



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

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[Signature]

LINDA M. HODGDON
Commissioner
(603) 271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

February 24, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services, for the NH Deferred Compensation Commission, to enter into a contract with CliftonLarsonAllen LLP, Timonium, MD (Vendor #228150), in the amount of \$160,500 to perform annual financial audits of the State of NH Public Employees Deferred Compensation Plan for calendar years 2010, 2011, 2012, 2013, and 2014. The contract will be effective upon Governor and Council approval and end on December 31, 2015. **100% Agency Income.**

Funding is available in the account titled Deferred Compensation as follows and contingent upon approval of future operating budgets:

01-14-14-14-140010-13070000 Deferred Compensation	<u>SFY 14</u>	<u>SFY 15</u>	<u>SFY 16</u>
102-500731 – Contracts for Program Services	\$31,500	\$95,500	\$33,500

EXPLANATION

The New Hampshire Deferred Compensation Commission (the "Commission") has, with Governor and Council approval, contracted with third party Plan Administrators/Record keepers for the day to day operation of the State of NH Public Employees Deferred Compensation Plan (the "Plan"). Beginning in 2000 the Commission required annual financial audits of the Plan to ensure accurate accounting and crediting of participant deferrals and investment returns. The Plan was administered at that time by ING Life Insurance and Annuity Company and as part of that contract, ING arranged and paid for annual financial audits. Audits were performed up until December 31, 2009. As no State contract can extend beyond 10 years, the Plan was put out to bid, and a new Plan Administrator contract was awarded to Great-West Life & Annuity Insurance Company ("Great-West") by vote of the Governor & Council on October 21, 2009, Item #25A.

The contract with Great-West provides funds to pay for annual financial audits, but the responsibility for hiring and supervising the work of the auditors is now the responsibility of the Commission. It is felt by the

Commission that this provides a truly independent financial audit process that will benefit both the Commission and all Plan participants.

Notification of the RFP was released on November 15, 2013 to eleven (11) audit firms known to have performed successful audits of state 457(b) plans. The RFP was posted the same day on the State of NH purchasing website and the National Association of Government Defined Contribution Administrators (NAGDCA) website. This produced additional inquiries. Questions and Answers from prospective proposers were answered and posted on December 5, 2013, with the deadline for proposal submissions extended to December 23, 2013 at 3:00 pm.

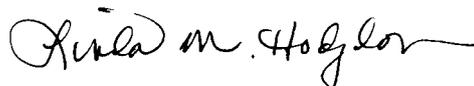
The Commission received seven (7) proposals by the deadline. A four (4) member review team, consisting of three (3) Commission members; Linda M. Hodgdon, Commissioner of Administrative Services, Barry Glennon, Director of the Bureau of Securities Regulation, Kevin O'Brien, Chief of Policy and Planning – Department of Safety and the Plan Executive Director Craig Downing. Mr. Downing and the review team were assisted by Deputy Commissioner Michael P. Connor (non-voting) in the drafting of the RFP and scoring/selection of the bids. Deputy Commissioner Connor met twice with the evaluation team as a group to review and score the proposals. After clarification questions were sent to each of the bidders; three (3) were deemed to be non-compliant (as explained in Attachment A) by failure to meet the eligibility criteria or responsiveness to the Commission goals as stated in the RFP. The Commission review team individually scored the remaining four (4) bidders, using the evaluation criteria established and published in the RFP. Based on the evaluation criteria, CliftonLarsonAllen LLP was scored the highest ranking proposal. They were also the low priced bidder of the four (4) proposals scored. Scoring sheets, Bid Tab and additional information are contained in Attachment A.

Finally, CliftonLarsonAllen, LLP has the most experience of any of the firms reviewed in auditing State 457(b) plans and is the best firm to review the financial statements, but comment on and offer advice as the Commission sets up the new office of the Executive Director.

Based on the foregoing, the Commission requests approval of the contract with CliftonLarsonAllen LLP for five (5) audit years work, with the Commission paying for each audit year report after it is accepted over the next two (2) State Fiscal Years as detailed above.

The contract has been approved by the Office of the Attorney General as to form, execution, and content.

