee Information Report or New Jersey Affirmative Action Certificate (Attachment 3)
		1.1 of the Standard Terms & Conditions	Business Registration from Division of Revenue
2	Technical Proposal	4.4.2.1	Management Overview
		4.4.2.2	Contract Management
		4.4.2.3	Contract Schedule
		4.4.2.4	Mobilization and Implementation Plan
		4.4.2.5	Potential Problems
3	Organizational Support and Experience Proposal	4.4.3.1	Location
		4.4.3.2	Organization Chart (Contract Specific)
		4.4.3.3	Resumes
		4.4.3.4	Backup Staff
		4.4.3.5	Organization Chart (Entire Firm)
		4.4.3.6	Experience of Bidder on Contracts of Similar Size and Scope
		4.4.3.7	Financial Capability of the Bidder
4	Price Proposal	4.4.4	Price Schedules (Attachment 4)

4.4.1 SECTION 1 – FORMS

4.4.1.1 COVER SHEET

The bidder must complete and sign the coversheet that appears on [page 3](#) of the RFP and submit it with the bid proposal.

4.4.1.2 OWNERSHIP DISCLOSURE FORM

In the event the bidder is a corporation or partnership, the bidder must complete the attached Ownership Disclosure Form. A completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of the contract.

The Ownership Disclosure Form is attached as [Attachment 1](#) to this RFP.

4.4.1.3 MACBRIDE PRINCIPLES CERTIFICATION

The bidder must complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. Failure to do so may result in the award of the contract to another vendor.

The MacBride Principles Certification Form is attached as [Attachment 2](#) to this RFP

4.4.1.4 AFFIRMATIVE ACTION

The bidder must complete the attached Affirmative Action Employee Information Report, or, in the alternative, supply either a New Jersey Affirmative Action Certificate or evidence that the bidder is operating under a Federally approved or sanctioned affirmative action program. The requirement is a precondition to entering into a valid and binding contract.

The Affirmative Action Forms are attached as [Attachment 3](#) to this RFP

4.4.1.5 SET ASIDE CONTRACTS

This contract is not a set aside for small business.

4.4.1.5 BID BOND

Not Applicable to this RFP.

4.4.2 SECTION 2 - TECHNICAL PROPOSAL

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

4.4.2.1 MANAGEMENT OVERVIEW

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

The management overview shall include all aspects of the audit including a description of any special approach to the audit of multibillion-dollar pension funds and benefit programs that the bidder considers unique to these types of audits. In addition, the bidder shall describe the type of actuarial review the bidder intends to bring to bear on the review of the actuarial assumptions specified within the plans.

The management overview shall provide a separate section that discusses the SAS 70 review. In the overview and other descriptive submissions, the bidder should discuss the SAS 70 separately from the audit work in Task 1.

4.4.2.2 CONTRACT MANAGEMENT

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

4.4.2.3 CONTRACT SCHEDULE

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask. For the purposes of bid submission, the bidder should assume that the contract will start approximately eight (8) weeks after the submission of bids. However, a later start may not be claimed as a changed condition requiring a contract amendment.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, Pert or other charts is at the option of the bidder.

4.4.2.4 MOBILIZATION AND IMPLEMENTATION PLAN

It is essential that the State move forward quickly to have the contract in place. Therefore, the bidder must include as part of its proposal a mobilization and implementation plan, beginning with the date of notification of contract award with the capability to start an audit within eight weeks after the submission of bids and every May 15th thereafter unless otherwise notified by the State Contract Manager.

Such mobilization and implementation plan should include the following elements:

(a) A detailed timetable for the mobilization and implementation period of auditors and staff to perform the first audit with a contingency plan should the contract be awarded after May 15th for the first year. This timetable should be designed to demonstrate how the bidder would have the contract up and operational from the date of notification of award.

(b) The bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the bidder's mobilization and implementation of the contract within the period of May 15th to October 30th of every year of the contract.

NOTE: The bidder should clearly identify management, supervisory or other key staff that will be assigned only during the mobilization and implementation period. All staff must be employees of the contractor at the time of bidding. A bidder that indicates that it will recruit staff after contract award to perform the audit will be determined to be non-responsive to the bid submission requirements.

The bidder should submit a plan for the distribution of equipment that will be required to fully implement the contract on the required start date.

4.4.2.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

4.4.3 SECTION 3 - ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP. The bidder's proposed personnel must have all the experience, academic degrees, licenses or professional certifications as specified in this RFP at the time of bid submission. Failure to propose personnel that have the required experience, academic degrees, licenses or professional certifications at the time of bid submission shall render the bid non-responsive to the bid submission requirements and the bidder ineligible for contract award.

4.4.3.1 LOCATION

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the telephone number, fax number, Email address and name of the individual to contact.

4.4.3.2 ORGANIZATION CHART (CONTRACT SPECIFIC)

The bidder should include a contractor's organization chart, with names showing management, supervisory and other key personnel to be assigned to the contract. The chart should include the labor category and title of each such individual.

Personnel Mix Chart - In addition to a organization personnel chart, the bidder shall submit a chart that shows staff assignments with man-hours related to the specific work tasks that must be performed under the contract for one year's work. This chart in combination with the mix of staff that will be shown in the price schedules will be an essential ingredient to determine if the bidder understands the manpower resources that must be delivered under this contract and if the bidder's allocation of that staff is appropriate for the work to be performed.

4.4.3.3 RESUMES

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

- Clearly identify the individual's previous experience in completing similar contracts.
- Beginning and ending dates should be given for each similar contract.
- A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.
- With respect to each similar contract, the bidder should include the name and address of each reference together with two persons to contact for a reference check and a telephone number.

LABOR CATEGORIES

The bidder shall identify the following staff, at a minimum, that will be assigned to the work of the contract. Résumés must be submitted for at least one person in each of the categories of labor noted below. The contractor may identify other professional staff that will be assigned, but a resume for all staff identified must be submitted in the bidder's bid proposal. Clerical staff work shall be considered overhead and shall not be listed as an additional labor category. The categories of staff as defined herein are:

Partner – A partner is an individual who has ownership interest in the firm and the person who signs the audit report. A New Jersey CPA certificate is required for this position, or if this person is not a New Jersey CPA, the bidder must identify which individual in the firm will be the person who satisfies Section 3.10 of the scope of work. Qualifications include extensive audit experience and managerial ability. This individual is charged with the overall management of the audit engagement and responsibility for insuring that all necessary disclosures are made in the audit report.

Manager – This classification is directly under the partner. Qualifications include extensive audit experience and managerial ability. A CPA certificate is required for this position. This individual is responsible for the direct management of a complex engagement including the technical review of audit working papers. This position requires technical research of complex accounting and auditing issues affecting presentation of audit reports.

Supervisor – This classification represents the third level of management. A CPA certificate is required for this position. This individual performs the direct management over the field audit engagement and the complete detailed review of audit working papers for quality, completeness and adequate documentation to substantiate audit report findings.

Senior Auditor– This classification represents the highest level of audit field staff (in charge). Education required is a bachelor's degree from an accredited university with a major in accounting, and at least three years working experience with a certified public accounting firm. Individuals in this position should be either a CPA or qualified to sit for the CPA examination.

Actuary - This classification represents an employee of the contractor who will review the actuarial assumptions and actuarial reports. This person must have a bachelor's or master's degree with a major in actuarial science. This person must have at least three years experience in actuarial work or in evaluating actuarial reports. The actuary must be a member of either the society of actuaries or the conference of Actuaries in Public Practice. The actuary must be an enrolled actuary under federal law.

Staff Auditor - This position requires an individual to possess a bachelors degree from an accredited college with a major in accounting. The position must filled by a professionally titled person in the bidder's organization. The senior auditor shall directly supervise all staff auditors. The bidder shall identify staff auditor's in the bid proposal, provide résumés and if the bidder identifies multiple staff auditor's, any special role in the each individual may play in the performance of the work of the audit.

4.4.3.4 BACKUP STAFF

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

The backup staff should be employees within the company at the time this RFP is bid. However, if backup staff are not available, the bidder shall present a plan with a timetable to recruit back up staff.

4.4.3.5 ORGANIZATION CHART (ENTIRE FIRM)

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

4.4.3.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide the name and telephone number of two contact persons for the other contract party. Beginning and ending dates should also be given for each contract.

Relevant Experience - This RFP requires that the bidder have prior experience auditing multibillion-dollar retirement and pension funds, specifically government defined benefit retirement and pension funds or similar plans. In addition, the bidder must have experience auditing defined contribution plans similar to the State of New Jersey State Employee's Deferred Compensation Plan, SACT and ABP. Finally, the bidder shall have experience auditing health benefit programs similar to those operated by the State of New Jersey and specified in this RFP. The bidder's bid proposal must draw the comparison among the retirement and health benefit plans that the bidder has audited and the benefit programs managed by the DOP&B for the State of New Jersey and specified herein.

Peer Review - Auditing firms undergo a process of peer review on a regular basis. The bidder shall provide documentation of the results of its peer review received in the last three (3) years, and if that review addressed governmental auditing. The peer review must indicate a satisfactory evaluation.

4.4.3.7 FINANCIAL CAPABILITY OF THE BIDDER

The bidder shall provide proof of its financial capacity and capabilities to undertake and successfully complete the contract. To satisfy this requirement, the bidder shall submit a certified financial statement, including applicable notes, reflecting the bidder's assets, liabilities, net worth, revenues, expenses, profit or loss, and cash flow for the most recent calendar year or the bidder's most recent fiscal year; or, if a certified financial statement is not available, then either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statement. In addition, the bidder must submit a bank reference.

4.4.3.8 SUBCONTRACTOR (S)

Subcontracting is not allowed under this contract. Staff of the awarded company must perform all work. Any bidder that indicates that any of the work specified, including the provision to provide backup up staff will be performed by subcontractors or persons not currently on the bidder's staff shall be determined to be non-responsive to the bid submission requirements.

4.4.4 SECTION 4 - PRICE PROPOSAL

The price schedule is attached to this RFP as [Attachment 4](#).

