

Request for Proposal
PROFESSIONAL AUDIT SERVICES
RFP # 2.2021

for

Chippewa Valley Schools
19120 Cass Avenue
Clinton Township, Michigan 48038

Issued by:
Chippewa Valley Schools
January 7, 2020

Proposal Due Date:
January 30, 2020 – 2:00 p.m., local time

Return to:
Chippewa Valley Schools
PROPOSAL: PROFESSIONAL AUDIT SERVICES
Attn: Laura Harrington CPPO, CPPB
Purchasing and Risk Management Supervisor
19120 Cass Avenue
Clinton Township, Michigan 48038

Late Proposals will be Rejected

I. DISTRICT OVERVIEW

Chippewa Valley Schools (CVS) is soliciting proposals from qualified firms of Certified Public Accountants (CPA) licensed to practice in the State of Michigan to provide external, independent auditing services beginning with an audit of the financial statements for the fiscal years ending June 30, 2020, 2021 and 2022, with the option of auditing its financial statements for subsequent fourth and fifth years (2023 and 2024).

Audit services shall be in accordance with the Michigan Department of Education requirements, Governmental Auditing Standards, Office of Management and Budget's (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and generally accepted auditing standards. Auditors must maintain proper certification and all licenses to audit K12 Public School Districts. Auditors must be properly licensed for public practice as certified public accountants.

A. District Profile

Student Enrollment (October 2019)	15,722
Projected Enrollment Decline (2020-2021)	-181
Foundation allowance	\$8,111
Net Capital Assets (6/30/19)	\$348,075,343
Federal Award Expenditures (FYE 6/30/19)	\$7,305,892
Largest federal grants: IDEA (\$3,085,424) and National School Lunch (\$1,840,833)	
Taxable Value (2019)	3,763,157,697
Tax Levies: Summer (100%)	
Millages: General Operating (non-homestead), and Debt Fund	

B. District Funds

Funds to be audited, fund balances and projected revenues and expenditures are as follows:

Fund	Description	Fund Balances 7/1/2019	Projected 2019-20 Revenues	Projected 2019-20 Expenditures
General Fund	Operational	29,706,985	165,714,998	166,038,203
Special Revenue	International Academy of Macomb	822,656	4,084,699	4,186,088
Special Revenue	Childcare	0	1,249,000	1,249,000
School Service Fund	Food Service	1,525,014	4,466,950	4,779,735
Capital Projects Fund	2005, 2018 Bond Funds and Manthey Capital Projects Fund	71,509,398	-	20,000,000
Debt Retirement Fund	Debt	442,003	30,534,851	66,325,605
Special Revenue Fund	Student Activity Fund	2,130,000*	5,300,000	5,300,000

*Estimated opening fund balance due to implementation of GASB 84.

C. District School Buildings

Cherokee Elementary	(K-5)	Algonquin Middle School	(6-8)
Cheyenne Elementary	(K-5)	Iroquois Middle School	(6-8)
Clinton Valley Elementary	(K-5)	Seneca Middle School	(6-8)
Erie Elementary	(K-5)	Wyandot Middle School	(6-8)
Fox Elementary	(K-5)	Chippewa Valley 9 th Grade Center	(9)
Huron Elementary	(K-5)	Dakota 9 th Grade Center	(9)
Miami Elementary	(K-5)	Chippewa Valley High School	(10-12)
Mohawk Elementary	(K-5)	Dakota High School	(10-12)
Ojibwa Elementary	(K-5)	Mohegan Alt. High School	(9-12)
Ottawa Elementary	(K-5)	Little Turtle Preschool Center	(Pre-K)
Sequoyah Elementary	(K-5)		
Shawnee Elementary	(K-5)		

D. District Audit Information

Accounting policies of CVS conform to Generally Accepted Accounting Practices in the United States of America (GAAP) as applicable to governmental units and the Government Accounting Standards Board (GASB).

CVS has consistently received unmodified audit opinions. CVS has been audited by Plante Moran for at least the previous 28 years. CVS doesn't expect any major audit changes from last year.

CVS accounting staff complete the government-wide financial statement using an excel template provided by auditors. CVS utilizes the Macomb ISD AS/400 accounting system with a GUI interface. CVS has over 7,000 account numbers with an alpha-numeric character structure.

CVS has preliminary audit work done in June with auditors testing through April 30th. Audit is usually performed approximately starting August 10th with data kept current until that date. Normally only 1 or 2 adjusting journal entries are made.

E. Decentralized Accounts

CVS's accounting staff handles food service cash and reconciliation along with Meal Magic software for breakfast and lunch programs.

Student activities is handled at the building-level with their own checkbook, with checks over \$1,000 requiring detailed information. CVS has an internal auditor who performs annual reviews of all internal accounts, provides training and assistance throughout the year. All community support groups use the same software.

II. INSTRUCTIONS FOR SUBMITTING PROPOSAL

A. Proposal Requirements and Format

The Proposer must provide the requested information and follow the required format to be considered a valid Proposal. Any Proposal not providing the required information, or not conforming to the format specified, may be disqualified. Refer to the TENTATIVE TIMETABLE section of the RFP for proposal timeline requirements.

