

## **Request for Proposals**

### **External Audit Services**

The Alaska Gateway School District is soliciting proposals for audit services for three (3) years. The contract period begins with the fiscal year ending June 30, 2020 and extends through the fiscal year ending June 30, 2023. The enclosed "Request for Proposals" outlines the scope of the engagement, the information required, evaluation criteria, and other relevant information. One (1) original and three (3) copies of the proposal are to be received in the Alaska Gateway School District Office, P.O. Box 226, Tok, Alaska 99780, by no later than 4:00 p.m. February 10, 2020. Notwithstanding, complete proposals may be scanned and sent electronically, and confirmation of receipt is the responsibility of the submitting firm.

The timetable for the process is as follows:

Release of RFP: January 15, 2020

Proposals Due: February 10, 2020

Award of Contract by School Board: February, 2020 Board Meeting

Also available upon request is a copy of the District's most recent audited financial statements and the current budget.

## **Alaska Gateway School District External Audit**

### **1. Introduction to the Alaska Gateway School District.**

The Alaska Gateway School District, hereinafter called the District, operates a public school under an elected school board. The District is a distinct legal entity and a political subdivision of the State of Alaska. 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.

### **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 for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 OMB Circular A-133.
4. A "schedule of findings and questioned costs" summarizing auditor results for a federal and state single audit, if required, 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. Reports on compliance with Alaska Statutes 14.14.050, 14.17.505, 14.17.520 and other State Requirements.
7. 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.
8. 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 a material weakness or finding is noted, appropriate recommendations should be provided to and reviewed with, district management, and be included in separate letters to the District Superintendent and School Board.
2. The proposal should demonstrate how the auditor will provide support for the district with issues of fiscal compliance.
3. Fifteen (15) 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 within the required timeframes, and the remaining copies delivered to the District.
4. The onsite audit team should be scheduled to allow sufficient time for the audit to be completed in time for the audit to be submitted to the state on time.
5. The auditor's opinion and reports shall be dated on or before October 15th of each year and must be delivered to the district no later than October 31 of each year.

**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, Alaska 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 (1) the work to be done, (2) the organization and (3) 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
  - State whether your audit organization is national, regional or local. Firms submitting proposals must have an Alaska decision-making office.
  - Indicate the number of people in the firm that will handle the audit.
  - Provide a list of the firm's current and prior government audit clients (borough and school district accounts, other local governments, federal and/or state single audits grant compliance audits), indicating the types of services and the number of years they were performed.
  - Indicate the firm's experience in providing additional 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:
    - a. Type of audit program used, (tailor made, standard government, or standard commercial).
    - b. Organization of audit team and approximate percentage of time spent on audit.
    - c. Management letter (provide a sample letter).
    - d. Typical assistance expected from District staff.
    - e. Tentative timetable outline for completing audit, using 1 site visit, while including the deadlines specified in the RFP.
  - The proposal must include a positive affirmation that:
    - a. The firm is authorized to use the term "certified public accountants" or "CPA"

- b. The firm personnel have experience and expertise in governmental account and Federal and State Single Audit requirements.
  - c. The firm meets the standards of the Government Auditing Standards
  - d. 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 the examination, specific reference must be made to the requirements of the Federal Single Audit Act of 1984(with amendment of 1996) and OMB Circular A-133, 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 increase 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 aid in determining that the engagement has been reasonably planned and, therefore, that the fixed fee can reasonably be adhered to by the proposing auditor.

#### **4. Cost Proposal Preparation Requirements**

All proposals shall follow the format on the *Cost Proposal Page* 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 outline 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, 2020, June 30, 2021, and June 30, 2022. 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.

The District is not responsible for any costs incurred in the preparation of proposals.

#### **5. Proposal Submission Requirements**

Proposals may be submitted electronically, with a scanned signature page sent to rmacmanus@agsd.us One (1) original and three (3) copies of the proposal must be recieved in the Alaska Gateway School District Business Office at P.O. Box 226, Tok, Alaska 99780, no later than 4:00 p.m. Friday, February 10<sup>th</sup>, 2020. 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.

**REQUEST FOR PROPOSALS – AUDIT  
ALASKA GATEWAY SCHOOL DISTRICT  
Attention: Robbie MacManus, Business Manager**

**Proposing auditor:** \_\_\_\_\_

The proposing auditor must fill in each line of the Cost Proposal Page included as Attachments A – 1, A – 2, and 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.

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

**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 of the proposals are as follows:

1. The quality of 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 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 25 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 lowest total cost of all proposals submitted, divided by the total cost of this firm's proposal multiplied by 40 will equal the Cost Score or  $(\text{Lowest Proposal Firm's Total Cost} \div \text{Proposal Firm's Cost}) \times 40 = \text{Cost Score}$ . Total cost is defined as the sum of three years' fixed fees.

The proposals will be rated according to the above criteria.

Only firms which are deemed to be qualified to perform the engagement in the manner specified in this RFP will be rated on the cost proposal (Attachments A-1, A-2, A3). The School Board will select a firm based upon the recommendation of the District Administration.

**7. Other Items**

Terms of the Contract

Proposals are requested for the following contract period:

- Contract will begin with award by Alaska Gateway School Board for the FY 2020 (year ending June 30, 2020) audit.
- Contract will end with the completion of the FY 2022 (year ending June 30, 2022) audit, but may be continued year to year with agreement of both parties

#### 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 so 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 and time on site 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 the *Section 6. Proposal Evaluation and Selection Process* of this RFP.

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

Robbie MacManus, Business Manager  
Alaska Gateway School District  
P.O. Box 226  
Tok, Alaska 99780  
Fax: (907) 883-5154  
Phone: (907) 883-5151 Ext 109  
Email: rmacmanus@agsd.us

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 FY2020  
Financial Statements**

	<b>Hours</b>	<b>Standard Hourly Rate</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
<b>Subtotal</b>		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
<b>Subtotal – Out of Pocket Expenses</b>	\$

<b>Total all inclusive maximum price for 2020 Audit</b>	\$
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**ATTACHMENT A - 2 Schedule of Professional Fees and Expenses for the Audit of the FY2021  
Financial Statements**

	<b>Hours</b>	<b>Standard Hourly Rates</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
<b>Subtotal</b>		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
<b>Subtotal – Out of Pocket Expenses</b>	\$

<b>Total all inclusive maximum price for 2021 Audit</b>	<b>\$</b>
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**ATTACHMENT A - 3 Schedule of Professional Fees and Expenses for the Audit of the FY 2022  
Financial Statements**

	<b>Hours</b>	<b>Standard Hourly Rates</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
<b>Subtotal</b>		\$	\$	\$

Estimated Out of Pocket Expenses	
Meals and lodging	\$
Transportation	\$
Other (specify)	\$
<b>Subtotal – Out of Pocket Expenses</b>	\$

<b>Total all inclusive maximum price for 2022 Audit</b>	\$
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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

\_\_\_\_\_  
IRS Employer Identification Number