This RFP requires the bidder to propose a total lump sum price to perform all the work of the contract for each year of the contract for each task. The awarded contractor shall only be eligible for the total lump sum contract price each year. As back up to the lump sum price for each audit year, the bidder shall develop a summary of the personnel and hours that the bidder intends to dedicate to the audits for each year with associated all-inclusive hourly rates for those personnel. All professional personnel identified on the price schedule must have a related resume in the bid proposal. Clerical staff and management above or beyond the partner associated with this RFP and contact must not be specified as the work of these persons is included in the hourly rates of the professionals. First, in the bid evaluation, the Evaluation Committee will review the mix of staff offered as part of the determination of whether or not the bidder understands the work of the contract and is allocating sufficient total time and a proper mix and allocation of staff that is appropriate for this type of audit work. No modifications to the contract are anticipated at the time of the issuance of this contract.

The bidder shall incorporate all costs associated with the performance of this contract, whether stated directly or implied, in the hourly rates and total bid price submitted for each year of this contract. The awarded contractor shall not be eligible and the State Contract manager shall not authorize payment to the awarded contractor of any dollar amount beyond the total lump sum price as bid for each contract year.

The total bid price for each year must be generally equivalent to the other years in price (except for normal and expected inflation and pay raises) and in the total allocated staffing. Unsubstantiated major variances in the work projections from year to year shall constitute an unbalanced bid. A determination that the bid is unbalanced shall result in a determination that the bid is non-responsive to the bid submission requirements and therefore an unbalanced bid may jeopardize contract award to the bidder.

Failure to submit all requested pricing information shall result in the bidder's proposal being considered materially non-responsive. Each bidder must hold its price(s) firm through issuance of contract to permit the completion of the evaluation of bid proposals received and the contract award process. Upon contract award, the contractor shall hold prices firm for the duration of the contract.

5.0 SPECIAL TERMS AND CONDITIONS

5.1 PRECEDENCE OF CONTRACTUAL TERMS AND CONDITIONS

The contract shall consist of this RFP, addenda to this RFP, the vendor's bid proposal, and the Division's Notice of Acceptance.

Unless specifically noted within this RFP, the Special Terms and Conditions, take precedence over the Standard Terms and Conditions, attached as [Appendix 1](#).

In the event of a conflict between the provisions of this RFP, including the Standard Terms and Conditions and the Special Terms and Conditions, and any addendum to the RFP, the addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any addendum to this RFP, and the bidder's proposal, the RFP and/or the addendum shall govern.

5.2 PERFORMANCE BOND

A Performance Bond is not required for this contract.

5.3 BUSINESS REGISTRATION

See Standard Terms & Conditions, [Appendix 1, Section 1.1](#).

5.4 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of five (5) years. The anticipated Contract Effective Date is May 15, 2004. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for two (2) additional periods of up to one (1) year by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

5.5 CONTRACT TRANSITION

In the event services end by either contract expiration or termination, it shall be incumbent upon the contractor to continue services, if requested by the Director, until new services can be completely operational. The contractor acknowledges its responsibility to cooperate fully with the replacement contractor and the State to ensure a smooth and timely transition to the replacement contractor. Such transitional period shall not extend more than ninety (90) days beyond the expiration date of the contract, or any extension thereof. The contractor will be reimbursed for services during the transitional period at the rate in effect when the transitional period clause is invoked by the State.

5.6 AVAILABILITY OF FUNDS

The State's obligation to pay the contractor is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless funds are made available each fiscal year to the Using Agency by the Legislature.

5.7 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall only be valid when they have been reduced to writing and executed by the contractor and the Director.

5.8 CONTRACTOR RESPONSIBILITIES

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment shall be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

5.9 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor shall identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

5.10 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

All work performed under this contract shall be performed by employees of the contractor. No work under this contract may be subcontracted.

5.11 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain

the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

5.12 DATA CONFIDENTIALITY

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, shall be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

5.13 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

5.14 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.15 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. All licenses, academic degrees and certifications that relate to the qualifications of personnel must be held at the time of bid submission and must continue to be valid and unrestricted for the duration of the contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered and included in the bid proposal.

5.16 CLAIMS AND REMEDIES

5.16.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.16.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, or any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.16.3 REMEDIES FOR NON-PERFORMANCE

In the event the contractor fails to comply with any material contract requirement, the Director may take steps to terminate the contract in accordance with the State Administrative Code. In this event, the Director may authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

The limitation of liability set forth in Section 5.16.3 shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or

damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;

2. The contractor's breach of its obligations of confidentiality; and,
3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the Standard Terms and Conditions, as modified by Section 5.26.2 of these special Terms and Conditions.

5.17 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

5.18 LIQUIDATED DAMAGES

The dates specified in this contract for the delivery of audits and letters are vital milestones that verify the integrity and financial condition of the funds. If the contractor cannot meet the delivery date(s) as specified in this contract, and the State Contract Manager does not allow an extension of time for delivery, the contractor shall be assessed liquidated damages in the sum of \$500 per normal workday (Monday through Friday excluding State Holidays) for each day that such delivery is late. The total sum of liquidated damages assessed under this contract shall not exceed ten (10) percent of the total contract price for Task 1 or Task 2, depending on which task is affected by the late delivery. The State Contract Manager may subtract liquidated damages from payments due the contractor prior to approving a payment voucher. These sums shall be considered as liquidated damages and not as a penalty.

5.19 RETAINAGE - 25%

The amount of retainage is twenty five percent (25%). The using agency shall retain the stated percentage of each Task 1 invoice submitted until the final audit is submitted and approved for Task 1 each year. For Task 2, if awarded, the using agency shall retain the stated percentage of each Task 2 invoice submitted until the SAS 70 report is submitted and approved each year. Following certification by the State Contract Manager that all services have been satisfactorily performed for either task, the retainage of the satisfactorily performed task shall be released to the contractor.

5.20 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor shall submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable percentage of work completed, against the total sum set forth for such task in its price proposal.

5.21 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.22 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.23 CONTRACT PRICE INCREASE (PREVAILING WAGE)

Prevailing wages do not apply to this contract.

5.24 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written cost proposal must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the cost proposal should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must all include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

5.24.1 REDUCTIONS IN THE SCOPE OF WORK

Any reductions in the scope of work shall require a contract amendment approved by the State Contract Manager and the Director. Any reduction in the scope of work shall include a calculation as to the reduction in payment to the contractor. If the scope of work under this contract is reduced, the contractor shall provide to the State Contract manager with an estimate of the hours dedicated to that work item for each year remaining of the contract. That estimate, after agreement with the State Contract Manager and the Director shall form the basis to reduce payments to the contractor.

5.25 FORM OF COMPENSATION AND PAYMENT

This Section supplements [Section 4.5 of the RFP'S Standard Terms and Conditions](#). The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the audits detailed in the Scope of Work section of the RFP for Task 1 or the SAS 70 for Task 2 and must be in strict accordance with the firm, fixed prices submitted for each year of the contract as specified on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. The State Contract Manager must approve all invoices before payment shall be authorized.

Contract Amendment Payment - Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Such work and payment for such work shall only be authorized after the approval of a contract amendment as specified in section 5.7 and issuance of a purchase order for such work. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

5.25.1 PAYMENT TO CONTRACTOR - PARTIAL PAYMENTS

This contract requires bidders to perform all work as bid on a lump sum basis for work that occurs from May 15th of each contract year to October 30th of each contract year for Task 1. It also requires a lump sum bid for the SAS 70 for Task 2.

This contract allows partial payments of the lump sum price for Task 1 to the contractor over the course of each year's audits. Partial payments to the contractor shall be made monthly and shall be based on written progress reports given to the State Contract Manager. At no time shall a single progress payment based on a written progress report be greater than 20 percent of the total contract price. The State Contract Manager may require the contractor to submit a summation of hours worked in the prior month as justification for the partial payment. All the hourly rates in that hourly summary shall be based on the contract hourly rates that were used as back up information to the lump sum prices on the price schedules. Upon the receipt and acceptance by the State Contract Manager of the draft Audit Reports for all of the funds in September of each contract year, the State Contract Manager shall authorize payment of up to 70 percent of the total lump sum yearly price minus the total progress payments made to that point. The State Contract Manager may authorize a lesser payment or refuse additional payment if significant revisions of the draft audit reports are necessary such that new draft reports must be submitted. The State Contract Manager shall pay the remaining 30 % of the amount due after receipt, acceptance and approval of the final audit reports and copies. There will be no partial payment between the payment for the draft audit reports and the payment for the accepted final audit reports.

For Task 2, the State Contract Manager, in her sole discretion, may allow partial payments based on satisfactory progress being made. Partial payments may be made monthly and shall be based on a report of the contractor's hours worked and an estimate by the State Contract Manager of the percentage of work performed.

5.26 MODIFICATIONS AND CHANGES TO THE STANDARD TERMS AND CONDITIONS

Appendix 1 in this RFP is the State of New Jersey Standard Term and Conditions. The terms and conditions are modified as follows:

5.26.1 LIABILITY - COPYRIGHT

Section 2.1 of Appendix 1, the New Jersey Standard Terms and Conditions, is deleted and replaced with the following:

2.1 Patent and Copyright Indemnity

a. The Contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of the contract.

b. The State of New Jersey agrees: (1) to promptly notify the Contractor in writing of such claim or suit; (2) that the Contractor shall have control of the defense of settlement of such claim or suit; and (3) to cooperate with the Contractor in the defense of such claim or suit, to the extent that the interests of the Contractor and the State are consistent.

c. In the event of such claim or suit, the Contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

5.26.2 INDEMNIFICATION

Section 2.2 of Appendix 1, the New Jersey Standard Terms and Conditions, is deleted and replaced with the following:

2.2 **Indemnification**

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 400% of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;
2. The contractor's breach of its obligations of confidentiality; and,
3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the Standard Terms and Conditions.

The contractor shall not be liable for special, consequential, or incidental damages.

5.26.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 2.3 of Appendix 1, the State of New Jersey Standard Terms and Conditions regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance. Add the following to Section 2.3 of Appendix 1

d) Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

6.0 PROPOSAL EVALUATION/CONTRACT AWARD

6.1 PROPOSAL EVALUATION COMMITTEE

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL

After the submission of bid proposals, unless requested by the State, contact with the State is limited to status inquiries only and such inquiries are only to be directed to the buyer. Any further contact or information about the proposal to the buyer or any other State official connected with the solicitation shall be considered an impermissible supplementation of the bidder's bid proposal.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal. The Purchase Bureau buyer shall be the sole point of contact regarding any request for an oral presentation or clarification.