Respectfully Submitted,



Linda M. Hodgdon
Commissioner

Attachment A

Procurement Process

The procurement process for this contract was conducted in accordance with State of NH / Department of Administrative Services procurement guidelines. A Request for Proposals (RFP) was released on November 15, 2013 to (11) eleven firms known to have successful audit experience with other State 457(b) plans and posted to the state procurement website and the National Association of Government Defined Contribution Administrators (NAGDCA) website. The Commission received (7) seven proposals by the December 23, 2013 3:00 pm deadline. The following seven firms responded:

Allen, Gibbs & Houlik, LLC – Wichita, KS
Baker, Newman, Noyes – Portland, ME
BCA Watson Rice, LLP – Washington, DC
BDO USA, LLP – Boston, MA
CliftonLarsonAllen, LLP – Timonium, MD
Grant Thornton, LLP – Boston, MA
Whittlesey & Hadley, PC – Hartford, CT

The proposals were reviewed by the executive director and the evaluation team with regards to the firms meeting minimum qualifications and whether the proposal met the goals, objectives and scope of services as outlined in the RFP. All firms were sent follow up clarification questions, as contemplated in the RFP, to allow them to correct technical aspects of the proposals (example: Lack of signed addenda) or determine whether they met minimum qualifications or whether they met the goals and scope of services in the RFP. While all seven firms were sent questions, Whittlesey & Hadley, PC failed to respond.

Two firms were eliminated as they did not meet the minimum qualifications on Page 5 of the RFP which states in relevant part:

“3. Successful audit experience with at least two 457(b) deferred compensation plans to demonstrate to the Commission they have the expertise and full understanding of government accounting practices relevant to such plans.”

Baker, Newman, Noyes and Whittlesey & Hadley, PC only had audit experience with one 457(b) plan and therefore did not meet the minimum qualifications contained in the RFP. The firms were disqualified and not scored.

The third firm was disqualified as it failed to meet the full goals and scope of services as stated in the RFP. The firm specifically said that they would not perform one or more of the Commission goals (Page 3 of the RFP) under a GASB audit and suggested if the Commission wished the work to be performed it could be negotiated at a future time. As the procurement procedures do not allow resubmissions a clarification question was sent. The firm in its answer to the clarification question was non-responsive to a Commission requirement on page 4 of the RFP. Other proposals, including that of CliftonLarsonAllen, LLP specifically confirmed that they would meet all of the Commission goals and scope of services as outlined in the RFP.

Pursuant to III. **TERMS AND CONDITIONS FOR SUBMISSION OF PROPOSALS** on pages 7 and 8 of the RFP, specifically paragraph five of page 7 which states in relevant part: "Any proposal determined to be non-responsive to the specifications or other requirements of this RFP, including instructions governing format, may be disqualified without evaluation. The Commission shall reserve the right to clarify and seek supplemental information to any proposal submitted."

As the Evaluation team felt that the firm was non-responsive to the clarifying questions and would not perform the full scope of services as the other proposers Allen, Gibbs & Houlik was disqualified and not scored.

The Evaluation Team

Linda M. Hodgdon

Current Position: Commissioner of Administrative Services

Background: Commissioner Hodgdon is a member of the Deferred Compensation Commission. She has served 29 years with the State of New Hampshire having worked in four different agencies and on the staff for 3 different governors. Linda has been on the Commission since 2008 when she became Commissioner and serves on the Commission as stipulated by law in RSA 101-B: 2(b).

Barry J. Glennon

Current Position: Director, N.H. Bureau of Securities Regulation

Background: Attorney Glennon has been with the Bureau of Securities Regulation since 2001, and Director since 2012. He has served on the Deferred Compensation Commission for the past nine years as the Secretary of State's designee. Mr. Glennon has 29 years of private and public sector experience dealing with securities, insurance and compliance related matters.

Kevin O'Brien

Current Position: Chief of Policy & Planning NH Department of Safety

Background: Mr. O'Brien has been a member of the Commission for 2 years. He has been a state employee for more than 34 years and has been a member of the state's deferred compensation plan since it began. His seat on the Commission represents the Unclassified Employees.

Craig A. Downing

Current Position: Executive Director, NH Deferred Compensation Plan – Administrative Services

Background: Mr. Downing has worked for 24 years for the NH Department of Labor as a Hearing Officer. He was appointed to the NH Deferred Compensation Commission by Governor and Council in July, 2007 serving two, three year terms representing public employees at large. He performed a variety of administrative duties for the Commission, including serving on two RFP evaluation teams. He let his commission lapse in July, 2013. He has served as the first Executive Director of the Plan since September 2013.