Proposals must demonstrate an understanding of the Scope of Services and have the ability and experience to accomplish the tasks set forth. Proposer must include information that will enable CVS to determine the Proposer's overall qualifications. Each Proposal should also include any other brief information that the Proposer feels is significant with respect to CVS making an informed decision relative to the Proposal.

Any exceptions to the terms and conditions contained in the RFP or any other special considerations or conditions requested or required by the Proposer shall be enumerated by the Proposer and be submitted as part of its Proposal, together with an explanation. Each Proposer shall be required to meet the RFP requirements in its entirety, except to the extent exceptions are expressly noted in the Bid Proposal Form. All pricing options must also be clearly indicated in the Proposer's Pricing as per the Bid Pricing Form.

Proposer must include in their proposal submittal any voluntary forms and Contracts to be considered by CVS. Any forms and contracts not submitted as part of the Proposal and subsequently presented for inclusion may be rejected. Notwithstanding the above, CVS shall have the final say over the form of the contract to be executed between CVS and the awarded Auditing Firm.

B. Submission of Proposals

Proposals must be mailed or hand delivered to Chippewa Valley Schools, Administration Building, ATTN: Purchasing & Risk Management Supervisor, 19120 Cass Avenue, Clinton Township, Michigan 48038 **no later than 2:00 p.m. local time, January 30, 2020**. Proposals must be submitted on the RFP Submittal Forms in a sealed container. The sealed container must be completely and properly identified with the title of the RFP and due date and time of bid opening.

A district-declared "snow day" will automatically postpone the bid opening date to the next school open date. Requests for extensions of this time and date will not be granted. Proposals or unsolicited amendments to proposals received by the District after the due date will not be considered.

CVS will receive sealed proposals only delivered via postal or hand delivery. Telecommunicated bids will not be considered. Firms mailing their proposals shall allow for mail delays to ensure receipt of their proposals by the Purchasing & Risk Management Supervisor prior to the time and date fixed for acceptance of the proposals. Proposals meeting these criteria will be publicly opened at the time and date specified above. Interested parties may attend the bid opening. No immediate decision will be rendered. All information received will be confidential until after final action by CVS, except as required by law.

C. Contents of Proposal

Each firm shall submit one (1) original proposal and four (4) copies of their proposal to the District's Purchasing and Risk Management Supervisor as indicated on the cover sheet of this RFP. The original proposal shall be clearly marked 'ORIGINAL'.

All Bid Proposals shall be accompanied by the below forms in the order shown below:

1	Bid Proposal Form
2	Proposal Question Form
3	Bid Pricing Form
4	Affidavit – Familial Disclosure Form
5	Affidavit – Iran Sanctions Form
6	Other Required Attachments
7	Proposer's recommended Contract, if any
8	Any other forms required by the Proposer for CVS's review, if any

III. GENERAL CONTRACT TERMS AND CONDITIONS

A. Performance Outcome

Proposers shall be knowledgeable and experienced in public accounting and most specifically in fund accounting and Public Education. CVS expects all Proposers to exhibit integrity, confidentiality and competence.

The required performance outcome is the audit of District operations that best meets the District and State requirements at a competitive cost. Proposers shall put forward an audit plan that identifies the means and methods to maximize the attainment of this performance outcome. CVS will select the Proposal(s) that it deems most qualified to serve the best interests of CVS. All decisions made by CVS shall be final.

B. Reservation of Rights

CVS reserves the sole right, for this and all other provisions of this RFP, to accept or reject any or all Proposals with or without cause. CVS reserves the right to waive any irregularity or informality in the RFP process, and the right to award the Contract to other than the Proposer submitting the best financial Proposal. CVS reserves the right to request additional information from any or all Proposers. CVS reserves the right to negotiate with the Proposers concerning their Proposals. Each Proposer agrees, by its submission of its Proposal, to release CVS from any claims arising out of, and related to, the RFP process and awarded Firm selection.

C. Proposal Adherence to Requirements

Proposals shall be based on performing services in strict compliance with the specifications contained in this RFP. Submission of a proposal will be construed as a conclusive presumption that the Proposer is thoroughly familiar with the RFP and that Proposer understands and agrees to abide by every stipulation and requirement contained herein. Proposers must clearly state in the bid any exceptions to the specifications, qualifications and work requirements.

D. Addendum and Supplement to RFP

If the District deems it necessary to revise any part of this RFP, or if additional data are necessary to enable an exact interpretation of provisions of this request, revisions will be e-mailed to all firms who receive or request this RFP. All addenda shall become part of the RFP. Each Proposer should acknowledge all addenda in the Bid Proposal Form. The failure of a Proposer to receive, or acknowledge receipt of, any addendum shall not relieve the Proposer of the responsibility for complying with the terms thereof.

E. Questions and Inquiries

Questions and inquiries, both verbal and written, will be accepted from any and all firms **at least ten (10) days** in advance of the proposal due date. Material questions must be submitted in writing and will be likewise answered and distributed to all firms who received the RFP. All questions shall be directed to Laura Harrington, CPPO, CPPB, Purchasing and Risk Management Supervisor, via email at purchasing@cvs.k12.mi.us

Proposers shall not communicate about the subject of the RFP or their Proposal with Board of Education members, administrators, staff, students, or employees, except for Requests for Clarification in accordance with the provision of this paragraph until time of contract award.