6.3 BID DISCREPANCIES

In evaluating bids, discrepancies between words and figures shall be resolved in favor of words. Discrepancies between unit prices and totals of unit prices shall be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices shall be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total shall be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof shall be resolved in favor of the correct sum of the column of figures.

6.4 EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, shall be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

6.4.1 THE BIDDER'S GENERAL APPROACH AND PLANS IN MEETING THE REQUIREMENTS OF THIS RFP

The following are the general criteria that the evaluation committee shall use to evaluate bids. The evaluation shall consider all the submissions specified in Section 4.0 This list is not organized in the order of importance. Therefore, bidders should address carefully all of the following:

- A. The bidder's general approach and plans in meeting the requirements of this RFP.
- B. The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.

- C. The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D. The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP. Failure by a bidder to propose personnel that have required experience, academic degrees, licenses or professional certifications at the time of bid submission shall render the bid non-responsive to the bid submission requirements and the bidder ineligible for contract award.
- E. The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.

6.4.2 THE BIDDER'S PRICE PROPOSAL

For evaluation purposes, bidders shall be ranked according to the total bid price in [Attachment 4](#). The price proposal shall also be evaluated for the following:

- a. The correct total bid price as adjusted in accordance with Section 6.3. A discrepancy between the total bid price as bid and the total bid price as adjusted in accordance with Section 6.3 shall be resolved in favor of the adjusted total bid price.
- b. The allocation and mix of staff that support the lump sum bid price. This allocation shall be part of the technical bid review.
- c. Balance in pricing among the years bid.

6.5 EXCEPTIONS TO THE RFP

In submitting a bid, a bidder affirms that it shall perform all the work of the RFP as specified. Exceptions that the bidders take to the RFP, that are interpreted as statements that the bidder will not perform the work of the resulting contract in accordance with all the mandatory terms and conditions of the RFP, shall be determined to be major deviations to the bid submission requirements.

6.6 TASK 1 AND TASK 2 EVALUATIONS

Bidders are required to bid on both Task 1 and Task 2. Failure to bid on both Tasks will from a basis not to recommend a contract award to the bidder and will render the bid non-responsive.

Task 1 Award. The audit of all the funds, is the most important aspect of the RFP and contract. Therefore, the Evaluation Committee shall recommend a contract award to the Task 1 bid proposal that is most advantageous to the State, price and other factors considered. The Task 1 evaluation shall be performed independently of the proposal and prices submitted for Task 2.

The award of Task 2 is optional. The award of Task 2 shall be linked to the award of Task 1 in that the bidder recommended for the Task 1 contract award shall be the only bidder considered for the award of Task 2. Therefore, after the Evaluation Committee determines a contract award recommendation for Task 1, it shall only recommend or not recommend a contract award to perform Task 2 to the Task 1 recommended awardee.

The determination of whether or not to recommend a contract award for Task 2 shall have two parts.

1. First, funds are limited, and a bid for Task 2 that is beyond the DOP&B's combined projected funding for both Task 1 and Task 2 may form a basis not to recommend a contract award for Task 2.
2. Secondly, if funding is available for Task 2, then the Evaluation Committee shall review the Task 1 awardee's Task 2 technical proposal.
3. The Evaluation Committee may decide not to recommend contract award for Task 2 based on a technical evaluation of the Task 2 proposal.

4. The Evaluation Committee is not obligated to recommend a contract award for Task 2 to the Task1 awardee and the Task 1 awardee is not guaranteed an automatic award to perform the Task 2 SAS 70 work.

6.7 CONTRACT AWARD

The contract shall be awarded with reasonable promptness by written notice to that responsible bidder whose bid proposal, conforming to the RFP, shall be most advantageous to the State, price and other factors considered. Any or all bids may be rejected when the State Treasurer or the Director of the Division of Purchase and Property determines that it is in the public interest so to do.

7.0 ATTACHMENTS, SUPPLEMENTS AND APPENDICES

ATTACHMENTS - To be submitted with bid proposal.

1. [Ownership Disclosure Form](#)
2. [MacBride Principles Form](#)
3. [Affirmative Action Supplement Forms](#)
4. [Price Schedules](#)
5. [Reciprocity Form](#) (*Optional Submittal*)

APPENDICES

1. [New Jersey Standard Terms and Conditions](#)
2. [Set-Off for State Tax Notice](#)
3. [Division of Pensions and Benefits Information](#)

REQUIRED BID SUBMISSIONS

The following are required bid submissions:

1. The Cover Sheet - This is [located on page 3](#) of the RFP
2. Attachment 1 - [Ownership Disclosure Form](#)
3. Attachment 2 - [MacBride Principles Form](#)
4. Attachment 3 - [Affirmative Action Supplement Forms](#)
6. Attachment 4 - [Price Schedules](#)
7. Attachment 5 - [Reciprocity Form](#) (*Optional Submittal*)

Plus:

A written proposal that responds to all items noted in Sections 4.2 and 4.3 of the RFP. These sections start on [page 20 of the RFP](#) and end on page 24 of the RFP.

ATTACHMENT 1 - OWNERSHIP DISCLOSURE FORM

OWNERSHIP DISCLOSURE FORM

DEPARTMENT OF THE TREASURY
 DIVISION OF PURCHASE & PROPERTY
 STATE OF NEW JERSEY
 33 W. STATE ST., 9TH FLOOR
 PO BOX 230
 TRENTON, NEW JERSEY 08625-0230

BIDDER: _____

INSTRUCTIONS: Provide below the names, home addresses, dates of birth, offices held and any ownership interest of all officers of the firm named above. If additional space is necessary, provide on an attached sheet.

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>DATE OF BIRTH</u>	<u>OFFICE HELD</u>	<u>OWNERSHIP INTEREST</u> <small>(Shares Owned or % of Partnership)</small>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

INSTRUCTIONS: Provide below the names, home addresses, dates of birth, and ownership interest of all individuals not listed above, and any partnerships, corporations and any other owner having a 10% or greater interest in the firm named above. If a listed owner is a corporation or partnership, provide below the same information for the holders of 10% or more interest in that corporation or partnership. If additional space is necessary, provide that information on an attached sheet. **If there are no owners with 10% or more interest in your firm, enter "None" below.** Complete the certification at the bottom of this form. If this form has previously been submitted to the Purchase Bureau in connection with another bid, indicate changes, if any, where appropriate, and complete the certification below.

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>DATE OF BIRTH</u>	<u>OFFICE HELD</u>	<u>OWNERSHIP INTEREST</u> <small>(Shares Owned or % of Partnership)</small>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

COMPLETE ALL QUESTIONS BELOW

	<u>YES</u>	<u>NO</u>
1. Within the past five years has another company or corporation had a 10% or greater interest in the firm identified above? <i>(If yes, complete and attach a separate disclosure form reflecting previous ownership interests.)</i>	_____	_____
2. Has any person or entity listed in this form or its attachments ever been arrested, charged, indicted or convicted in a criminal or disorderly persons matter by the State of New Jersey, any other State or the U.S. Government? <i>(If yes, attach a detailed explanation for each instance)</i>	_____	_____
3. Has any person or entity listed in this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any agency of government from bidding or contracting to provide services, labor, material, or supplies? <i>(If yes, attach a detailed explanation for each instance)</i>	_____	_____
4. Are there now any criminal matters or debarment proceedings pending in which the firm and/or its officers and/or managers are involved? <i>(If yes, attach a detailed explanation for each instance)</i>	_____	_____
5. Has any Federal, State or Local license, permit or other similar authorization, necessary to perform the work applied for herein and held or applied for by any person or entity listed in this form, been suspended or revoked, or been the subject or any pending proceedings specifically seeking or litigating the issue of suspension or revocation? <i>(If yes, attach a detailed explanation for each instance)</i>	_____	_____

CERTIFICATION: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein and thereby acknowledge that **I am under a continuing obligation from the date of this certification through the completion of any contracts with the State to notify the State in writing of any changes to the answers or information contained herein.** I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the State of New Jersey and that the State at its option, may declare any contract(s) resulting from this certification void and unenforceable.

I, being duly authorized, certify that the information supplied above, including all attached pages, is complete and correct to the best of my knowledge. I certify that all of the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Company Name: _____ (Signature)
 Address: _____ (Name)
 _____ PRINT OR TYPE: _____ (Title)
 FEIN/SSN#: _____ Date _____

ATTACHMENT 2 - MACBRIDE PRINCIPLES FORM

NOTICE TO ALL BIDDERS
REQUIREMENT TO PROVIDE A CERTIFICATION
IN COMPLIANCE WITH MACBRIDE PRINCIPLES
AND NORTHERN IRELAND ACT OF 1989

Pursuant to Public Law 1995, c. 134, a responsible bidder selected, after public bidding, by the Director of the Division of Purchase and Property, pursuant to N.J.S.A. 52:34-12, or the Director of the Division of Building and Construction, pursuant to N.J.S.A. 52:32-2, must complete the certification below by checking one of the two representations listed and signing where indicated. If a bidder who would otherwise be awarded a purchase, contract or agreement does not complete the certification, then the Directors may determine, in accordance with applicable law and rules, that it is in the best interest of the State to award the purchase, contract or agreement to another bidder who has completed the certification and has submitted a bid within five (5) percent of the most advantageous bid. If the Directors find contractors to be in violation of the principles which are the subject of this law, they shall take such action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I certify, pursuant to N.J.S.A. 52:34-12.2 that the entity for which I am authorized to bid:

_____ has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein through the operation of offices, plants, factories, or similar facilities, either directly or indirectly, through intermediaries, subsidiaries or affiliated companies over which it maintains effective control; or

_____ will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.8 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Signature of Bidder

Name (Type or Print)

Title Name (Type or Print)

Name of Company Name (Type or Print)

Date

ATTACHMENT 3 – AFFIRMATIVE ACTION SUPPLEMENT

AFFIRMATIVE ACTION	TERM CONTRACT - ADVERTISED BID PROPOSAL
DEPT OF THE TREASURY DIVISION OF PURCHASE & PROPERTY STATE OF NEW JERSEY 33 WEST STATE STREET, 9TH FLOOR PO BOX 230 TRENTON, NEW JERSEY 08625-0230	NAME OF BIDDER: _____