V. EVALUATION CRITERIA

The factors to be used by the Commission in evaluating the proposals will include the following:

1. Experience (quantity, quality, timeliness, financial soundness and stability) of the firm and its staff with providing auditing services to other states or public entities with similar 457 deferred compensation, defined contribution, 401(k) or similarly operated plans. (25%)
2. Qualifications of staff to be assigned to the audit. Particular attention will be paid to relevant experience with government entities. (25%)
3. Quality and conciseness of proposals. (10%)
4. Fees and compensation. (40%)

SCORING
<u>Missing</u> (an entire section is missing or item is not addressed in proposal) = 0
<u>Poor</u> (the proposal or section is deficient in many characteristics) = 1-20%
<u>Unsatisfactory</u> (the proposal or section is deficient in several characteristics) 21-40%
<u>Below Avg</u> (the proposal or section is deficient in one or more characteristics) = 41-55%
<u>Average</u> (the proposal or section is satisfactory in all aspects) = 56-70%
<u>Good/Above Average</u> (The proposal or section is satisfactory in all aspects and contains one or more significant desirable characteristics beyond the satisfactory level) = 71-85%
<u>Outstanding/Excellent</u> (The proposal or section is satisfactory in all aspects and contains many significant desirable characteristics beyond the satisfactory level) = 86-100%
Please use these as a guide when determining scores for the categories below. For example: Qualifications of staff assigned to the audit is worth 25% of the total score. If a proposal ranks "good," with a score of 80% in this category, then the score would be (25%) X (80%) = 20 points.
Whether you score each bullet separately or come up with a single score for the category is up to you. But please be prepared to present the score for each category below, and total these scores for the overall final score of the proposal.

RFP 2014-164 NH 457(b) PLAN AUDIT SERVICES

CliftonLarsonAllen	Experience 25%	Qualifications of Firm/Staff 25%	Quality of Proposal 10%	Fees and Compensation 40%	Total	Average Score
Linda H.	24.5	23	10	40	97.5	
Barry G.	24.5	24	10	40	98.5	
Kevin O.	24.5	25	10	40	99.5	
Craig D.	25	23	10	40	98	98.4

BCA Watson Rice	Experience 25%	Qualifications of Firm/Staff 25%	Quality of Proposal 10%	Fees and Compensation 40%	Total	Average Score
Linda H.	21.5	24	10	38.5	94	
Barry G.	21.5	24.5	10	38.5	94.5	
Kevin O.	23	23	9	38.5	93.5	
Craig D.	21.5	24	10	38.5	94	94

Grant Thornton	Experience 25%	Qualifications of Firm/Staff 25%	Quality of Proposal 10%	Fees and Compensation 40%	Total	Average Score
Linda H.	18.5	21	10	28.4	77.9	
Barry G.	21.5	25	10	28.4	84.9	
Kevin O.	24.5	24	10	28.4	86.9	
Craig D.	22	19	10	28.4	79.4	82.3

BDO USA	Experience 25%	Qualifications of Firm/Staff 25%	Quality of Proposal 10%	Fees and Compensation 40%	Total	Average Score
Linda H.	18	20	10	23.4	71.4	
Barry G.	23.5	23	10	23.4	79.9	
Kevin O.	24.5	24	10	23.4	81.9	
Craig D.	22	21	10	23.4	76.4	77.4

*A total of seven (7) firms bid on the RFP. Three firms were disqualified; Baker, Newman, Noyes and Whittlesey & Hadley did not meet minimum qualifications of having audit experience with more than one 457(b) plan. The proposal from Allen, Gibbs & Houlik did not meet the goals of the Commission as detailed in the RFP.

Price Quotes:

CliftonLarsonAllen = \$160,500/ BCA Watson Rice = \$166,619/ Grant Thornton = \$225,685/ BDO = \$274,800

Bid Tab #2014-164

<u>Proposer Name</u>	BCA Watson Rice	BDO USA	CliftonLarson Allen	Grant Thornton
STATUS	Scored	Scored	Scored	Scored
FIRM FIXED PRICE	\$166,619	\$274,800	\$160,500	\$225,685

A total of seven (7) firms bid on the RFP. Three firms were disqualified; Baker, Newman, Noyes and Whittlesey & Hadley did not meet minimum qualifications of having audit experience with more than one 457(b) plan. The proposal from Allen, Gibbs & Houlik did not meet the goals of the Commission as detailed in the RFP.