F. Bid Timetable

The following projected timetable should be used as a working guide for planning purposes. The District reserves the right to adjust this timetable as needed during the RFP process.

Event	Date
RFP Issued	1/7/2020
Deadline for Requests for Clarification	1/20/2020
Amendment Issued, if necessary	1/21/2020
Proposals Due	1/30/2020 2:00 p.m. EST
Preliminary Evaluations Completed	2/5/2020
Oral Presentations (if needed)	2/12/2020
Final Evaluations Completed	2/24/2020
Board Finance Committee	3/2/2020
Board of Education Award of Contract	3/16/2020

G. Late Proposals

Late bids will not be accepted for any reason. Bids received after the bid closing time will not be opened. The responsibility of seeing that bids arrive at the appropriate location on time rests entirely with the Proposer. Late proposals will be returned upon request to Proposer, if RFP number, due date and Proposer’s return address is shown on the sealed container.

H. Firm Pricing for District Acceptance

Proposal pricing must be irrevocable for District acceptance for ninety (90) days from proposal due date.

I. Hold Harmless - Indemnification

The Proposer agrees to defend, pay on behalf of, indemnify and hold harmless the District (which includes Chippewa Valley Schools’ Board of Education, employees and volunteers and others working on behalf of the District), to the fullest extent permitted by law, against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the District by reason of personal injury, including bodily injury or death, intellectual property and/or physical property damage, including loss of use thereof, which arises out of or is in any way connected or associated with these Services.

J. Authority to Bind Firm in Contract

Proposals MUST give full firm name and address of Proposer. Failure to manually sign proposals may be grounds for automatic rejection.

K. Nondiscrimination in Employment

The Firm shall comply with Equal Employment Opportunity and Affirmative Action requirements as stipulated in Executive Order 11246 and Executive Order 11375 and all subsequent amendments thereto and superseding orders.

L. Governing Law

The Contract shall be governed by and construed in accordance with the laws of the State of Michigan and the parties agree to the exclusive jurisdiction and venue of courts sitting in Macomb County, Michigan.

M. Proprietary Information

As a public entity, the District is subject to the Michigan Freedom of Information Act (FOIA). Information contained in the Proposals may be subject to FOIA requests.

N. Withdrawal of Proposals

1. All proposals submitted shall be irrevocable for a minimum period of ninety (90) calendar days following the established due date.
2. Proposals may be withdrawn on written request from the Proposer at the address shown in the solicitation prior to the time of due date.
3. Negligence on the part of the Proposer in preparing the proposal confers no right of withdrawal after the time fixed for the acceptance of the proposals.

O. Miscellaneous Requirements

1. The District will not be responsible for any expenses incurred by a firm in preparing and submitting a proposal. All proposals shall provide a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this request. Emphasis should be on completeness and clarity of content.
2. Proposers who submit a proposal in response to this RFP may be required to make an oral presentation of their proposal, see Tentative Timetable. The presenters are expected to include staff members tentatively assigned to CVS's account. The Purchasing and Risk Management Supervisor will schedule the time and location for this presentation.
3. The contents of the proposal submitted by the awarded Firm and this RFP will become part of any contract awarded as a result of the Nature of Services Required contained herein. The awarded Firm will be expected to sign a professional services/ engagement letter with the District. The RFP, Addendums, Proposal, and the Engagement Letter form the entire contract. To the extent that the terms and conditions of the documents differ, the terms and conditions most advantageous to the District will be controlling, unless specifically prohibited by the AICPA rules, regulations, and/or pronouncements.
4. The successful Proposer is prohibited from assigning, transferring, conveying, or otherwise disposing of this agreement or its rights, title or interest therein or its power to execute such agreement to any other person, company or corporation without the prior consent and approval in writing by the District.

IV. SPECIAL CONTRACT TERMS AND CONDITIONS

A. Insurance Requirements

The successful Proposer shall provide and maintain the following minimum limits of insurance coverage during the period of performance required under a contract resulting from this RFP:

Commercial General Liability Insurance: On an "Occurrence Basis" with limits of liability not less than \$1,000,000 each occurrence, \$3,000,000 aggregate, combined single limit, Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions: A) Contractual Liability; B) Products and Completed Operations; C) Independent Contractor's Coverage; D) Broad Form General Liability Extensions or equivalent; E) Deletion of all Explosion, Collapse and Under group (XCU) Exclusions, if applicable.

Professional Liability Insurance (Errors & Omissions): of \$1,000,000 each occurrence and \$3,000,000 annual. Claims-made coverage.

Cyber Liability that includes both electronic and hard copy records: \$1,000,000 each occurrence. Coverage shall provide for all expenses associated with data breaches, including notification costs, credit monitoring, defend against claims by state regulators, fines and penalties, and loss resulting from identify theft. Claims-made coverage.