SUPPLEMENT TO BID SPECIFICATIONS

DURING THE PERFORMANCE OF THIS CONTRACT, THE CONTRACTOR AGREES AS FOLLOWS:

1. THE CONTRACTOR OR SUBCONTRACTOR, WHERE APPLICABLE, WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF AGE, RACE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, MARITAL STATUS, SEX, AFFECTIONAL OR SEXUAL ORIENTATION. THE CONTRACTOR WILL TAKE AFFIRMATIVE ACTION TO ENSURE THAT SUCH APPLICANTS ARE RECRUITED AND EMPLOYED, AND THAT EMPLOYEES ARE TREATED DURING EMPLOYMENT, WITHOUT REGARD TO THEIR AGE, RACE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, MARITAL STATUS, SEX, AFFECTIONAL OR SEXUAL ORIENTATION. SUCH ACTION SHALL INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING: EMPLOYMENT, UPGRADING, DEMOTION, OR TRANSFER; RECRUITMENT OR RECRUITMENT ADVERTISING; LAYOFF OR TERMINATION; RATES OF PAY OR OTHER FORMS OF COMPENSATION; AND SELECTION FOR TRAINING, INCLUDING APPRENTICESHIP. THE CONTRACTOR AGREES TO POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES TO BE PROVIDED BY THE PUBLIC AGENCY COMPLIANCE OFFICER SETTING FORTH PROVISIONS OF THIS NONDISCRIMINATION CLAUSE;
2. THE CONTRACTOR OR SUBCONTRACTOR, WHERE APPLICABLE WILL, IN ALL SOLICITATIONS OR ADVERTISEMENTS ,FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE CONTRACTOR, STATE THAT ALL QUALIFIED APPLICANTS WILL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO AGE, RACE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, MARITAL STATUS, SEX, AFFECTIONAL OR SEXUAL ORIENTATION.
3. THE CONTRACTOR OR SUBCONTRACTOR, WHERE APPLICABLE, WILL SEND TO EACH LABOR UNION OR REPRESENTATIVE OR WORKERS WITH WHICH IT HAS A COLLECTIVE BARGAINING AGREEMENT OR OTHER CONTRACT OR UNDERSTANDING, A NOTICE, TO BE PROVIDED BY THE AGENCY CONTRACTING OFFICER ADVISING THE LABOR UNION OR WORKERS' REPRESENTATIVE OF THE CONTRACTOR'S COMMITMENTS UNDER THIS ACT AND SHALL POST COPIES OF THE NOTICE IN CONSPICUOUS PLACES AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT.
4. THE CONTRACTOR OR SUBCONTRACTOR, WHERE APPLICABLE, AGREES TO COMPLY WITH THE REGULATIONS PROMULGATED BY THE TREASURER PURSUANT TO P.L. 1975, C. 127, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME AND THE AMERICANS WITH DISABILITIES ACT.
5. THE CONTRACTOR OR SUBCONTRACTOR AGREES TO ATTEMPT IN GOOD FAITH TO EMPLOY MINORITY AND FEMALE WORKERS CONSISTENT WITH THE APPLICABLE COUNTY EMPLOYMENT GOALS PRESCRIBED BY N.J.A.C. 17:27-5.2 PROMULGATED BY THE TREASURER PURSUANT TO P.L. 1975, C. 127, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME OR IN ACCORDANCE WITH A BINDING DETERMINATION OF THE APPLICABLE COUNTY EMPLOYMENT GOALS DETERMINED BY THE AFFIRMATIVE ACTION OFFICE PURSUANT TO N.J.A.C. 17:27-5.2 PROMULGATED BY THE TREASURER PURSUANT TO P.L. 1975, C. 127, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME.
6. THE CONTRACTOR OR SUBCONTRACTOR AGREES TO INFORM IN WRITING APPROPRIATE RECRUITMENT AGENCIES IN THE AREA, INCLUDING EMPLOYMENT AGENCIES, PLACEMENT BUREAUS, COLLEGES, UNIVERSITIES, LABOR UNIONS, THAT IT DOES NOT DISCRIMINATE ON THE BASIS OF AGE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, MARITAL STATUS, SEX, AFFECTIONAL OR SEXUAL ORIENTATION, AND THAT IT WILL DISCONTINUE THE USE OF ANY RECRUITMENT AGENCY WHICH ENGAGES IN DIRECT OR INDIRECT DISCRIMINATORY PRACTICES.
7. THE CONTRACTOR OR SUBCONTRACTOR AGREES TO REVISE ANY OF ITS TESTING PROCEDURES, IF NECESSARY, TO ASSURE THAT ALL PERSONNEL TESTING CONFORMS WITH THE PRINCIPLES OF JOB-RELATED TESTING, AS ESTABLISHED BY THE STATUTES AND COURT DECISIONS OF THE STATE OF NEW JERSEY AND AS ESTABLISHED BY APPLICABLE FEDERAL LAW AND APPLICABLE FEDERAL COURT DECISIONS.
8. THE CONTRACTOR OR SUBCONTRACTOR AGREES TO REVIEW ALL PROCEDURES RELATING TO TRANSFER, UPGRADING, DOWNGRADING AND LAYOFF TO ENSURE THAT ALL SUCH ACTIONS ARE TAKEN WITHOUT REGARD TO AGE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, MARITAL STATUS, SEX, AFFECTIONAL OR SEXUAL ORIENTATION, AND CONFORM WITH THE APPLICABLE EMPLOYMENT GOALS, CONSISTENT WITH THE STATUTES AND COURT DECISIONS OF THE STATE OF NEW JERSEY, AND APPLICABLE FEDERAL LAW AND APPLICABLE FEDERAL COURT DECISIONS.

THE CONTRACTOR AND ITS SUBCONTRACTORS SHALL FURNISH SUCH REPORTS OR OTHER DOCUMENTS TO THE AFFIRMATIVE ACTION OFFICE AS MAY BE REQUESTED BY THE OFFICE FROM TIME TO TIME IN ORDER TO CARRY OUT THE PURPOSES OF THESE REGULATIONS, AND PUBLIC AGENCIES SHALL FURNISH SUCH INFORMATION AS MAY BE REQUESTED BY THE AFFIRMATIVE ACTION OFFICE FOR CONDUCTING A COMPLIANCE INVESTIGATION PURSUANT TO SUBCHAPTER 10 OF THE ADMINISTRATIVE CODE (NJAC17:27).

*** NO FIRM MAY BE ISSUED A PURCHASE ORDER OR CONTRACT WITH THE STATE UNLESS THEY COMPLY WITH THE AFFIRMATIVE ACTION REGULATIONS**

PLEASE CHECK APPROPRIATE BOX (ONE ONLY)

- I HAVE A CURRENT NEW JERSEY AFFIRMATIVE ACTION CERTIFICATE, (PLEASE ATTACH A COPY TO YOUR PROPOSAL).
- I HAVE A VALID FEDERAL AFFIRMATIVE ACTION PLAN APPROVAL LETTER, (PLEASE ATTACH A COPY TO YOUR PROPOSAL).
- I HAVE COMPLETED THE ENCLOSED FORM AA302 AFFIRMATIVE ACTION EMPLOYEE INFORMATION REPORT.

INSTRUCTIONS FOR COMPLETING THE AFFIRMATIVE ACTION EMPLOYEE INFORMATION REPORT (FORM AA302)

IMPORTANT:

READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE FORM. PRINT OR TYPE ALL INFORMATION. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM MAY DELAY ISSUANCE OF YOUR CERTIFICATE.

Item 1 - Enter the Federal Identification Number assigned to the Contractor or vendor by the Internal Revenue Service, or if a Federal Employer Identification Number has been applied for, but not yet issued, write the words "applied for",
or
If your business is such that you have not, or will not receive a Federal Employee Identification Number, enter the Social Security Number assigned to the single owner or to a partner, in case of partnership.

Item 2 - Check the box appropriate to your TYPE OF BUSINESS. If you are engaged in more than one type of business, check the predominant one. If you are a manufacturer deriving more than 50% of your receipts from your own retail outlets, check "Retail".

Item 3 - Enter the total "number" of employees in the entire company, including part-time employees. This number shall include all facilities in the entire firm or corporation.

Item 4 - Enter the name by which the company is identified. If there is more than one company name, enter the predominant one.

Item 5 - Enter the physical location of the company, include City, County, State and Zip Code.

Item 6 - Enter the name of any parent or affiliated company including City, State and Zip Code. If there is none, so indicate by entering "None" or N/A.

Item 7 - Check the appropriate box for the total number of employees in the entire company. "Entire Company" shall include all facilities in the entire firm or corporation, including part-time employees, not use those employees at the facility being awarded the contract.

Item 8 - Check the box appropriate to your type of company establishment. Single-establishment Employer shall include an employer whose business is conducted at more than one location.

Item 9 - If multi-establishment was entered in Item 8, enter the number of establishments within the State of New Jersey.

Item 10 - Enter the total number of employees at the establishment being awarded the contract.

Item 11 - Enter the name of the Public Agency awarding the contract. Include City, State and Zip Code.

Item 12 - Enter the appropriate figures on all lines and in all columns. THIS SHALL ONLY INCLUDE EMPLOYMENT DATA FROM THE FACILITY THAT IS BEING AWARDED THE CONTRACT. DO NOT list the same employee in more than one job category.

Racial/Ethnic Groups will be so defined:

Black: Not of Hispanic origin. Persons have origin in any of the Black racial groups of Africa.

Hispanic: Persons of Mexican, Puerto Rican, Cuban or Central or South American or other Spanish culture or origin, regardless of race.

American Indian or Alaskan Native: Persons having origins in any of the original peoples of North America, and who maintain cultural identification through tribal affiliation or community recognition.

Asian or Pacific Islander: Persons having origin in any of the peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands. This area includes for example, China, Japan, the Philippine Islands and Somoa.

Item 13 - Check the appropriate box, if the race or ethnic group information was not obtained by 1 or 2, specify by what other means this was done in 3.

Item 14 - Enter the dates of the payroll period used to prepare the employment data presented in Item 12.

Item 15 - If this is the first time an Employee Information Report has been submitted for this company, check block "Yes".

Item 16 - If the answer to Item 15 is "No", enter the date when the last Employee Information Report was submitted by this company.

Item 17 - Print or type the name of the person completing this form. Include the signature, title and date.