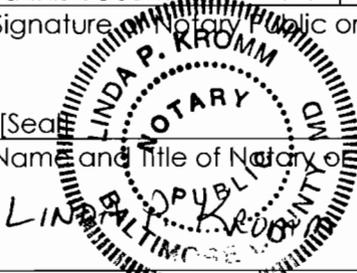
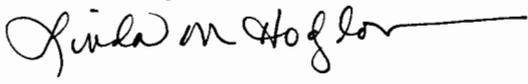
Subject: State of NH 457(b) Public Employees Deferred Compensation Plan Audit Services #2014-164

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name - State of New Hampshire Dept. of Administrative Services		1.2 State Agency Address- State House Annex, Room 215c 25 Capitol Street Concord, NH 03301	
1.3 Contractor Name CliftonLarsonAllen LLP		1.4 Contractor Address 9515 Deereco Road, Suite 500 Timonium, Maryland 21093	
1.5 Contractor Phone 888-778-9588	1.6 Account Number 01-14-14-1400-13070000-509206	1.7 Completion Date December 31, 2015	1.8 Price Limitation \$160,500.00
1.9 Contracting Officer for State Agency Craig A. Downing, Executive Director, NHDCP/DAS		1.10 State Agency Telephone Number (603) 271-7886	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Thomas R. Rey, CPA, Principal	
1.13 Acknowledgement (State of <u>MARYLAND</u> , County of <u>BALTIMORE</u> On <u>FEB. 25, 2014</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  <u>Linda P. Kromm</u> <u>MY COMMISSION EXPIRES 3/10/16</u>			
1.13.2 Name and Title of Notary of Justice of the Peace <u>Linda P. Kromm</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>Rosemarie Hill</u> On: <u>3-11-14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B, which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason. 9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

EXHIBIT A

PURPOSE

CliftonLarsonAllen, LLP (hereinafter referred to as the "Contractor") hereby agrees to provide the State of New Hampshire, Department of Administrative Services with 457(b) Plan Audit Services for the NH Public Employees Deferred Compensation Plan in accordance with NH State Proposal Bid #2014-164 and described herein.

TERM

This contract shall commence upon the approval of the Governor and Executive Council through December 31, 2015, a period of approximately 2 years.

The State of New Hampshire shall have the right to terminate the contract at any time by giving the Contractor thirty (30) days advance written notice.

SCOPE OF WORK

The Contractor agrees to perform financial audits for calendar years 2010, 2011, 2012, 2013 and 2014 of the NH Public Employees Deferred Compensation Plan. The audits shall be conducted to meet the following standards, satisfy the Commission goals, and meet the requirements as set out here and in the attached RFP #2014-164.

The Contractor shall conduct annual financial audits of the New Hampshire Deferred Compensation Plan in accordance with generally accepted auditing standards. The audits are to be performed in conformity with Generally Accepted Governmental Auditing Standards (GAGAS).

The Contractor shall provide formal opinions about whether the Plan's financial statements comply, in all material aspects, with Governmental Accounting Standards Board (GASB) accounting principles. Each audit to be performed by the auditor shall include tests of the accounting records of the New Hampshire Public Employees Deferred Compensation Plan (the Plan) and other procedures deemed necessary to enable the generation of an opinion.

In addition to the financial audit, the Contractor shall perform work to meet the RFP goals, including but not limited to:

- Ensuring the completeness and accuracy of financial statement disclosures and at a minimum independently confirm the existence, value and ownership of Plan's assets as of the balance sheet dates for the years ended December 31, 2010, 2011, 2012, 2013 and 2014.
- Determine the strength of third party service providers' control procedures and compliance support regarding matters of potential significance to the Plan.
- Confirm that Commission members, the Executive Director and other fiduciaries are fulfilling their duties to safeguard the Plan's assets and the participants' future retirement benefits through fiduciary monitoring procedures over plan assets and related recordkeeping.
- Provide the auditor's perspective and expertise in "best practices" of plan administration and financial reporting.

