

Request for Proposals for External Audit Services

Years Ending June 30, 2019, 2020 and 2021

April 23, 2019

Yupiit School District
PO Box 51190
Akiachak, AK 99551

Sealed proposals will be received at the Yupiit School District Office until
4:00 PM on Friday, May 24, 2019

Address Inquiries to:
John Stackhouse, Business Manager
907-825-3600
jstackhouse@yupiit.org

Request for Proposals

External Audit Services

The Yupiit School District is soliciting proposals for audit services for three (3) years. The contract period begins with the fiscal year ending June 30, 2019 and extends through the fiscal year ending June 30, 2021. The enclosed "Request for Proposals" outlines the scope of the engagement, the information required, evaluation criteria, and other relevant information. Proposals are to be received in the Yupiit School District Office, PO Box 51190, Akiachak, AK, 99551, by no later than 4:00 pm on Friday, May 24, 2019.

The timetable for the process is as follows:

Release of RFP:	April 23, 2019
Proposals Due:	May 24, 2019
Award of Contract by School Board:	June 2019 Yupiit School Board Business Meeting

Yupiit School District External Audit

Section 1 - Introduction to the Yupiit School District

The Yupiit School District, hereinafter called the District, is a Regional Educational Attendance Area, operating three schools under an elected school board. All funds of the District are accounted for in accordance with generally accepted accounting principles and the requirements of the State of Alaska, Department of Education and Early Development.

The District runs the Black Mountain financial accounting software designed by Black Mountain Software. The software has been in place since 2018 and has the capability of generating high-level reports.

Section 2 - Scope of Services

Auditing Standards:

To meet the requirements of this RFP it is the proposing auditor's responsibility to ensure that the audit, and all reports generated from the audit, conform to generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the provisions of the State of Alaska Single Audit Regulation (2 AAC 45.010), to include the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

Reports to be issued:

Upon completion of each fiscal year audit of all District accounts and fixed assets, the auditor shall accept the responsibility to express an opinion on the combined statements and issue the following reports:

1. A report on the fair presentation of the financial statements in conformity with the generally accepted accounting principles.
2. For federal and state purposes, a report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with Government Auditing Standards.
3. A report on compliance with the requirements applicable to each major program and internal control over compliance in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
4. A "schedule of findings and questioned costs" summarizing auditor results for a federal single audit, along with recommendations for corrective action.
5. A report on compliance with the requirements applicable to each major program and on internal control over compliance in accordance with the *State of Alaska audit Guide and Compliance Supplement for State Single Audits*.

6. A "schedule of findings and questioned costs" summarizing auditor results for a state single audit, along with recommendations for corrective action.
7. Reports on compliance with Alaska Statutes 14.14.050, 14.17.505 and other State requirements.
8. The auditor shall observe the adequacy of the systems of internal control, accounting procedures, and other significant matters and produce a report on management for the School Board.
9. All other reports or documentation required to meet the standards set forth in **Section 2. Scope of Services**, "*Auditing Standards*:" portion of this request for proposals.

Other requirements:

1. If material weaknesses are noted, appropriate recommendations should be reviewed with management and included in separate letters to the District School Board.
2. Ten (10) copies of all reports (including the audit and Management Letter) shall be made in accordance with Federal and State Requirements. It will be the proposing auditor's responsibility to ensure that one copy is distributed to the Alaska State Department of Education and Early Development, with the remaining copies to be delivered to the District.
3. The opinion and reports shall be dated on or before November 1st of each year and must be delivered by November 15th of each year.

Section 3 - Technical Proposal Preparation Requirements

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified below:

1. **Title Page** - Show the Request for Proposals subject, name of your firm, local address, telephone number, name of contact person and date.
2. **Letter of Transmittal** - Limit to one or two printed pages. Briefly state your company's understanding of the work to be done, or the organization and its accounting environment. Give the names of the persons who will be authorized to make representations for your firm, their titles, addresses and telephone numbers.
3. **Profile of the Audit Organization. Technical Qualifications and Approach**
 - Firms submitting proposals must have a decision-making office in Alaska.
 - State whether your audit organization is national, regional or local.
 - Indicate the number of people located within the Alaska office that will handle the audit.
 - Provide a list of the Alaska office's current and prior government audit clients (city, borough and school district accounts, other local governments, and federal and/or state single audits grant compliance audits), indicating the types of services and the number of years they were performed.
 - Indicate the Alaska offices' experience in providing addition services to government clients by listing the name of each government, the types of service performed and the years of engagement.
 - Describe your audit organization's quality control program for audits.