Item 18 - Enter the physical location where the form is being completed. Include City, State, Zip Code and Phone Number.

State of New Jersey
AFFIRMATIVE ACTION EMPLOYEE INFORMATION REPORT

IMPORTANT - READ INSTRUCTIONS ON PRIOR PAGE CAREFULLY BEFORE COMPLETING FORM. TYPE OR PRINT SHARP BALL POINT PEN. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM MAY DELAY ISSUANCE OF YOUR CERTIFICATE.

SECTION A - COMPANY IDENTIFICATION

1. FID. NO. OR SOCIAL SECURITY	2. TYPE OF BUSINESS <input type="checkbox"/> 1. MFG. <input type="checkbox"/> 2. SERVICE <input type="checkbox"/> 3. WHOLESALE <input type="checkbox"/> 4. RETAIL <input type="checkbox"/> 5. OTHER	3. TOTAL NO. OF EMPLOYEES IN THE ENTIRE COMPANY		
4. COMPANY NAME				
5. STREET	CITY	COUNTY	STATE	ZIP CODE
6. NAME OF PARENT OR AFFILIATED COMPANY (IF NONE, SO INDICATE)		CITY	STATE	ZIP CODE
7. DOES THE ENTIRE COMPANY HAVE A TOTAL OF AT LEAST 50 EMPLOYEES? <input type="checkbox"/> YES <input type="checkbox"/> NO				
8. CHECK ONE: IS THE COMPANY: <input type="checkbox"/> SINGLE-ESTABLISHMENT EMPLOYER <input type="checkbox"/> MULTI-ESTABLISHMENT EMPLOYER				
9. IF MULTI-ESTABLISHMENT EMPLOYER, STATE THE NUMBER OF ESTABLISHMENTS IN N.J. : []				
10. TOTAL NUMBER OF EMPLOYEES AT THE ESTABLISHMENT WHICH HAS BEEN AWARDED THE CONTRACT: []				
11. PUBLIC AGENCY AWARDDING CONTRACT:		CITY	STATE	ZIP CODE

OFFICIAL USE ONLY

DATE RECEIVED	COUNTY	OUT OF STATE PERCENTAGES	ASSIGNED CERTIFICATION NUMBER
MO/DAY/YR		MINORITY FEMALE	

SECTION B - EMPLOYMENT DATA

12. Report all permanent, temporary and part-time employees ON YOUR OWN PAYROLL. Enter the appropriate figures on all lines and in all columns. Where there are no employees in a particular category, enter a zero. Include ALL employees, not just those in minority categories, in columns 1, 2, & 3.

JOB CATEGORIES	ALL EMPLOYEES			MINORITY GROUP EMPLOYEES (PERMANENT)									
	Col. 1 TOTAL (Cols. 2&3)	Col. 2 MALE	Col. 3 FEMALE	MALE				FEMALE					
				BLACK	HISPANIC	AMERICAN INDIAN	ASIAN	BLACK	HISPANIC	AMERICAN INDIAN	ASIAN		
Officials and Managers													
Professionals													
Technicians													
Sales Workers													
Office and Clerical													
Craftworkers (Skilled)													
Operatives (Semi-skilled)													
Laborers (Unskilled)													
Service Workers													
TOTAL													
Total employment from Previous Report (if any)													

The data below shall NOT be included in the request for the categories above.

Temporary and Part-time Employees											
13. HOW WAS INFORMATION AS TO RACE OR ETHNIC GROUP IN SECTION B OBTAINED? <input type="checkbox"/> 1. VISUAL SURVEY <input type="checkbox"/> 2. EMPLOYMENT RECORD <input type="checkbox"/> 3. OTHER (SPECIFY)				15. IS THIS THE FIRST EMPLOYEE INFORMATION REPORT (AA.302) SUBMITTED? <input type="checkbox"/> 1. YES <input type="checkbox"/> 2. NO				16. IF NO, DATE OF LAST REPORT SUBMITTED MO. DAY YEAR			
14. DATES OF PAYROLL PERIOD USED											

SECTION C - SIGNATURE AND IDENTIFICATION

17. NAME OF PERSON COMPLETING FORM (PRINT OR TYPE)(?CONTRACTOR EEO OFFICER)	SIGNATURE	TITLE	MO. DAY YEAR
18. ADDRESS (NO. & STREET)	(CITY)	(STATE)	(ZIP CODE) PHONE (AREA CODE, NO. & EXTENSION)

ATTACHMENT 4 - PRICE SCHEDULES

Audit of Pension Trust, Agency and Health Benefit Program Funds

Total Bid Price Page

Bidder: _____

Line # Commodity Code	Description of Work	Quantity	Unit	Total Bid Price
Line #1 794-01-024658	Total Bid Price for Task 1 for Year 1. Total from page 2	1	Each	\$ _____
Line #2 794-01-024658	Total Bid Price for Task 1 for Year 2. Total from page 3	1	Each	\$ _____
Line #3 794-01-024658	Total Bid Price for Task 1 for Year 3. Total from page 4	1	Each	\$ _____
Line #4 794-01-024658	Total Bid Price for Task 1 for Year 4. Total from page 5	1	Each	\$ _____
Line #5 794-01-024658	Total Bid Price for Task 1 for Year 5. Total from page 6	1	Each	\$ _____
Total Bid Price For Task 1 Total price of line #1 through line #5 above				\$ _____
Total Bid Price For Task 2 Total price from Page 7				\$ _____
Total Bid Price for Task 1 and Task 2				\$ _____

See Section 4.4.4 for directions on completing this form
Page 1 of 12

ATTACHMENT 4 - PRICE SCHEDULES

Task 1

Audit of Pension Trust, Agency and Health Benefit Program Funds

Year 1

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 1 Year 1		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 1 Audit of Pension Trust, Agency and Health Benefit Program Funds

Year 2

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 1 Year 2		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 1 Audit of Pension Trust, Agency and Health Benefit Program Funds

Year 3

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 1 Year 3		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 1 Audit of Pension Trust, Agency and Health Benefit Program Funds

Year 4

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 1 Year 4		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 1 Audit of Pension Trust, Agency and Health Benefit Program Funds

Year 5

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 1 Year 5		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 2 Statement on Auditing Standards (SAS No. 70)

Total Bid Price Page

Bidder: _____

Line # Commodity Code	Description of Work	Quantity	Unit	Total Bid Price
Line #6 794-01-055336	Total Bid Price for Task 2 for Year 1. Total from page 8	1	Each	\$ _____
Line #7 794-01-055336	Total Bid Price for Task 2 for Year 2. Total from page 9	1	Each	\$ _____
Line #8 794-01-055336	Total Bid Price for Task 2 for Year 3. Total from page 10	1	Each	\$ _____
Line #9 794-01-055336	Total Bid Price for Task 2 for Year 4. Total from page 11	1	Each	\$ _____
Line #10 794-01-055336	Total Bid Price for Task 2 for Year 5. Total from page 12	1	Each	\$ _____
Total Bid Price				\$ _____

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 2 Statement on Auditing Standards (SAS No. 70)

Year 1

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 2 Year 1		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 2 Statement on Auditing Standards (SAS No. 70)

Year 2

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 2 Year 2		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 2 Statement on Auditing Standards (SAS No. 70)

Year 3

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 2 Year 3		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES
Task 2
Statement on Auditing Standards (SAS No. 70)

Year 4

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 2 Year 4		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 4 - PRICE SCHEDULES

Task 2 Statement on Auditing Standards (SAS No. 70)

Year 5

All Inclusive Hourly Rates for Professional Staff

Bidder: _____

Title	All Inclusive Hourly Rate Applicable to Year	Total Hours For Year	Total Price
Managing Partner	\$ _____/hour		\$ _____
Project Manager	\$ _____/hour		\$ _____
Senior Auditor	\$ _____/hour		\$ _____
Staff Auditors	\$ _____/hour		\$ _____
Actuary	\$ _____/hour		\$ _____
Concurring Partner Review	\$ _____/hour		\$ _____
Total Hours and Total Bid Price for Task 2 Year 5		_____ Total Hours	\$ _____ Total Price

See Section 4.4.4 for directions on completing this form.

ATTACHMENT 5 - RECIPROCITY FORM

RECIPROCITY FORM
(Optional Submission)

IMPORTANT NOTICE TO ALL BIDDERS

Effective October 7, 1991 in accordance with N.J.S.A. 52:32-1.4 and N.J.A.C. 17:12-2.13, the State of New Jersey will invoke reciprocal action against an out-of-State bidder whose State or locality maintains a preference practice for their bidders.

For States having preference laws, regulations, or practices, New Jersey will use the annual surveys compiled by the Council of State Governments, National Association of State Purchasing Officials, or the National Institute of Governmental Purchasing to invoke reciprocal actions. The State may obtain additional information anytime it deems appropriate to supplement the above survey information.

Any bidder may submit information related to preference practices enacted for a local entity outside the State of New Jersey. This information may be submitted in writing as part of the bid response proposal, and should be in the form of resolutions passed by an appropriate governing body, regulations, a Notice to Bidders, laws, etc. It is the responsibility of the bidder to provide the documentation with the bid proposal or submit it to the Director, Division of Purchase and Property within five (5) working days of the public bid opening. Written evidence for a specific procurement that is not provided to the Director within five working days of the public bid opening will not be considered in the evaluation of that procurement, but will be retained and considered in the evaluation of subsequent procurements.

Any bidder having evidence of out-of-State local entities invoking preference practices should complete the form below, with a copy of appropriate documentation. The form and documentation may be submitted with your bid response proposal.

.....
Name of Locality having preference practices:

City /Town/Authority	
County	
State	

Documentation Attached

- Resolution Regulations/Laws
 Notice to Bidder Other _____

Name of Firm Submitting this information _____
Please Print

APPENDIX 1 NJ STATE STANDARD TERMS AND CONDITIONS

STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS

- I. Unless the bidder is specifically instructed otherwise In the Request for Proposal, the following terms and conditions will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in the Request for Proposal (RFP) and should be read in conjunction with same unless the RFP specifically indicates otherwise. If a bidder proposes changes or modifications or takes exception to any of the State's terms and conditions, the bidder must so state specifically in writing in the bid proposal. Any proposed change, modification or exception in the State's terms and conditions by a bidder will be a factor in the determination of an award of a contractor purchase agreement.
- II. All of the State's terms and conditions will become a part of any contract(s) or order(s) awarded as a result of the Request for Proposal, whether stated in part, in summary or by reference. In the event the bidder's terms and conditions conflict with the State's, the State's terms and conditions will prevail, unless the bidder is notified in writing of the State's acceptance of the bidder's terms and conditions.
- III. The statutes, laws or codes cited are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.
- IV. If awarded a contract or purchase agreement, the bidder's status shall be that of any independent principal and not as an employee of the State.

1. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS

- 1.1 **BUSINESS REGISTRATION** - All New Jersey and out of State Corporations must obtain a Business Registration Certificate (BRC) from the Department of the Treasury, Division of Revenue prior to conducting business in the State of New Jersey. Proof of valid business registration with the Division of Revenue, Department of the Treasury, State of New Jersey, should be submitted by the bidder and, if applicable, by every subcontractor of the bidder, with the bidder's bid. No contract will be awarded without proof of business registration with the Division of Revenue. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG. can be filed online at <http://www.state.nj.us/treasury/revenue/gettingregistered.htm#busentity>
- 1.2 **ANTI-DISCRIMINATION** - All parties to any contract with the State of New Jersey agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued there under.
- 1.3 **PREVAILING WAGE ACT** - The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.26 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The bidder's signature on this proposal is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by this proposal has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act.
- 1.4 **AMERICANS WITH DISABILITIES ACT** - The contractor must comply with all provisions of the Americans With Disabilities Act (ADA), P.L 101-336, in accordance with 42 U.S.C. 12101 et seq.
- 1.5 **THE WORKER AND COMMUNITY RIGHT TO KNOW ACT** - The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to this contract. Therefore, all goods offered for purchase to the State must be labeled by the contractor in compliance with the provisions of the Act.
- 1.6 **OWNERSHIP DISCLOSURE** - Contracts for any work, goods or services cannot be issued to any corporation or partnership unless prior to or at the time of bid submission the bidder has disclosed the names and addresses of all its owners holding 10% or more of the corporation or partnership's stock or interest. Refer to N.J.S.A. 52:25-24.2.
- 1.7 **COMPLIANCE - LAWS** - The contractor must comply with all local, state and federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.
- 1.8 **COMPLIANCE - STATE LAWS** - It is agreed and understood that any contracts and/or orders placed as a result of this proposal shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the STATE OF NEW JERSEY.
- 1.9 **COMPLIANCE - CODES** - The contractor must comply with NJUCC and the latest NEC70, B.O.C.A. Basic Building code, OSHA and all applicable codes for this requirement. The contractor will be responsible for securing and paying all necessary permits, where applicable.

2. **LIABILITIES**

- 2.1 **LIABILITY - COPYRIGHT** - The contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of his contract.
- 2.2 **INDEMNIFICATION** - The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith on account of the loss of life, property or injury or damage to the person, body or property of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or materials supplied under this contract. This indemnification obligation is not limited by, but is in addition to the insurance obligations contained in this agreement.
- 2.3 **INSURANCE** - The contractor shall secure and maintain in force for the term of the contract liability insurance as provided herein. The contractor shall provide the State of New Jersey with current certificates of insurance for all coverages and renewals thereof which must contain the proviso that the insurance provided in the certificate shall not be canceled for any reason except after thirty days written notice to:

STATE OF NEW JERSEY
Purchase Bureau

The insurance to be provided by the contractor shall be as follows.

- a. General liability policy as broad as the standard coverage forms currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall be endorsed to include:
1. BROAD FORM COMPREHENSIVE GENERAL LIABILITY
 2. PRODUCTS/COMPLETED OPERATIONS
 3. PREMISES/OPERATIONS

The limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.

- b. Automobile liability insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.
- c. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than

\$100,000 BODILY INJURY, EACH OCCURRENCE
\$100,000 DISEASE EACH EMPLOYEE
\$500,000 DISEASE AGGREGATE LIMIT

3. **TERMS GOVERNING ALL PROPOSALS TO NEW JERSEY PURCHASE BUREAU**

- 3.1 **CONTRACT AMOUNT** - The estimated amount of the contract(s), when stated on the Advertised Request for Proposal form, shall not be construed as either the maximum or minimum amount which the State shall be obliged to order as the result of this Request for Proposal or any contract entered into as a result of this Request for Proposal.
- 3.2 **CONTRACT PERIOD AND EXTENSION OPTION** - If, in the opinion of the Director of the Division of Purchase and Property, it is in the best interest of the State to extend an contract entered into as a result of this Request for Proposal, the contractor will be so notified of the Director's Intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director's request to extend the contract. If the contractor agrees to the extension, all terms and conditions of the original contract, including price, will be applicable.

3.3 **BID AND PERFORMANCE SECURITY**

- a. Bid Security - If bid security is required, such security must be submitted with the bid in the amount listed in the Request for Proposal, see N.J.A.C. 17: 12- 2.4. Acceptable forms of bid security are as follows:
1. A properly executed individual or annual bid bond issued by an insurance or security company authorized to do business in the State of New Jersey, a certified or cashier's check drawn to the order of the Treasurer, State of New Jersey, or an irrevocable letter of credit drawn naming the Treasurer, State of New Jersey as beneficiary issued by a federally insured financial institution.
 2. The State will hold all bid security during the evaluation process. As soon as is practicable after the completion of the evaluation, the State will:

- a. Issue an award notice for those offers accepted by the State;
- b. Return all bond securities to those who have not been issued an award notice.

All bid security from contractors who have been issued an award notice shall be held until the successful execution of all required contractual documents and bonds (performance bond, insurance, etc. If the contractor fails to execute the required contractual documents and bonds within thirty (30) calendar days after receipt of award notice, the contractor may be found in default and the contract terminated by the State. In case of default, the State reserves all rights inclusive of, but not limited to, the right to purchase material and/or to complete the required work in accordance with the New Jersey Administrative Code and to recover any actual excess costs from the contractor. Collection against the bid security shall be one of the measures available toward the recovery of any excess costs.

- b. Performance Security - If performance security is required, the successful bidder shall furnish performance security in such amount on any award of a term contractor line item purchase, see N.J.A.C. 17: 12- 2.5. Acceptable forms of performance security are as follows:
 - 1. The contractor shall be required to furnish an irrevocable security in the amount listed in the Request for Proposal payable to the Treasurer, State of New Jersey, binding the contractor to provide faithful performance of the contract.
 - 2. The performance security shall be in the form of a properly executed individual or annual performance bond issued by an insurance or security company authorized to do business in the State of New Jersey, a certified or cashier's check drawn to the order of the Treasurer, State of New Jersey, or an irrevocable letter of credit drawn naming the Treasurer, State of New Jersey as beneficiary issued by a federally insured financial institution.

The Performance Security must be submitted to the State within 30 days of the effective date of the contract award and cover the period of the contract and any extensions thereof. Failure to submit performance security may result in cancellation of contract for cause pursuant to provision 3.5b,1, and nonpayment for work performed.

3.4 VENDOR RIGHT TO PROTEST - INTENT TO AWARD - Except in cases of emergency, bidders have the right to protest the Director's proposed award of the contract as announced in the Notice of Intent to Award, see N.J.A.C. 17:12-3.3. Unless otherwise stated, a bidder's protest must be submitted to the Director within 10 working days after receipt of written notification that his bid has not been accepted or that an award of contract has been made. In the public interest, the Director may shorten this protest period, but shall provide at least 48 hours for bidders to respond to a proposed award. In cases of emergency, stated in the record, the Director may waive the appeal period. See N.J.A.C. 17: 12- 3 et seq.

3.5 TERMINATION OF CONTRACT

- a. Change of Circumstances

Where circumstances and/or the needs of the State significantly change, or the contract is otherwise deemed no longer to be in the public interest, the Director may terminate a contract entered into as a result of this Request for Proposal, upon no less than 30 days notice to the contractor with an opportunity to respond.

In the event of such termination, the contractor shall furnish to the using agency, free of charge, such reports as may be required,

- b. For cause:
 - 1. Where a contractor fails to perform or comply with a contract, and/or fails to comply with the complaints procedure in N.J.A.C. 17: 12-4.2 et seq., the Director may terminate the contract upon 10 days notice to the contractor with an opportunity to respond.
 - 2. Where a contractor continues to perform a contract poorly as demonstrated by formal complaints, late delivery, poor performance of service, short-shipping etc., so that the Director is repeatedly required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq. the Director may terminate the contract upon 10 days notice to the contractor with an opportunity to respond.
- c. In cases of emergency the Director may shorten the time periods of notification and may dispense with an opportunity to respond.
- d. In the event of termination under this section, the contractor will be compensated for work performed in accordance with the contract, up to the date of termination. Such compensation may be subject to adjustments.

3.6 COMPLAINTS - Where a bidder has a history of performance problems as demonstrated by formal complaints and/or contract cancellations for cause pursuant to 3.5b a bidder may be bypassed for this award. See N.J.A.C. 17:12-2.8.

3.7 EXTENSION OF CONTRACT QUASI-STATE AGENCIES - It is understood and agreed that in addition to State Agencies, Quasi-State Agencies may also participate in this contract. Quasi-State Agencies are defined in N.J.S.A. 52:27B-56.1 as any agency, commission, board, authority or other such governmental entity which is established and is allocated to a State department or any bi-state governmental entity of which the State of New Jersey is a member.

3.8 EXTENSION OF CONTRACTS TO POLITICAL SUBDIVISIONS, VOLUNTEER FIRE DEPARTMENTS AND FIRST AID SQUADS, AND INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION - N.J.S.A. 52:25-16.1 permits counties, municipalities and school districts to participate in any term contract(s), that may be established as a result of this proposal.

N.J.S.A. 52:25-16.2 permits volunteer fire departments, volunteer first aid squads and rescue squads to participate in any term contract(s) that may be established as a result of this proposal.

N.J.S.A. 52:25-16.5 permits independent institutions of higher education to participate in any term contract(s) that may be established as a result of this proposal, provided that each purchase by the Independent Institution of higher education shall have a minimum cost of \$500.