Workers' Compensation including Employer's Liability Coverage: \$100,000 each accident, \$500,000 annual aggregate, in accordance with all applicable Michigan law.

Motor Vehicle Liability: If Firm, or its employees, will use motor vehicles to satisfy its responsibilities under this contract, then Firm must have a minimum amount of \$1,000,000 per occurrence combined single limit including coverage for hired or leased vehicles, and owned and non-owned vehicles with No-Fault coverage as required by law. If insurance coverage furnished by Firm is on a "claims made" basis, the Firm shall continue the coverage required under this contract for a minimum period of three years after the expiration or termination of this contract.

The required coverage as described above shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days advance Notice of Cancellation, Non-Renewal, Reduction and/or Material change shall be sent to: Mr. Scott Sederlund, Assistant Superintendent of Business and Operations, 19120 Cass Avenue, Clinton Township, Michigan 48038". If such insurance is not in force, District may, at its option, terminate and cancel the contract.

The insurance provided by the successful Proposer pursuant to the resulting contract shall apply on a primary basis and any other insurance or self-insurance maintained by the District or the District's officials, officer, agent or employee shall be in excess of and not contributing with the insurance provided by or on behalf of the Proposer.

Coverage other than Workers' Compensation may be either on an occurrence or a claims-made basis. Provided, however, that claims made coverage for other than the Products/Completed Operations shall respond to claims arising out of accidents, occurrences, incidents and offenses happening after the commencement of the resulting contract but before the end of the contract completion date provided that the claim is made within three years after the contract completion date. Provided further, that claims-made offenses happening after the commencement of the resulting contract but before the end of three (3) years after the contract completion date provided that the claim is made within eight (8) years after the contract completion date.

All insurance included in this section shall be considered overhead and included in basic services compensation fee and not billed as a reimbursable expense to this project.

B. Authorization to Commence Services

The extent and character of the professional audit services to be performed by the Firm shall be subject to the general control and approval of the Assistant Superintendent of Business and Operations or his authorized representative. The firm shall not comply with requests and/or orders issued by other persons than the Assistant Superintendent of Business and Operations or his authorized representative acting within their authority for the District. Any change to the contract must be approved by the Assistant Superintendent of Business and Operations, or directly approved by the Board of Education.

C. Assignment of Key Audit Professional Personnel

The audit firm shall submit, as part of this proposal, the name, position, description, resume, and duration of assignment for each key professional employee to be assigned to any project on a regular basis. The audit firm shall not remove, prior to completion of assignment, any such employee assigned to a project without prior approval of the Assistant Superintendent of Business and Operations, which approval shall not be unreasonably withheld. The audit firm shall nominate a replacement employee to the District and shall not remove any employee from a project until the District has approved a replacement.

D. Contract Period

The contract award resulting from this RFP shall encompass the time necessary for the requested services to be rendered in accordance with the Schedule of Services for the financial statements covering fiscal year ends June 30, 2020, 2021 and 2022.

The initial contract term shall be for a three (3) year period effective July 1, 2020. However, this contract may be renewed by mutual agreement between the parties to cover professional audit services for future audits and projects based on the terms and conditions of this contract award.

E. Contract Fee

The proposing audit firm should indicate the not to exceed cost for audit services. Proposer must provide fixed annual audit fees to deliver all services required by this RFP.

The fees shall be fixed for the first three (3) years of the contract. Annual adjustments to the fee, after the third year, may be made for subsequent contract years as determined by an escalation/de-escalation clause based on a Product Price Index for certified public accountants (PCU541211541211) for the metro-Detroit area over a twelve-month period ending June of the previous year. The Product Price Index to be used is found in the "Producer Price Index" published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor. The annual increase shall not exceed five (5) percent and no price adjustment shall be given on price increases of less than one (1) percent.

F. Contract Assignment or Subcontract

The resulting Contract shall not be assigned, transferred, or sublet by the Firm in whole or in part without the prior written approval of CVS.

G. Invoicing and Payment

The firm shall submit invoices for each requested payment, such statement to also include a detailed breakdown of all charges.

The District will pay all such invoices within 45 days unless any items thereon are questioned, in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The firm shall provide complete cooperation during any such investigation. All invoices shall be forwarded to the following address:

Chippewa Valley Schools
ATTN: Assistant Superintendent of Business and Operations
19120 Cass Avenue
Clinton Township, MI 48038

H. **Contract Termination**

1. Termination for Cause: This Agreement may be terminated by CVS with cause upon written notice to the Firm, if at any time, in the opinion of CVS, the Firm fails to conform to the requirements of this Agreement, Firm seeks relief under any law for the benefit of insolvents, is adjudicated bankrupt, if legal proceedings are commenced against the Firm which may interfere with the performance of this contract, if the Firm has failed to supply an experienced and adequate staff, provide quality work, or has failed in any other respect to prosecute the work with the diligence and force specified and intended in any of the terms of the Agreement.