- Provide a copy of your most recent peer review, including the participation dates.
- Identify any disciplinary action against the firm.
- Describe your approach to the audit. This should include at least the following points:
 - o Type of audit program used (tailor-made, standard government or standard commercial).
 - o Organization of audit team and approximate percentage of time spent on audit.
 - o Management letter (provide a sample letter).
 - o Typical assistance expected from District staff.
 - o Tentative timetable outline for completing audit, using one site visit, within specified deadlines of **RFP**.
- The proposal must include a positive affirmation that:
 - o The firm is authorized to use the term "certified public accountants" or "CPA".
 - o The firm personnel have experience and expertise in governmental accounting and Federal and State Single Audit requirements.
 - o The firm meets the standards of the Government Auditing Standards.
 - o The firm does not have a record of substandard audits according to records maintained by the State Division of Occupational Licensing.

4. Scope Section - Clearly describe the scope of the required services to be provided. In addition to services included for examination, specific reference must be made to the requirements of the Federal Single Audit Act of 1984 and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Alaska single audit regulations. Although no change in the scope of the audit is anticipated by management, the proposal shall include a description of how cost increases or decreases shall be calculated in the event the scope is altered.

5. Summary of the Audit Staff Technical Qualifications - Identify the partners, managers, and supervisors/seniors who will work directly on the audit, including any staff from other than the Alaskan office. Include resumes for each supervisory person to be assigned to the audit. Describe the experience in local government audits, including federal and state single audits, and grant compliance audits of each senior and higher level person assigned to the audit.

6. Conformance with Fixed Fee - In order to determine an applicant's ability to conform to the fixed fee set forth, the District requires that the estimated hours of audit work be disclosed in the technical proposal. This is to aide in determining that the engagement has been reasonably planned and, therefore, that the fixed fee can reasonably be adhered to by the proposing auditor.

Section 4 - Cost Proposal Preparation Requirements

All proposals shall follow the format on the cost proposal pages (**Attachments A-1, A-2 and A-3**) with respect to price quotations. This is a "not-to-exceed" total for each year's audit.

The final award will be influenced by the sum of the total cost for three years, but will be based on factors outlined in **Section 6. Proposal Evaluations and Selection Process**.

Prices shall be firm and open for acceptance by the District for a period of not less than thirty (30) calendar days from the date the proposal is due. Prices proposed shall be firm for the audited years ending June 30, 2019, June 30, 2020, and June 30 2021. All prices and quotations shall be written legibly. A proposal shall be rejected if it contains a material alteration or erasure which is not initialed by the signer of the proposal.

Section 5 - Proposal Submission Requirements

One (1) original and three (3) copies of the proposal must be in the Yupiit School District Office at PO Box 51190, Akiachak, AK 99551, no later than 4:00 PM on Friday May 24, 2019. It is the responsibility of the proposing auditor to insure that their proposal and subsequent addendums, if any, are received prior to the time of the scheduled proposal opening. The District reserves the right to reject any or all proposals submitted.

Proposals MUST be submitted in a sealed envelope clearly marked as follows:

REQUEST FOR PROPOSALS - EXTERNAL AUDIT SERVICES
Yupiit School District
Attention: John Stackhouse, Business Manager
Proposing Auditor: _____

The proposing auditor must fill in each line of the cost proposal pages included as **Attachments A-1, A-2, A-3** and all proposals shall follow the format on the Cost Proposal Page with respect to price quotations.

No proposals shall be accepted after the above date and time. Proposals received by the District after the time specified will be returned to the proposing auditor unopened.

It is the responsibility of the proposing auditor to ensure that the proposal and any subsequent amendments are at the above location prior to scheduled proposal opening time.

If it becomes necessary to revise any part of the RFP or otherwise provide additional information, an addendum will be issued by the District.

Section 6 - Proposal Evaluation and Selection Process

Proposals will be evaluated to ascertain which proposing auditor best meets the needs of the District.

The five categories to be considered during the evaluation are as follows:

- I. The presentation and completeness of the proposal (maximum 5 points);
2. The proposal's responsiveness in clearly stating an understanding of the work to be performed, including evidence of adequate planning and commitment of staff resources (maximum 10 points);
3. The firm's positive experience with engagements similar to the District, approach for this engagement, technical qualifications, and depth of resources, i.e., local school districts and governments, rural Alaska, federal and state single audits (maximum 40 points);
4. The technical qualifications of the individuals who will be assigned to the audit, (maximum 20 points); and
5. Cost proposals will be evaluated using the following formula: the proposer with the lowest three-year total of fixed fees will receive 25 points. The points awarded to other proposers will be determined by dividing the 25 point lowest three-year total of fixed fees by their three-year total of fixed fees, and then multiplying that fraction by 25.

Only firms which are deemed to be qualified to perform the engagement in the manner specified will be rated on the cost proposal (**Attachments A-1, A-2 and A-3**).