In order for the State contract to be extended to counties, municipalities, school districts, volunteer fire departments, first aid squads and independent institutions of higher education the bidder must agree to the extension and so state in his bid proposal. The extension to counties municipalities, school districts, volunteer fire departments, first aid squads and Independent Institutions of higher education must 'be under the same terms and conditions, including price, applicable to the State.

3.9 EXTENSIONS OF CONTRACTS TO COUNTY COLLEGES - N.J.S.A. 18A:64A - 25. 9 permits any college to participate in any term contract(s) that may be established as a result of this proposal.

3.10 EXTENSIONS OF CONTRACTS TO STATE COLLEGES - N.J.S.A. 18A:64- 60 permits any State College to participate in any term contract(s) that may be established as a result of this proposal.

3.11 SUBCONTRACTING OR ASSIGNMENT - The contract may not be subcontracted or assigned by the contractor, in whole or in part, without the prior written consent of the Director of the Division of Purchase and Property. Such consent, if granted, shall not relieve the contractor of any of his responsibilities under the contract.

In the event the bidder proposes to subcontract for the services to be performed under .the terms of the contract award, he shall state so in his bid and attach for approval a list of said subcontractors and an Itemization of the products and/or services to be supplied by them.

Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the State.

3.12 MERGERS, ACQUISITIONS - If, subsequent to the award of any contract resulting from this Request for Proposal, the contractor shall merge with or be acquired by another firm, the following documents must be submitted to the Director, Division of Purchase & Property.

- a. Corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices.
- b. State of New Jersey Bidders Application reflecting all updated information including ownership disclosure, pursuant to provision 1.5.
- c. Vendor Federal Employer Identification Number.

The documents must be submitted within thirty (30) days of completion of the merger or acquisition. Failure to do so may result in termination of contract pursuant to provision 3.5b.

If subsequent to the award of any contract resulting from this Request for Proposal, the contractor's partnership or corporation shall dissolve, the Director, Division of Purchase & Property must be so notified. All responsible parties of the dissolved partnership or corporation must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment should be made until all parties to the dissolved partnership or corporation submit the required documents to the Director.

3.13 PERFORMANCE GUARANTEE OF BIDDER - The bidder hereby certifies that:

- a. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice.
- b. All equipment supplied to the State and operated by electrical current is UL listed where applicable.

- c. All new machines are to be guaranteed as fully operational for the period stated in the Request For Proposal from time of written acceptance by the State. The bidder will render prompt service without charge, regardless of geographic location.
- d. Sufficient quantities of parts necessary for proper service to equipment will be maintained at distribution points and service headquarters.
- e. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice.
- f. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract.
- g. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

3.14 DELIVERY GUARANTEES - Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the Request for Proposal.

The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice.

Items delivered must be strictly in accordance with the Request for Proposal.

In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the Request for Proposal, the using agency may be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor failing to meet his commitments.

3.15 DIRECTOR'S RIGHT OF FINAL BID ACCEPTANCE - The Director reserves the right to reject any or all bids, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or contracts to the vendor or vendors best meeting all specifications and conditions in accordance with N.J.S.A. 52:34-12. Tie bids will be awarded by the Director in accordance with N.J.A.C.17:12-2.1D.

3.16 BID ACCEPTANCES AND REJECTIONS - The provisions of N.J.A.C. 17:12-2.9, relating to the Director's right, to waive minor elements of non-compliance with bid specifications and N.J.A.C. 17: 12- 2.2 which defines causes for automatic bid rejection, apply to all proposals and bids.

3.17 STATE'S RIGHT TO INSPECT BIDDER'S FACILITIES - The State reserves the right to inspect the bidder's establishment before making an award, for the purposes of ascertaining whether the bidder has the necessary facilities for performing the contract.

The State may also consult with clients of the bidder during the evaluation of bids. Such consultation is intended to assist the State in making a contract award which is most advantageous to the State.

3.18 STATE'S RIGHT TO REQUEST FURTHER INFORMATION - The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the, bidder s financial capabilities to perform the contract. Further, the Director reserves the right to request a bidder to explain, in detail, how the bid price was determined.

3.19 MAINTENANCE OF RECORDS - The contractor shall maintain records for products and/or services delivered against the contract for a period of three (3) years from the date of final payment. Such records shall be made available to the, State upon request for purposes of conducting an audit or for ascertaining information regarding dollar volume or number of transactions.

4. TERMS RELATING TO PRICE QUOTATION

4.1 PRICE FLUCTUATION DURING CONTRACT - Unless otherwise noted by the State, all prices quoted shall be firm through issuance of contract or purchase order and shall not be subject to increase during the period of the contract.

In the event of a manufacturer's or contractor's price decrease during the contract period, the State shall receive the full benefit of such price reduction on any undelivered purchase order and on any subsequent order placed during the contract period. The Director of Purchase and Property must be notified, in writing, of any price reduction within five (5) days of the effective date.

Failure to report price reductions will result in cancellation of contract for cause, pursuant to provision 3.5b.1.

4.2 DELIVERY COSTS - Unless otherwise noted in the Request for Proposal, all prices for items in bid proposals are to be submitted F.O.B. Destination. Proposals submitted other than F.O.B. Destination may not be considered. Regardless of the method of quoting shipments, the contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's using agency or designated purchaser.

F.O.B. Destination does not cover "spotting" but does include delivery on the receiving platform of the ordering agency at any destination in the State of New Jersey unless otherwise specified. No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at contractor's convenience when a single shipment is ordered. The weights and measures of the State's using agency receiving the shipment shall govern.

4.3 C.O.D. TERMS - C.O.D. terms are not acceptable as part of a bid proposal and will be cause for rejection of a bid.

4.4 TAX CHARGES - The State of New Jersey is exempt from State sales or use taxes and Federal excise taxes. Therefore, price quotations must not include such taxes. The State's Federal Excise Tax Exemption number is 22-75-0050K.

4.5 PAYMENT TO VENDORS - Payment for goods and/or services purchased by the State will only be made against State Payment Vouchers. The State bill form in duplicate together with the original Bill of Lading, express receipt and other related papers must be sent to the consignee on the date of each delivery. Responsibility for payment rests with the using agency which will ascertain that the contractor has performed in a proper and satisfactory manner in accordance with the terms and conditions of the award. Payment will not be made until the using agency has approved payment.

For every contract the term of which spans more than one fiscal year, the State's obligation to make payment beyond the current fiscal year is contingent upon legislative appropriation and availability of funds.

The State of New Jersey now offers State contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State Agency's use of the p-card, however, is optional. P-card transactions do not require the submission of either a contractor invoice or a State payment voucher. Purchasing transactions utilizing the p-card will usually result in payment to a contractor in three days. A Contractor should take note that there will be a transaction processing fee for each p-card transaction. To participate, a contractor must be capable of accepting MasterCard. For more information, call your bank or any merchant services company.

4.6 NEW JERSEY PROMPT PAYMENT ACT - The New Jersey Prompt Payment Act N.J.S.A. 52:32-32 et seq. requires state agencies to pay for goods and services within sixty (60) days of the agency's receipt of a properly executed State Payment Voucher or within sixty (60) days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the state prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest will not be paid until it exceeds \$5.00 per properly executed invoice.

Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

4.7 RECIPROCITY - In accordance with N.J.S.A. 52:32-1.4 and N.J.A.C. 17: 12- 2. 13, the State of New Jersey will invoke reciprocal action against an out-of-State bidder whose state or locality maintains a preference practice for their bidders.

5. CASH DISCOUNTS - Bidders are encouraged to offer cash discounts based on expedited payment by the State. The State will make efforts to take advantage of discounts, but discounts will not be considered in determining the lowest bid.

a. Discount periods shall be calculated starting from the next business day after the recipient has accepted the goods or services received a properly signed and executed State Payment Voucher form and, when required, a properly executed performance security, whichever is latest.

b. The date on the check issued by the State in payment of that Voucher shall be deemed the date of the State's response to that Voucher.

6. STANDARDS PROHIBITING CONFLICTS OF INTEREST - The following prohibitions on vendor activities shall apply to all contracts or purchase agreements made with the State of New Jersey, pursuant to Executive Order No. 189 (1988).

a. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52: 13D-13g.

b. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards.

- c. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52: 130-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
- d. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
- e. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the vendor or any other person.
- f. The provisions cited above in paragraph 6a through 6e shall not be construed to prohibit a State officer or employee or Special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate under paragraph 6c.

APPENDIX 2 - SET-OFF FOR STATE TAX NOTICE

NOTICE TO ALL BIDDERS
SET-OFF FOR STATE TAX NOTICE

Please be advised that, pursuant to P.L. 1995, c. 159, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act

The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c.184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

APPENDIX 3

DIVISION OF PENSIONS AND BENEFITS

The Division of Pensions was created by Chapter 70, P.L. 1955 as the successor to the former Bureau of Public Employees' Pensions and renamed the Division of Pensions and Benefits. All administrative functions of the State Pension Systems, except for the investment of pension funds, are assigned to the Division. Exhibit "A" depicts the organization of the Division.

DIVISION ADMINISTRATIVE INFORMATION

- 532,091 members converted to Optical Disk, 36,459,808 images stored on Optical Disk.
- 2,379 Employers (State and Local)
- Manual/Automated bookkeeping operations
- Manual/Automated cash receipts
- All other sections are partially or completely automated
- Hardcopy Records are stored in one (1) building. Optical Disk back up information is stored at the State's DARM.
- Data processing support description:

<u>Item</u>	<u>Pensions and Benefits</u> <u>Office of Information Technology (OIT)</u>	<u>Office of Information Technology (OIT)</u>
C.P.U.		IBM Model 9672-R46
DASD		IBM 3390 Models 3 and 9 IBM VTS (Virtual Tape Server) 3494 Model
B10		
Tape		STK 9490 Cartridge Drives for 3490/ 3490E
Printers	IBM 4245 OCE Pagestream 88 (2) Pitney Bowes Documatch	OCE Model 744 (Continuous Form) IBM Model IP2000(Cut Sheet) IBM 6262
Operating System	Windows 2000/ Microsoft Office (Desktop PC's)	IBM 3090 / MVS / OS390 (Mainframe)
E-Mail Server	Microsoft Outlook / Exchange	
DBMS	Microsoft SQL	ADABAS Natural, Oracle
Communications	AVAYA Telephony	SNA / VTAM / CICS / TCP/IP

ACTUARIES:

Mellon Financial Company, 500 Plaza Drive, Secaucus, New Jersey 07096-1533

SYSTEMS :

Public Employees' Retirement System
 State Police Retirement System
 Police and Firemen's Retirement System
 Judicial Retirement System
 Consolidated Police and Firemen's Pension Fund
 Prison Officers' Pension Fund
 Supplemental Annuity Collective Fund

Milliman and Robertson, Inc., Suite 300, 259 Radnor- Chester Road, Radnor, Pennsylvania 19087-5260

SYSTEMS :

Teachers' Pension and Annuity Fund
 Health Benefits Program Fund – State and Local
 Dental Expense Program Fund
 Prescription Drug Program Fund – State and Local
 * The Actuary is used to determine rates for the Health Benefit, Dental and Prescription Drug funds.