Notice thereof in writing may be served upon the Firm and should Firm neglect or refuse to provide means for a satisfactory compliance with the Agreement as directed by the Assistant Superintendent of Business and Operations within a reasonable time specified by the District, the District shall have the right and power, at its option and without prejudice to any other right it may have, to immediately terminate the contract. Any excess of the cost arising wherefrom will be charged against the Firm and his sureties, who will be liable thereof. In the event of such termination, all monies due the Firm or retained under terms of the contract shall be forfeited to the District; but such forfeiture will not release the Firm or his sureties from liability for failure to fulfill the contract.

2. Termination for Convenience: Notwithstanding anything herein contained, this Agreement may be terminated by CVS, without cause, upon a minimum of thirty (30) days advance written notice to the Firm.

V. NATURE OF SERVICES REQUIRED

A. District Audit

1. All proposals must either meet or exceed the requirements contained herein. The audit firm shall be responsible for performing or for assisting District staff in completing tasks as outlined in this RFP.
2. The awarded Firm shall provide basic audit services for test and evaluation of a Financial Statement and financial controls, to include meetings, all reports and necessary forms, disclosures, management letter of recommendations and any other tests of the accounting records and such other auditing procedures the Proposer considers necessary in the circumstances. Outline plan for audit including estimated hours for completion by field staff, managers, and schedules of work performed, by whom, to meet all State and Federal reporting requirements. CVS completes and provides normal reconciliation of accounts, financial statements, download of information in "Financial Information Database" (FID) to the Department of Education, and access to detail transactions at the time of audit. CVS shall provide the awarded Auditing Services Firm an appropriate workspace. Normal office hours are Monday through Friday, 7:30 a.m. to 4:30 p.m. during the school year and Monday through Thursday, 7:30 a.m. to 5:30 p.m. during the summer months. The district may be closed one entire week around July 4th
3. The Single Audit shall include meetings, all reports, disclosures, and necessary forms to meet all State and Federal reporting requirements, including OMB Circular A-133, and shall include same as Section A2.
4. Capital projects audit shall include meetings, all reports, disclosures, and necessary forms to meet all State and Federal reporting requirements and shall include same as Section A2. Projected substantial completion for capital projects is NOT until the 2024 audit.
5. The awarded Firm may be asked to provide building and/or departmental site visit audit(s) to perform physical and transaction audit of school financial operations and verification of appropriate systems and controls in place for financial transactions in the general fund, special revenue fund, capital projects fund, food service fund, and/or the debt fund as appropriate and suggest best practice for audit and rotation of audits for CVS. Include same outline of work as Section A2.
6. The awarded Firm shall provide professional support available as needed for business operations questions throughout the fiscal year.
7. The awarded Firm shall provide applicable accounting updates, changes, and requirements to CVS for training and implementation purposes.
8. The awarded Firm shall:
 - a. Meet the independence and continuing professional education requirements of the Government Auditing Standards, 2007 revision published by the U.S. General Accounting Office.
 - b. Fulfill all audit and year-end reporting requirements, completion dates, and meet all standards set by:

1. American Institute of Certified Public Accounts
 2. Federal Office of Management and Budget (OMB)
 3. OMB A-87 "Cost Principles for State, Local and Indian Tribal Governments"
 4. OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations"
 5. Federal Securities and Exchange Commission
 6. Government Accounting Office (GAO) Government auditing standards
 7. Generally accepted accounting practices (GAAP)
 8. Governmental accounting standards board (GASB)
 9. Internal Revenue Service (IRS)
 10. Michigan Department of Education
 11. Michigan Department of Treasury
 12. Michigan Department of Revenue
 13. Michigan Municipal Bond Authority
 14. Michigan Office of Retirement Services (ORS)
 15. Michigan School Auditing Manual
- c. Supply a quantity of up to 50 copies of each report, as well as up to 50 copies of all letters and forms with list(s) of mandated distributions and associated contacts for those distributions.
 - d. Retain and protect all audit records for seven (7) years and make available as needed upon request of CVS or other agency or audit team as necessary and appropriate or as mandated by law.
 - e. Report to the Board of Education on audit results, suggestions, etc (management letter).
 - f. Personal presentation of the final report shall be made by a member of the awarded Firm to the Board's Finance Committee and administrative team, and to the Board of Education.

B. Time Requirements

1. Commencement of the Audit - The District will have all records for the audit, as well as all appropriate personnel, available to meet with the audit team of the successful Proposer upon acceptance of the proposal and award by the Board.
2. Schedule of the Fiscal Year Audit - Each of the following shall be completed no later than the date indicated:
 - a. Audit Plan - Within one month of the execution of the professional services contract/engagement letter, a detailed plan will be provided to the Assistant Superintendent of Business and Operations covering interim and year-end audit procedures for the fiscal years ending June 30, 2020, 2021, and 2022. In the succeeding fiscal years for which audit services will be provided, a detailed plan will be provided to the Assistant Superintendent of Business and Operations by May 1.
 - b. Fieldwork - For the fiscal year ending June 30, 2020, fieldwork should commence immediately after presentation of the audit plan. For the succeeding fiscal years, fieldwork should commence sufficiently before the end of the fiscal year to ensure that

the reporting deadlines outlined below can be met.