The Contractor shall pay special attention and review actions by the NH Deferred Compensation Commission (the Commission), State of NH, and Great-West Retirement Services (GWRS) relative to issues and corrective measures taken after an IRS audit for calendar years 2007, 2008 and 2009.

The Contractor shall review documentation, not only checking for the resolved issues but to advise the Commission and Executive Director on actions it has taken and suggest further action to strengthen the controls in place.

The Contractor shall review and advise on implementation of control and administrative procedures for the newly created position of Executive Director, including, but not limited to: administrative record keeping, revenue share accounting and budgeting, reporting requirements and other suggested best practices.

In order to meet the above standards, goals and requirements as listed here and in the RFP, the Contractor's Scope of Work is as follows.

The contract work begins with the award by vote of Governor and Council, currently scheduled for 03/26/14. The work plan for the fulfillment of the contract follows:

CLA (Contractor) will send PBC (Prepared by client) list to the Plan Executive Director (NHDC) & GWRS no later than 03/28/14 (detailing what will be needed to complete the 4 audits of the financial statements).

**We will hold monthly conference calls starting with NHDC & GWRS. Timeline subject to G&C approval and dates may be changed by agreement of the parties.*

Entrance Conference via conference call – 04/ 04/14 (CLA, GWRS, and NHDC).

- Discuss PBC items requested and proposed timeline.

NHDC & GWRS will provide requested PBC items no later than 04/16/14.

Once PBC items are received from NHDC & GWRS, CLA shall do the following:

- CLA shall select contribution and distribution dual purpose test samples once data is received from GWRS.
 - Once samples are selected and verified by GWRS, CLA shall schedule time to be on-site at GWRS/NH to perform testing over contributions/participant data and distributions for the 4 audits.
- Prepare investment confirmations to be signed by NHDC.
- Prepare contribution confirmations to be signed by NHDC.
- Begin our audit process related to gain an understanding of the entity, the control environment, and building out a risk based audit approach.
- Perform tests of design and tests of controls/dual purpose tests over identified audit areas.
- Begin our substantive testing of investments, other assets, liabilities, contributions, distributions, and participant data.
- Begin preparing the financial statements for the individual plan year audits.

Once CLA (the Contractor) has prepared the financial statements for the individual plan year audits, the Contractor shall send the financial statements to NHDC and GWRS for their review and approval.

CLA will send NHDC and GWRS Management Representation Letters for each of the individual plan year audits for review and signature.

Once NHDC and GWRS review and approve the financial statements and return signed copies of the Management Representation Letters, CLA shall issue the audit opinions for each of the individual plan year audits, issue SAS 114 letters, SAS 115 letters (if necessary), and management letters (if necessary).

The Contractor shall present the above documents in person to the Executive Director and Commission. Multiple audit years may be presented at the same meeting.

CLA will issue audit opinions, SAS 114, SAS 115, and management letters for years 2010, 2011, 2012 and 2013 not later than 12/31/2014.

After successful completion of the above audits, CLA will begin work on the final year 2014 audit. Audit opinions, SAS 114, SAS 115, and management letter will be presented no later than September 30, 2015.

Confidentiality & Criminal Record

If Applicable, by the using agency, the Contractor and their employees and Sub-Contractors will be required to sign and submit a CONFIDENTIAL NATURE OF DEPARTMENT RECORDS FORM, and a CRIMINAL AUTHORIZATION RECORDS FORM. Forms to be provided by the contracting agency, prior to any work being done.

EXHIBIT B

Revised Page

NH Contracting Officer Initials CD
Date 3.12.14

Page 8 of 11

Contractor Initials 
Date 3.11.14

The Contractor hereby agrees to provide annual financial audit services of the State of NH 457(b) Public Employees Deferred Compensation Plan in complete compliance with the terms and conditions specified in Exhibit A for an amount up to and not to exceed the price of \$160,500.00; this figure shall not be considered a guaranteed or minimum figure, however, it shall be considered a maximum figure from the effective date of through the expiration date set as December 31, 2015.

PRICING QUOTATIONS FOR INDIVIDUAL PROJECTS

The pricing will be by audit year with calendar years 2010, 2011 and 2012 costing \$31,500.00 each. Pricing for calendar year 2013 is \$ 32,500; pricing for calendar year 2014 is \$33,500.00.

INVOICE

Itemized invoices shall be submitted after the completion, presentation and acceptance of each calendar year audit report and letter by the Commission.

