**COMMONWEALTH PLAN OF ADJUSTMENT PENSION BENEFITS COUNCIL CORP.**

May 15, 2023

**Re: Request for Proposal – Auditing Services**

The Commonwealth Plan of Adjustment Pension Benefits Council Corp., (the “Pension Benefits Council”) is interested in receiving proposals to audit the financial statements of the entity for Fiscal Years 2021-2022 and 2022-2023.

**I. Introduction:**

As part of the agreements between representatives from retirees, active public employees and the Financial Oversight and Management Board for Puerto Rico (“FOMB”) a Pension Reserve Trust was established. This reserve fund will receive contributions from the Government for ten years and after the period of contributions the Commonwealth of Puerto Rico can access funds in the Trust to assist in the payment of pensions provided some requirements are met.

The Pension Reserve Trust is comprised of two entities; (a) the Pension Benefits Council, that is responsible for reviewing the adequate and timely funding of the Pension Reserve Trust and the retrieval of funds by the Government; (b) the Pension Reserve Board, composed of five members who are responsible for the investment of the assets from the Pension Reserve Trust.

The Pension Benefits Council shall have the responsibility to:

* Appoint two members to the Pension Reserve Board (when the FOMB is no longer in place, appoint three members to the Pension Reserve Board).
* Review the proper and timely funding of the Pension Reserve Trust by the Commonwealth, in accordance with the terms and conditions of the Plan of Adjustment.
* Approve, in consultation with the Pension Reserve Board and in accordance with the Guidelines, the release of funds from the Pension Reserve Trust to the Commonwealth to satisfy its pension obligations.

**II. Description of the Pension Benefits Council:**

1. **Legal Organization:** On January 18, 2022, the United States District Court for the District of Puerto Rico, in Civil Case No. 17-BK-3283 issued an order (Document No. 19813), approving and confirming the terms of the Eighth Amended Plan of Adjustment under Title III of the Commonwealth of Puerto Rico, et al., dated January 14, 2022 (Document No. 19784). The Plan of Adjustment incorporates certain documents such as a Supplement to the Plan of Adjustment (Document No. 20353) that includes, among others, deed number 2 of March 14, 2022, executed before the notary Edgardo Nieves Quiles creating the Pension Reserve Fund and the “Guidelines for the Governance and Administration of the Puerto Rico Plan of Adjustment Pension Reserve Trust and Monitoring of Plan of Adjustment Pension Benefits”.

Both the Guidelines and the Deed of Trust provide for the creation of a Pension Benefits Council that will be established as a non-profit corporation that will not be considered and shall not subject to governance and regulation as an instrumentality, agency, department, corporation, or any other entity of the Commonwealth of Puerto Rico. To that effect on May 9, 2022, the Commonwealth Plan of Adjustment Pension Benefits Council Corp., was incorporated as a non-profit corporation under the laws of the Commonwealth of Puerto Rico, with registration number 486630 in the Department of State.

The Pension Benefits Council bylaws also include provisions governing ethics, anti-corruption, conflicts of interest, procurement, contracting, use of public funds and public disclosure that, as appropriate, are consistent with Puerto Rico laws applicable to instrumentalities of the Commonwealth of Puerto Rico; provided, however, that inclusion of such provisions into the bylaws does not affect the independence of the Pension Benefits Council and shall not subject it to governance and regulation as an instrumentality of the Commonwealth of Puerto Rico.

1. **Composition:** Currently the Pension Benefits Council is operating during a transitional period when its members are appointed by the signatories of the agreement that created the Pension Reserve Trust. An election process shall be completed by October 1, 2023, and elected members will assume their positions on or about January 1, 2024. Six out of the nine members of the Pension Benefits Council are elected among certain government retirees and active employees, and three are appointed (one by AFSCME, one by the Governor of Puerto Rico and one by the FOMB). The term of elected members is four years.
2. **Funds to operate the entity:** The Pension Benefits Council received an initial contribution from the Commonwealth of Puerto Rico of $550,000 to establish the entity. Then the annual budget comes from the funds deposited by the Commonwealth of Puerto Rico in the Pension Reserve Trust.
3. **Fiscal year:** The fiscal year begins on July 1st and ends on June 30th.
4. **Organization:** The Pension Benefits Council does not have employees, a place for business, inventory, or assets other than funds in the bank account. The entity operates with the assistance of contracted professionals (attorneys, financial advisor, accountants, information agent). The Pension Benefits Council meets at least once a month, and it is also organized in committees that meet as necessary.

**III. Services to be provided:**

To audit the financial statements from the Pension Benefits Council for Fiscal Years 2022 and 2023. Fiscal Year 2022 will comprise from May 9 to June 30, 2022.

**IV. Proposal submission format:**

1. Name and address of the firm.
2. Contact information (and preferred method of communication).
3. Legal formation of the business (for example, individual entrepreneur, partnership, corporation).
4. Description of the firm in terms of size, range and types of services offered.
5. Cost proposal.
6. Biographical information and resumes of the professionals that would perform work for the Pension Benefits Council, including their licenses and professional accreditations necessary to perform the work.
7. Indicate if the firm has any contracts with the Government of Puerto Rico.

**V. Submission Terms and Conditions:**

1. The proposal must be submitted electronically to francisco.delcastillo@bennazar.org before May 31, 2023, at 5:00PM (AST). Any questions can be directed to the same email address.
2. The selected respondent must be a bonafide member of the Puerto Rico College of Certified Public Accountants and must have undergone a peer review of its services.
3. The selected respondent must be registered (before contracting) with the Puerto Rico General Service Administration professional services registry.
4. The Pension Benefits Council is subject to the right of access to information law in Puerto Rico and the documents presented may be subject to an open public records request. Accordingly, candidates must identify any materials or documents that are confidential and clearly mark such items or documents at the time of submission.
5. The Pension Benefits Council reserves the right, without prejudice, to reject any or all proposals. There is no express or implied obligation on the part of the Pension Benefits Council to reimburse applicants for expenses incurred in preparing proposals for this application.
6. All documents and other materials submitted in response to this RFP shall become the property of the Pension Benefits Council.
7. If this application results in a contract, neither the candidate, nor anyone on their behalf (including their agents, affiliates, subcontractors and consultants), will publish, distribute or otherwise disseminate any press release, announcement or publicity material of any kind or kind (collectively, "publicity material") that refers to the Pension Benefits Council or the resulting agreement, unless such publicity material has first been submitted to the Pension Benefits Council.
8. A person authorized to contractually commit the candidate must sign the proposal. The signature must indicate the title or position held by the person in the signature.

**VI. Evaluation Process:**

All proposals submitted will be evaluated by the Pension Benefits Council in accordance with the provisions set forth in this Request for Proposal. The Pension Benefits Council may request clarification from candidates at any stage of the assessment process in order to clarify ambiguities in the information provided.