- c. Progress Conferences - Progress conference(s) will be held at the request of the Assistant Superintendent of Business and Operations. Such conference(s) will be held at any time that it appears that: scheduled completion dates may be in jeopardy; the audit detects apparent violations of law or apparent instances of misfeasance, malfeasance or nonfeasance by an employee; information is discovered that indicates that defalcations may reasonably be anticipated; or material weaknesses in internal controls are detected.
- d. Reporting Deadlines - The audit report, in its final form and including the management letter, shall be completed each year no later than the last working day in the month of September. The report will be first presented to the Board Finance Committee and then to the full Board of Education at an October meeting date, to be determined by Assistant Superintendent of Business and Operations. The report will also be presented to the labor groups on the same day as the Board of Education.
- e. Provide periodic reports to the District assessing the impact of any significant regulatory (Accounting Standards) changes and accounting or reporting developments proposed by the Financial Accounting Standards Board / Governmental Accounting Standards Board or any other significant financial / accounting matters that may affect the District.

VI. EVALUATION OF PROPOSALS: SELECTION FACTORS

The Proposer must document their expertise, experience, and approach based on their grasp of CVS requirements. The Proposal must be complete, clear and concise. The following categories, not listed by rank, are the principal criteria by which Proposals will be evaluated:

- A. **Experience** – Prior experience representing Michigan Public School Districts.
- B. **Qualifications of Staff** – Quality of staff included in assignment and demonstrated ability as documented by Curriculum Vitas which shall include education background, number of years of experience and experience specifically relating to Public School Districts and fund accounting.
- C. **Quality of Audit work** – as described in proposed statement of work.
 - 1. Firm's Audit Plan for the District.
 - 2. Internal quality control procedures and external quality control reviews (i.e. Peer Review).
 - 3. Ability to communicate audit results in an effective manner.
 - 4. If Firm has obtained a Certificate of Awardability from the State of Michigan.
- D. **Management Capability** – as shown by detailed evidence of Firm's organization, size and structure, and capabilities, including:
 - 1. A description of the Firm's professional development program, specific to governmental and federal grant auditing.
 - 2. Ability to provide additional school specific services to the District.
 - 3. Ability to respond to the District's current and future professional service needs.
- E. **Business Stability and Response from Professional References** – checked through various sources as well as the Proposal, which shall include but is not limited to the following:
 - 1. Overall client satisfaction.
 - 2. Firm's ability to meet deadlines.
 - 3. Staff knowledge of Michigan School Districts.
 - 4. Partner involvement.
- F. **Cost** – as indicated in the Proposal and through the negotiation process.
- G. **Other** – Any other significant factor that becomes apparent upon Proposal review.

CVS will evaluate the Proposals based on the above criteria as well as other reasonable methods. CVS will select the firm(s) deemed most qualified to serve the interests of CVS to proceed to the negotiation process. The District reserves the right to negotiate further terms and conditions, including price with selected firm(s). The District will make final firm recommendations to the District's Board of Education.

VII. REQUIRED SUBMITTALS

BID PROPOSAL FORM

Professional Audit Services RFP # 2.2021

DUE DATE: **Thursday, January 30, 2020, 2:00 p.m.** local time.

DELIVER TO: Chippewa Valley Schools
19120 Cass Avenue
Clinton Township, MI 48038
ATTN: Laura Harrington
Purchasing & Risk Management Supervisor

NAME OF PROPONENT

Firm Name: _____

Corporate Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

ADDENDA

The undersigned acknowledges receipt of the following addenda:

Addendum Number _____ dated _____ Addendum Number _____ dated _____

Addendum Number _____ dated _____ Addendum Number _____ dated _____

AGREEMENTS

The undersigned understands that the District reserves the right to reject any and all proposals and to waive informalities and irregularities in proposal. If in the District's opinion it is in his/her best interest, the contract may be awarded to other than the lowest cost proposal for any reason. District also reserves the right to hold proposals for ninety (90) days from proposal opening date.

If award is made to us under this proposal, we agree to enter into an Agreement with Chippewa Valley Schools to furnish independent professional audit services, in strict accordance with the RFP, this proposal, proposal documents and all pertinent attachments and addenda.

My signature certifies that the proposal as submitted complies with all terms and conditions as set forth in this RFP. My signature also certifies that the accompanying proposal is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business or commerce, or any act of fraud. Furthermore, I understand that fraud and unlawful collusion are crimes under Federal Law, and can result in fines, prison sentences, and civil damage awards.

My signature also certifies that this firm has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to Chippewa Valley Schools, and that there are no principals, officers, agents, employees, or representatives of this firm that have any business or personal relationships with any other companies or persons that could be considered as a conflict of interest or a potential conflict of interest to Chippewa Valley Schools, pertaining to any and all work or services to be performed as a result of this request and any resulting contract with Chippewa Valley Schools.

I hereby certify that I am authorized to sign as a Representative for the Firm:

LEGAL STATUS OF PROPONENT

1. Firm is organized as a (Example: corporation, partnership, etc):

2. Organized and existing under the laws of the State of _____

3. Name, title, and signature of individual duly authorized to execute contracts:

Name: _____

Title: _____

Signature: _____

Date of Signature: _____

FIRM NAME: _____

ADDRESS OF LOCAL FIRM OFFICE: _____

TELEPHONE NO.: _____ FAX NO.: _____

PROPOSAL QUESTION FORM

1. Number of Michigan public school districts, with corresponding general fund revenue, that your firm conducted an audit in each of the last three (3) years.