Section 7 - Other Items

Terms of the Contract:

Proposals are requested for the following contract period:

- Contract will begin with award by the Yupiit School Board for the FY2019 (fiscal year ending June 30, 2019) audit
- Contract will end with the completion of the FY2021 (fiscal year ending June 30, 2021) audit.

Payment:

Payment will be made upon receipt of detailed invoices at the following phases of the audit:

- At completion of site work
- After final audit work
- Upon receipt of all reports by the District

Minimum Insurance Requirement:

Before signing this contract, or commencing work on any project, the proposing auditor shall obtain all insurance required in this section. Proof of insurance must be provided.

The contractor shall provide the following insurance:

- Worker's Compensation and Employer's Liability as required by Alaska Law.
- Commercial General Liability in the amount of \$1,000,000.
- Comprehensive automobile liability in the amount of \$500,000 combined single limit to include owned, hired, and non-owned. This section may be deleted if proposing auditor does not intend to use a vehicle on District property.
- Professional liability in the amount of \$1,000,000 minimum.
- Each policy of insurance required by this section shall provide for no less than thirty (30) days advance notice to the District prior to cancellation.

Engagement Fees:

The District requires that this entire engagement be a fixed fee contract to include all expenses. No additional fees or costs will be allowed unless authorized in advance and approved in writing by the District Superintendent. For any additional fees/costs to be authorized, the District requires that they be expressed as a fixed hourly rate for each fiscal year subject to audit, quoted for each staff category of the proposing auditor (i.e. partner, manager, senior, etc.), and that the detail of the costs be disclosed.

Coordination Required:

The District requires the external auditors to coordinate their work with District personnel. Prior to commencement of audit work, the auditor will notify the District management of all work papers and reports expected to be prepared by the District.

Deviations:

The District reserves the right to permit deviations from the technical specifications if a service offered is deemed by the District to equal or exceed the specified requirements, and if the service offered is fit for the purpose intended. Any deviations must be noted by the proposing auditor. A proposal may be rejected at the District's sole discretion when the proposing auditor makes a material change in the specifications or terms and conditions of the RFP.

Contract Award in Best Interest:

The District reserves the right to accept or reject proposals on each item separately or as a whole without penalty, to waive informalities or irregularities, and to contract as the best interest of the District may require in order to obtain the services which best meet the needs of the District as expressed in this RFP. Any award made will be on the basis of the Proposal Evaluation and Selection Process described in

Section 6. Proposal Evaluation and Selection Process of this RFP.

Questions, objections, or comments concerning this RFP may be conveyed by personal deliver in writing, by registered or certified mail, postage prepaid, by fax or email using the following contact information:

John Stackhouse, Business Manager
Yupiiit School District
PO Box 51190
Akiachak, AK 99551
Phone: (907)825-3600
Fax: (877)825-8947
Email: jstackhouse@yupiiit.org

Changes:

No proposal may be modified after submission. However, after submission, a proposal may be withdrawn by written request prior to the proposal due date. A withdrawal must be signed by the individual who signed the proposal or an authorized representative from the same organization. Resubmission is permitted if the revised proposal is received by the District prior to the time proposals are due.

ATTACHMENT
A-1

Schedule of Professional Fees and Expenses for the Audit
of the FY2019 Financial Statements

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total of Fixed Fees
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
Subtotal - Out of Pocket Expenses	\$

Total all-inclusive maximum price for 2019 Audit	\$
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ATTACHMENT
A-2

Schedule of Professional Fees and Expenses for the Audit
of the FY2020 Financial Statements

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total of Fixed Fees
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
Subtotal - Out of Pocket Expenses	\$

Total all-inclusive maximum price for 2020 Audit	\$
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ATTACHMENT
A-3

Schedule of Professional Fees and Expenses for the Audit
of the FY2021 Financial Statements

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total of Fixed Fees
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
Subtotal - Out of Pocket Expenses	\$

Total all-inclusive maximum price for 2021 Audit	\$
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Acknowledgement

I certify that I am a duly authorized representative of the firm listed below and that information and materials enclosed with this proposal accurately represent the capabilities of the office listed below for providing the services indicated. The District is hereby authorized to request any owner identified in this proposal to furnish any pertinent information deemed necessary to verify information provided or regarding reputation and capabilities of the firm.

Signature

Date

Printed Name

Title

Firm

Type of Firm: (check one)

_____ .Individual
_____ .Partnership
_____ Corporation in the State of _____
_____ Other (specify)

Office Address for which this submittal is made:

Mailing Address

City, State, Zip

Telephone/Fax

Email

Alaska Business License Number

IRS Employer Identification Number