The timing of audit completions and payment shall be linked to the audit schedule as outlined in **Exhibit A – Scope of Work**. The timing as described below allows both the Contractor and the Plan to adequately budget invoice payments over SFY 2015/2016.

The audit work will begin in SFY 2014, but completion and invoiced payments are not expected to occur until the first half SFY 2015/December 2014. Payment of the invoice for calendar year audit of 2014 is expected in the first or second quarter of SFY 2016/September 2015.

Contractor shall be paid within 30 days after receipt of properly documented invoice and acceptance of the work to the Commission/State satisfaction. The invoice shall be sent to the address of the contracting agency under agreement.

EXHIBIT C

SPECIAL PROVISIONS

Delete Paragraph 9.2 and substitute the following: "All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason. Excepted from this shall be any work papers of the Contractor, which are and shall remain the property of the Contractor and which are subject to professional independence requirements which may preclude the State's access to them."

Delete Paragraph 13 and substitute the following: "**INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the negligent acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement."

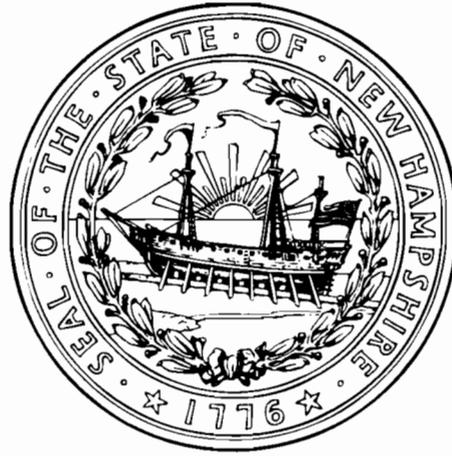
Amend the P-37 Section 14 **INSURANCE** by adding the following:

"Paragraph 14.1.3 The Contractor shall purchase and maintain for the life of the AGREEMENT professional liability insurance (errors and omissions) providing protection to the STATE for the CONTRACTOR'S acts and omissions committed. Such professional liability insurance shall be in the amount of \$2,000,000 in the aggregate. No retention (deductible) shall be more than \$75,000. The Contractor shall furnish the STATE with certificates showing that this insurance has been purchased."

There are no other special provisions.

EXHIBIT D

STATE OF NEW HAMPSHIRE
Public Employees Deferred Compensation Plan



Request for Proposals # 2014-164

**457(b) Plan
Audit Services**

Issue Date: November 15, 2013
Deadline for Questions: December 5, 2013
Deadline for Submissions: December 19, 2013 (Extended to 12/23/13 - 3:00 PM EST)

Submit proposals to:
State of New Hampshire
Department of Administrative Services
Bureau of Purchase & Property
C/O Michael P. Connor
25 Capitol Street Room 102
Concord, NH 03301

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that a notice of registration to transact business in this state was filed by CliftonLarsonAllen LLP, a Minnesota registered limited liability partnership, on January 5, 2012. I further certify that all fees including annual fees required by the Secretary of State's office have been paid.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 13th day of February, A.D. 2014

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

AFFIDAVIT

State of Wisconsin)

ss.:

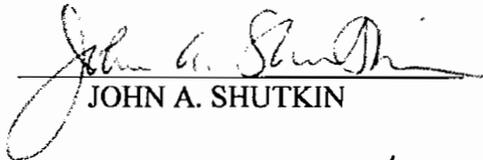
County of Milwaukee)

I, JOHN A. SHUTKIN, being duly sworn, depose and say:

That I am the General Counsel of CliftonLarsonAllen LLP ("CLA"). In my role as General Counsel, I have overall responsibility for legal compliance for CLA.

That CLA is a duly formed limited liability partnership under the laws of the State of Minnesota and has been since January 2, 2012. According to the Minnesota Professional Firm Act, any partner or principal of a partnership is permitted to sign on behalf of and legally bind the partnership. As such, any partner or principal of CLA is authorized to sign on behalf of and legally bind CLA.

That Thomas Rey is a Principal of CLA. By virtue of Mr. Rey being a Principal of CLA, he has signing authority on behalf of and can legally bind CLA by signing contractual documents on its behalf, including, without limitation, the subject contract.