LOANS

The Public Employees' Retirement System, Teachers' Pension and Annuity Fund, Police and Firemen's Retirement System, State Police Retirement System, and the Judicial Retirement System provide for the member loans.

SPECIFIC SYSTEMS**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The Public Employees' Retirement System was established by Chapter 84, P.L. 1954. Membership is required of most public employees in New Jersey if they are not required to enroll in any other contributory retirement program. The fund is a contributory defined benefit plan that is maintained on an actuarial reserve basis. The most recent actuarial valuation of the plan was prepared June 1, 2002.

Active Members	290,969
Annual Compensation	\$ 9,763,792,420
Beneficiaries	107,549
Retirement Allowances	\$ 1,221,793,949
Net Assets (market)	\$ 21,484,463,775
Actuarial Value of Assets	\$ 27,728,803,538

TEACHERS' PENSION AND ANNUITY FUND

The Teachers' Pension and Annuity Fund was reorganized under Chapter 37, P.L. 1955. Membership consists of certain employees of the State's school districts, as well as certain employees of the State's Department of Education. The fund is a contributory defined benefit plan that is maintained on an actuarial reserve basis. The most recent actuarial valuation of the plan was prepared June 30, 2002.

Active Members	142,610
Annual Compensation	\$ 7,766,083,756
Beneficiaries	56,237
Retirement Allowances	\$ 1,534,472,671
Net Assets (market)	\$ 27,121,744,264
Actuarial Value of Assets	\$ 35,148,246,433

POLICE AND FIREMEN'S RETIREMENT SYSTEM

The Police and Firemen's Retirement System was created in July 1944 under Chapter 255, P.L. 1944. Membership includes all policemen and firemen appointed after June 1944 in municipalities where local police and pension funds exist or where this system was adopted by referendum or resolution (mandatory membership of these individuals). Certain state and county employees are also covered. It is a contributory defined benefit plan, which is maintained on an actuarial reserve basis. The most recent actuarial valuation of the plan was prepared based upon information as of July 1, 2002.

Active Members	43,591
Annual Compensation	\$ 2,754,337,270
Beneficiaries	25,501
Retirement Allowances	\$ 846,327,124
Net Assets (market)	\$ 15,290,985,859
Actuarial Value of Assets	\$ 18,505,662,729

STATE POLICE RETIREMENT SYSTEM

The State Police Retirement System was created in July 1965 under Chapter 89, P.L. 1965. This succeeded the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This is a contributory defined benefit plan that is maintained on an actuarial reserve basis. The most recent actuarial valuation of the plan was prepared based upon information as of July 1, 2002.

Active Members	2,793
Annual Compensation	\$ 215,161,126
Beneficiaries	1,969
Retirement Allowances	\$ 75,314,289
Net Assets (market)	\$ 1,565,301,249
Actuarial Value of Assets	\$ 1,853,684,177

JUDICIAL RETIREMENT SYSTEM

The Judicial Retirement System was established by Chapter 140, P.L. 1973 after the repeal of the laws providing pension benefits to members of the State Judiciary and their eligible survivors. All members of the State Judiciary are required to enroll. The system is maintained on an actuarial reserve basis. It is a defined benefit plan that changed from a noncontributory to a contributory plan on January 19, 1982. The most recent actuarial valuation of the plan was prepared based upon information as of July 1, 2002.

Active Members	440
Annual Compensation	\$ 62,288,830
Beneficiaries	384
Retirement Allowances	\$ 24,499,032
Net Assets (market)	\$ 314,243,327
Actuarial Value of Assets	\$ 381,698,485

CONSOLIDATED POLICE AND FIREMEN'S PENSION FUND

The Consolidated Police and Firemen's Pension Fund was created under Chapter 358, P.L. 1952 to place the 212 local police and firemen pension funds on an actuarial basis. Fund membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds, which was satisfied in 1982, was shared by the participating municipalities (two-thirds) and the State (one-third). The fund is a contributory defined benefit plan. The most recent actuarial valuation of the plan was prepared based upon information as of July 1, 2002.

Active Members	\$	0
Annual Compensation		0
Beneficiaries		1,198
Retirement Allowances	\$	8,155,821
Net Assets (market)	\$	27,258,756
Actuarial Value of Assets	\$	34,556,890

PRISON OFFICERS' PENSION FUND

The Prison Officers' Pension Fund was created in 1941 under Chapter 220, P.L. 1941. The legislation permitted prison officer members of the then State Employees' Retirement System to transfer to this system. Members of the fund are employed in institutions throughout the state. The fund was closed to new members on January 1, 1960.

All officers appointed after this date are either enrolled in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The fund is a contributory defined benefit plan. The most recent actuarial valuation of the plan was prepared based upon information as of July 1, 2002.

Active Members		0
Annual Compensation	\$	0
Beneficiaries		231
Retirement Allowances	\$	1,620,172
Net Assets (market)	\$	17,908,452
Actuarial Value of Assets	\$	17,908,452

CENTRAL PENSION FUND

The Central Pension Fund administers a series of noncontributory pension acts. Benefit payments are administered by the DOP&B in accordance with governing statutes and the rules and regulations of the New Jersey Department of Military and Veteran Affairs.

The scope of the fund includes persons employed by the State as of January 1921 (Heath Act Pensioners; N.J.S.A. 43:5-1 to 5-4), Veterans' Act Pensioners (N.J.S.A. 43:4-1 to 4-6), noncontributory pensions for certain State employees (N.J.S.A. 43:5A-1 to 5A-4), and special pensioners in accordance with various State laws authorizing payments to certain individuals. This is unfunded, and not maintained on an actuarial reserve basis.

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST

The Supplemental Annuity Collective Trust was created by Chapter 123, P.L. 1963. It is designed to allow members of several State retirement systems (PERS, TPAF, PFRS, SPRS, and JRS) to supplement their retirement benefits by contributing to an annuity program. CPFPF and POPF have no contributing members to this fund. The program is administered by the DOP&B. Member contributions are remitted to the Division and invested through the State's Division of Investments. Members participate in gains and losses according to their contributions. Upon retirement, the participant is paid an annuity. The participants can file a written request prior to retirement to obtain either a lump sum payment or one of several annuity options (reduced annuity amounts

with survivor's benefits). An actuarial valuation of the plan is required at least every three years. The most recent report was based upon information as of June 30, 2000.

Active Members	4,023
Net Assets (Market)	\$ 216,958,359

PENSION ADJUSTMENT FUND

The Pension Adjustment Fund was established by Chapter 143, P.L. 1958. It is designed to cover all eligible retirees in the State's Pension Systems. The fund was enacted to ease the effect of inflation on a member's pension allowance. Adjustments are based upon a formula that includes the consumer price index. All retirement systems, except for the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund and the Central Pension Fund, finance the pension adjustment costs on an actuarial reserve basis. For the remaining systems, the program is funded by the employers (State and Locals), who are billed annually in an amount determined by the DOP&B. For these systems if no amount is appropriated by the State for adjustment, it shall cease according the legislation. Additionally, pensioners are not entitled to an adjustment until they have received a retirement allowance for 24 months.

ALTERNATE BENEFIT PROGRAM

This program was established by several pieces of legislation between 1965 and 1968 for full-time faculty members of public institutions of higher education. It was later expanded to include certain administrative and professional titles.

NEW JERSEY STATE EMPLOYEES' DEFERRED COMPENSATION PLAN

The New Jersey State Employees' Deferred Compensation Plan was established by Chapter 39, P.L. 1978 and is subject to compliance with Title 26 U.S.C., Section 457 of the Internal Revenue Code and the regulations and interpretations of the Internal Revenue Service. Any State employee, who is a member of a State administered pension system or has 12 continuous months of employment is eligible to participate in this plan. Total enrollment as of June 30, 2002 was 33,051. Total net market value as of June 30, 2002 is \$1,048,587,466. Upon enrollment, a participant may defer a specified percentage of his salary within the established minimums and maximums. The participant's deferral is not subject to Federal income taxation at the time of deferral. The following investment funds are available to participants of the Deferred Compensation Plan:

- 1) Bond Fund
- 2) Equity Fund
- 3) New Jersey Cash Management Fund
- 4) Small Cap Fund (started March 1, 1997).

When a participant terminates service, retires, becomes disabled or dies the value of the account will be paid to the participant or the participant's beneficiary within two months after the event. The distribution is based on the value of the account and the method of distribution chosen by the participant. The DOP&B is the Plan Administrator. The investment of the funds is managed by the Division of Investment of the Department of the Treasury of the State of New Jersey.

STATE AND LOCAL HEALTH BENEFITS PROGRAM

The program provides medical coverage to employees, retirees, and their dependents. It includes a basic indemnity type plan (Traditional Plan), a point-of-service plan (NJ PLUS), and several HMO's. Chapter 125, P.L. 1964 extended the program to include employees of the local government.

STATE AND LOCAL PRESCRIPTION DRUG PLAN

This plan was initiated by the State effective December 1, 1974. The passage of Chapter 41, P.L. 1976, extended coverage to all eligible State employees. The State Health Benefits Commission offered the plan to local employers on July 1, 1993. Employees and their eligible dependents are covered by the plan in the same manner as the State Health Benefits Program. The DOP&B became responsible for its administration in November 1976.

STATE EMPLOYEE DENTAL PROGRAM

The program was initially established February 1, 1978 and further expanded in June 1984. All eligible State employees may enroll for themselves and their eligible dependents by paying the premium calculated to meet half of the cost of the plan. The New Jersey State Dental Plan Organization Program consists of ten separate Dental Plan Organizations.