



New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of March 28, 2018 Action Item Financial Auditor

As a public entity insurance group, NJSIG is required under N.J.S.A. 18A:18B-4(8) and N.J.A.C. 11:15-4.24 to obtain an annual certified financial audit performed in conformity with generally accepted accounting principles. To this end, NJSIG conducted an informal request for qualifications soliciting proposals from qualified firms with certified public accountants licensed in the State of New Jersey. As a result of this process, NJSIG received five proposals. The results of the evaluation process are attached. Thus, it is proposed that the contract for financial auditing professional services be awarded to Bowman & Company, LLP based on the results of the evaluation.

Recommended Resolution: to adopt the contract for financial auditing professional services be awarded to Bowman & Company, LLP based on the results of the evaluation.

William Mayo

William Mayo, CPCU, ARM
Executive Director



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Resolution Authorizing the Execution of Contracts Pursuant to the Public School Contracts Law

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is authorized by N.J.S.A. 18A:18B-1, et seq. to provide insurance coverage for its members;

WHEREAS, NJSIG requires professional services in the form of financial auditing services to aid in management of the organization and comply with N.J.S.A. 18A:18B-4(8) and N.J.A.C. 11:15-4.24;

WHEREAS, NJSIG has engaged in a contracting process, pursuant to which proposals were solicited; and,

WHEREAS, all proposals submitted have been evaluated.

NOW THEREFORE, BE IT RESOLVED that:

- 1) NJSIG awards the contract for financial auditing professional services to Bowman & Company, LLP;
- 2) NJSIG awards the contract for financial auditing professional services to this service provider based on technical criteria, management criteria, cost criteria and the service provider’s demonstrated service to public entities in the State of New Jersey;



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Resolution Authorizing the Execution of Contracts Pursuant to the Public School Contracts Law

- 3) The Executive Director is hereby authorized to execute a contract with the above-referenced service provider;
- 4) These contracts are awarded in accordance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq.;
- 5) A notice of this action shall be published once in the official newspaper designated by NJSIG, and is on file and available for public inspection at the office of NJSIG.
- 6) I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 28th day of March, 2018.



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Resolution Authorizing the Execution of Contracts Pursuant to the Public School Contracts Law

New Jersey Schools Insurance Group

By: _____

Irene Le Febvre, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE:

NJSIG AUDITOR
RESPONSE ANALYSIS:

	6/30/2018	Executive Summary -		# of Other Governmental	Other				Peer Review
Vendor Name:	Fee Proposal	Reasons Vendor is Most Qualified	NJSIG Audit Staffing Plan	Public Sector Audits	School JIFS Audited	Resources of Vendor	Office Location	Referrals Contacted	
INCUMBENT	6/2018 fee = \$48,400	30 yrs. experience in auditing joint insurance funds, housing authorities, water & sewer authorities, municipalities, counties & other governmental entities.	Engagement Partner (CPA), Consulting Partner (CPA), Engagement Supervisor & misc. staff accountants	10 JIFs, 6 Authorities, 3 Counties, 66, Municipalities, 71 BOE-Schools, 2 County Colleges	PIP	16 Partners, 70 Professional staff, 46 CPA's	Mt Arlington, NJ	N/A - Incumbent (no reference needed)	Y
	Approx. 14% INCREASE from 6/2013 Fee proposal = \$42,500		Engagement Partner - CPA, RMA, PSA - 20 yrs. in governmental auditing. (Consulting Partner - 30 yrs.)			Staff dedicated to government audits: 7 partners & 30 Professional staff			
	RFP: Scope of work includes DOBI State Reports		Engagement Supervisor - 8 yrs. in governmental auditing			Members of Government Accounting & Auditing Committee of NJ CPA			

**NJSIG AUDITOR
RESPONSE ANALYSIS:**

	6/30/2018	Executive Summary -		# of Other Governmental	Other				Peer Review
Vendor Name:	Fee Proposal	Reasons Vendor is Most Qualified	NJSIG Audit Staffing Plan	Public Sector Audits	School JIFS Audited	Resources of Vendor	Office Location	Referrals Contacted	
Respondent A	6/2018 fee = \$43,500 (+ possible overruns as stated in RFP's discounted rates of \$295/hr. for Partner & \$175/hr. for Supervisor)	45 yrs. experience in auditing government, not-for-profits, joint insurance funds & private companies	1 Partner-in-Charge & 1 Audit Supervisor	1 JIF, 4 Authorities, 1 County, 9 Municipalities 29 BOE-Schools, 4 County Colleges, 7 Misc. NY/NJ Agencies	No -none noted in RFP	25 Partners & 190 Professional staff. 100 CPA's	Livingston, NJ Flemington, NJ NYC, NY	Referral call will be reported during our 3/7/18 call	Y
	Approx. 20% DECREASE from 6/2013 Fee proposal = \$55,000 (+ possible overruns)		Partner-in-Charge -CPA, PSA, RMA - 33 yrs. in Public Spector practice			Member of The Leading Edge Alliance (LEA), AICPA's Government Audit Quality Center			
	RFP: Scope of work includes DOBI State Reports		Audit Supervisor - 10 yrs. in governmental industry						