Year ending June 30, 2019 _____ \$ _____
 Year ending June 30, 2018 _____ \$ _____
 Year ending June 30, 2017 _____ \$ _____

2. Number of Michigan public school districts, with corresponding general fund revenue, that were prior clients but which your firm has not provided audit services since at least July 2016.

Year ending June 30, 2016 _____ \$ _____
 Year ending June 30, 2015 _____ \$ _____
 Year ending June 30, 2014 _____ \$ _____

3. Company gross and net revenues in 2019:

Company-wide (All segments): Gross \$ _____ Net \$ _____

Michigan K-12 School District Segment: Gross \$ _____ Net \$ _____

4. Does your staff have experience working with the Macomb ISD As/400 accounting system used in Macomb County public schools? YES _____ NO _____

5. Will the assigned staff meet the continuing education requirements specified by Governmental Auditing Standards? YES _____ NO _____

6. Total audit staff. Do not include tax, consulting services or clerical personnel.

Number of audit staff _____ Number of audit staff with CPA certification _____

7. Staff directly involved in a significant portion of auditing a school district in the last two (2) years. Number of audit staff _____ Number of CPA audit staff _____

8. List staff members anticipated to be assigned to CVS audit:

Name	Title/Position	# of Years Audit Experience	# of Years School Audit Experience	Qualifications (Degree, CPA)

9. List number of hours estimated for the audit, by employee classification, with corresponding bill rates:

Classification	Number of Hours	Hourly Bill Rate
Partner in Charge		
Review Partner		
Audit Manager		
Audit Staff		
Clerical		
Other		

BID PRICING FORM

CVS will consider a fixed fee arrangement where all Audit Services are provided annually for a predetermined amount. Clearly explain any and all other fee arrangements in the proposal. Firms may submit more than one type of fee proposal.

CVS District Base Audit Cost, fixed fee:

Fixed Base Audit Cost to include general-purpose financial statements compliance and preparation, and single audit services required by this RFP. Final bond audit under State of Michigan school code section 1351(a) will not need to be completed until June 30, 2024.

For the fiscal year ending June 30, 2020 \$ _____

For the fiscal year ending June 30, 2021 \$ _____

For the fiscal year ending June 30, 2022 \$ _____

Include detail explaining any additional fees if the District requires additional work to be performed by Auditor under this agreement. Also, include an hourly billing rate schedule for additional services as may be requested by the District.

Additional Services: Hourly billing rates for consulting services beyond the scope of the ordinary auditing services proponent believes would be useful to CVS:

Reimbursement: Provide a complete list of services and items along with unit prices for which you will expect reimbursement, if any.

SERVICE AND PRICING EXCEPTIONS/MODIFICATIONS:

If you need to modify the terms and conditions set forth in the RFP, indicate below the revised fixed fee, Base Audit Cost. Vendor shall only complete the below section if Vendor has modifications/exceptions to the District's RFP Service Requirements.

For the fiscal year ending June 30, 2020 \$_____ REVISED FEE

For the fiscal year ending June 30, 2021 \$_____ REVISED FEE

For the fiscal year ending June 30, 2022 \$_____ REVISED FEE

Vendor shall describe in detail below the modified terms upon which the Revised Fee is based and specify sections modifying scope and terms of work. Attach additional pages if necessary.

AFFIDAVIT OF BIDDER – FAMILIAL DISCLOSURE

The undersigned, the owner or authorized officer of _____ (the "Bidder"), pursuant to the familial disclosure requirement provided in the _____ (the "School District") advertisement for bids, hereby represent and warrant, except as provided below, that no familial relationships exist between the owner(s) or any employee of _____ and any member of the Board of Education of the School District or the Superintendent of the School District.

List any Familial Relationships:

BIDDER:

By: _____

Its: _____

STATE OF MICHIGAN)

COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2020, by _____.

, Notary Public

_____ County, Michigan

My Commission Expires: _____

Acting in the County of : _____

AFFIDAVIT OF COMPLIANCE – IRAN ECONOMIC SANCTIONS ACT
Michigan Public Act No. 517 of 2012

The undersigned, the owner or authorized officer of _____ (the “Contractor”), pursuant to the compliance certification requirement provided in the Chippewa Valley Schools’ (the “School District”) Request For Proposals, hereby certifies, represents and warrants that the Contractor (including its officers, directors and employees) is not an “Iran linked business” within the meaning of the Iran Economic Sanctions Act, Michigan Public Act No. 517 of 2012 (the “Act”), and that in the event Contractor is awarded a contract as a result of the aforementioned Request For Proposal, the Contractor will not become an “Iran linked business” at any time during the course of performing the Work or any services under the contract.