JOHN A. SHUTKIN

Sworn to before me this 26th day
of February, 2014


Notary Public



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/20/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER American Agency, Inc. 5851 Cedar Lake Road P O Box 16527 Minneapolis MN 55416	CONTACT NAME: Rose Thompson	
	PHONE (A/C No. Ext): (952) 591-2746 FAX (A/C No): (952) 593-8733 E-MAIL ADDRESS: roset@americanagencymn.com	
INSURED CliftonLarsonAllen LLP LarsonAllen LLP Clifton Gunderson LLP 220 South 6th Street, Suite 300 Minneapolis MN 55402-1436	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Great Northern Insurance Co	20303
	INSURER B: Federal Insurance Company	20281
	INSURER C: American Casualty Co of Reading	20427
	INSURER D: Valley Forge Insurance Company	20508
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: 12/31/13 Cert 2 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			3598-35-69	12/31/2013	12/31/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COM/POP AGG \$ 2,000,000
							\$
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY			7357-28-25	12/31/2013	12/31/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							single limit \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			7988-07-47	12/31/2013	12/31/2014	EACH OCCURRENCE \$ 25,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR					AGGREGATE \$ 25,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0	<input type="checkbox"/> CLAIMS-MADE					\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			5096085792 All States	12/31/2013	12/31/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input checked="" type="checkbox"/> N	N/A				Excluding CA ND OH WA WY
D	If yes, describe under DESCRIPTION OF OPERATIONS below			5096085789 CA Only	12/31/2013	12/31/2014	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: 01-14-14-1400-13070000-509206

The insurance coverage as stated on this certificate covers all employees of CliftonLarsonAllen, including those located at 9515 Deereco Road, Suite 500 Timonium, Maryland 21093.

Certificate holder is included as additional insured on General Liability per form 80-02-2367(5-07) & on Auto per form 16-02-0292(9-10) when required in prior written contract. General Liability is primary and

CERTIFICATE HOLDER	CANCELLATION
craig.downing@nh.gov	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
New Hampshire Deferred Compensation Plan Attn: Craig A. Downing, Executive Director 25 Capitol St., Room 215c Concord, NH 03301	AUTHORIZED REPRESENTATIVE
	Gloria Thompson/RMT

COMMENTS/REMARKS

non-contributory and Auto Liability is primary when required in prior written contract. Waiver of Subrogation included on General Liability per form 80-02-2000(4-01) & on Auto per form 16-02-0292(9-10) when required in prior written contract. General Liability & Auto Policies have been endorsed to provide 30 days notice of cancellation, with the exception of 10 days notice of cancellation for non-payment of premium per form 80-02-9779 and 16-02-0306 respectively. Umbrella Policy is follow form.



VERIFICATION OF INSURANCE

ISSUED TO: New Hampshire Deferred Compensation Plan
Attn: Craig A. Downing, Executive Director
25 Capitol Street, Room 215c
Concord, NH 03301

We, the undersigned Insurance Brokers, hereby verify that Interstate Fire & Casualty Company and various Insurance Companies have issued the following described Professional Liability Insurance, which is in force as of the date thereof-

PROFESSIONAL LIABILITY INSURANCE

NAME OF INSURED: CliftonLarsonAllen LLP and others as more fully described in the Policy.

POLICY NUMBER: ACL-1000081

PERIOD OF INSURANCE: 12:01 a.m. December 15, 2013 to 12:01 a.m. December 15, 2014

SUM INSURED: \$2,000,000 Each claim and in the aggregate including costs, charges and expenses

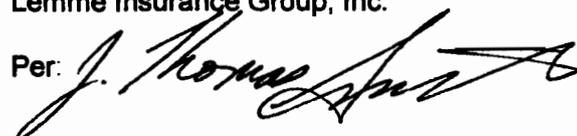
SUBJECT TO ALL TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY

This document is furnished to you as a matter of information only and is not insurance coverage. Only the formal policy and applicable endorsements offer a comprehensive review of the coverage in place. The issuance of this document does not make the person or organization to whom it is issued an additional insured, nor does it modify in any manner the contract of insurance between the Insured and the Insurer. Any amendment, change or extension of such contract can only be effected by specific endorsement attached thereto. Should the above described Policy be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Issued at Chicago, Illinois

Date: February 20, 2014

Lemme Insurance Group, Inc.

Per: 

Vice President