NJSIG AUDITOR
RESPONSE ANALYSIS:

	6/30/2018	Executive Summary -		# of Other Governmental	Other				Peer Review
Vendor Name:	Fee Proposal	Reasons Vendor is Most Qualified	NJSIG Audit Staffing Plan	Public Sector Audits	School JIFS Audited	Resources of Vendor	Office Location	Referrals Contacted	
Respondent B	6/2018 fee = Hourly rates in RFP NOT TO EXCEED \$57,500	Founded in 1975 - 50% business is commercial client services. Remainder is governmental and educational auditing and accounting (90+ governmental and educational clients)	1 Engagement Partner & 1 Partner	0 JIF, 4 Authorities, 1 County, 41 Municipalities, 30 BOE/Schools	No - none noted in RFP	7 Partners, 5 Managers, 4 Sr. Accountants & 10 Staff Accountants 10 CPA's, 7 PSA's & 5 RMA's	Ocean City, NJ	Referral call will be reported during 3/7/18 conference call	Y
	No 6/2013 Fee proposal for comparison		Engagement Partner - CPA - 14 yrs. JIF audits & 35 yrs. general audits						
	RFP: Scope of work DOESN'T include DOBI State Reports - email DOES include it		Partner - CPA, RMA, PSA - 3 yrs. JIF audits & 20 yrs. governmental & educational accounting & audits						

NJSIG AUDITOR
RESPONSE ANALYSIS:

	6/30/2018	Executive Summary -		# of Other Governmental	Other				Peer Review
Vendor Name:	Fee Proposal	Reasons Vendor is Most Qualified	NJSIG Audit Staffing Plan	Public Sector Audits	School JIFS Audited	Resources of Vendor	Office Location	Referrals Contacted	
Respondent C	6/2018 fee = Fee range of \$60,000 - \$70,000 (based on projected billable hours as audit scope discussed at in-office meeting)	79 yrs. experience in auditing government, not-for-profits, joint insurance funds & private companies. 25 yrs. dedicated to NJ Joint Insurance Funds.	Engagement Partner, Engagement Sr. Manager, 2-3 staff accountants (with JIF audit experience)	20 JIF's (incl. 4 School JIF's), 55 Authorities, 108 Municipalities & Counties, 170 BOE Schools & Colleges,	SPELL, BCIP, ACC-ASBO, GCSSD	18 Partners, 80 Professional staff	Voorhees, NJ	Referral call will be reported during 3/7/18 conference call	Y
	Approx. 25%-45% INCREASE from 6/2013 Fee proposal = \$48,000	Core focus of business is governmental insurance funds	Engagement Partner - CPA. 20 yrs. School, municipal and county comm JIF audits			Members of AICPA, NJSCPA, Govt. Audit Quality Center, BDO Alliance USA			
	RFP: Scope of work includes DOBI State Reports as addressed at in-office meeting		Engagement Sr. Manager - CPA. 14 yrs. audit and accounting services of school districts and JIFs						

NJSIG AUDITOR
RESPONSE ANALYSIS:

	6/30/2018	Executive Summary -		# of Other Governmental	Other				Peer Review
Vendor Name:	Fee Proposal	Reasons Vendor is Most Qualified	NJSIG Audit Staffing Plan	Public Sector Audits	School JIFS Audited	Resources of Vendor	Office Location	Referrals Contacted	
Respondent D	6/2018 fee = \$70,000 (+ travel expenses up to a max. of \$5,000)	32 yrs. experience in auditing the insurance industry with specific focus on public entity insurance pools	Engagement Partner, CPA; QR Partner, 2 Sr. Manager, SR associate and assoc. professionals	500 clients - not broken down in RFP response	Yes - but # and names not listed	19 Partners, 12 Principals and 170 Professional staff	8 national offices - NJ office: Edison NJ	Referral call will be reported during 3/7/18 conference call	Y
	No 6/2013 Fee proposal for comparison	Nation's largest insurance-focused audit firm with 500+ insurance entity clients	Engagement Partner - CPA, CA, AIAF. 28 yrs. experience						
	RFP: Scope of work includes DOBI State Reports	Extensive experience with JIF's and with auditing Navrisk & Origami (NJSIG's Underwriting & Claims systems)	QR Partner - CPA. 19 yrs. experience						
			SR. Mngr. - CPA,. 24 yrs. experience						
			Manger & SR Assoc. - CPA's						