The Contractor further acknowledges that any person who is found to have submitted a false certification is responsible for a civil penalty of not more than \$250,000.00 or 2 times the amount of the contract or proposed contract for which the false certification was made, whichever is greater, the cost of the School District’s investigation, and reasonable attorney fees, in addition to the fine. Moreover, any person who submitted a false certification shall be ineligible to bid on a Request for Proposal for three (3) years from the date that it is determined that the person has submitted the false certification.

CONTRACTOR:

Name of Contractor

By: _____

Its: _____

Date: _____

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 2020, by

_____.

_____, Notary Public

_____ County, _____

My Commission Expires: _____

Acting in the County of : _____

OTHER REQUIRED ATTACHMENTS

The items listed below shall be submitted with each proposal and shall be submitted in the order shown. Each section should be clearly labeled, with pages numbered and separated by tabs. Failure by an offeror to include all listed items may result in the rejection of its proposal.

Tab I, Management Summary

- A. Provide a cover letter indicating the underlying philosophy of your firm in providing professional auditing services to a public K-12 school district. Provide an overview of your firm including any historical information that delineates your professional capabilities and capability that your firm has in providing general-purpose financial statement audits, compliance single audits, and audit advisory services to educational entities. Limit to one page.

Tab II, Business Plan

- A. Detailed plan of proposed approach (including major tasks and sub-tasks) you intend to use to achieve the required performance outcomes. Succinctly explain how you would propose to provide the professional services. This explanation shall include a description of the specific audit techniques to be applied, particularly as to their appropriateness and quality.
- B. Explain in detail the work your firm will do versus the work expected of CVS staff to prepare financial statements. Provide an example template for CVS to use in financial statement preparation work.
- C. Explain how the Firm will provide quality control in each phase of the audit. Disclose the controls your Firm has in place to ensure quality standards have been met.
- D. Describe your Firm's use of technology in conducting the annual audit. How will you extract data from our accounting system?
- E. Describe how your Firm will assist the District with implementing new financial standards or requirements, as necessary.
- F. Other meaningful consultation services you can provide to CVS on an annual or ongoing basis at no additional cost.

Tab III, Corporate Experience and Professional Development

- A. Provide a list of your firm's current involvement in K-12 public school organizations (ie legislative and State Department of Education committees, Michigan School Business Officials (MSBO) Committees, Association of School Business Officials (ASBO) Committees, Michigan Association of Certified Public Accountants (MACPA), etc. Include name of individual to extent possible.
- B. Describe the continuing educational services you provide your clients such as newsletters, trade and tax briefs, etc.
- C. A brief description of your firm's professional development program including:
 1. The approximate number of days of continuing professional education requirements, specified by Governmental Auditing Standards, annually provided to your staff and specifically those that will be assigned to CVS.
 2. The number of days of specialized training in governmental auditing and accounting received, specified by Governmental Auditing Standards, during the last three (3) years by the personnel who will be assigned to CVS.

3. Whether your firm's continuing professional education program, specified by Governmental Auditing Standards, is of an internal or external nature.

D. Disclose whether your Firm is subject to external quality control review process (Peer Review Report). If the Firm's most recent Peer Review Report was qualified, detail the reasons for the qualification.

Tab IV, Key Personnel

- A. Proposers must provide background, experience, certifications and qualifications of the personnel who would be involved with CVS. Describe the chain of command and reporting relationships stating the names of the persons who will be authorized to provide Auditing Services.
- B. Brief resumes, as applicable, of (1) the partner in charge of the audit, (2) the manager in charge of the audit, and (3) the individual responsible for the onsite field work. Resumes should include their education and professional experience with particular emphasis on experience in auditing educational entities and indicate whether these individuals are certified public accounts with governmental audits certification.
- C. Provide a current organizational chart.

Tab V, Customer Listing

Provide a complete list of customers, *include the organization's name, contact person, contact information, years in which audit service was provided, a synopsis of the services provided, number of students, most recent annual general fund expenditures and note size of bond issues if bond issues were audited:*

1. Public K-12 School Districts Customers:
 - a. Complete list of districts that your firm has provided audit services for at any time during 2016 – 2020.
 - b. Complete list of districts that your firm was terminated for convenience at any time since 2016.
 - c. Complete list of districts your firm was terminated for cause at any time since 2000.
2. Other governmental (fund accounting) Customers:
 - a. Complete list of organizations that your firm has provided audit services for at any time during 2016 – 2020.

Failure to provide complete and accurate client information, as specified here, may result in the disqualification of your proposal, or cancellation of the contract and your suspension or debarment from further business with Owner.

Tab VI, Exceptions to RFP

Indicate any exceptions to the general terms and conditions of the RFP, to insurance requirements or any other requirements listed in the RFP. If none, indicate NONE.

Tab VII. Additional Questions

- A. List any past, open or pending litigation taken by any regulatory agency against or litigation involving the Firm or its agents or employees with respect to audit failure and professional service contract violations of local, state, or federal laws performed in the last ten (10) years. Describe the nature and amount of each lawsuit. If none, indicate NONE.

- B. Provide at least one (1) sample report of a Michigan public school district audit performed by your firm within the last three (3) years. Choose a similar district to CVS. The sample shall also include a copy of the Single Audit Report. The school district name may be redacted.

- C. VOLUNTARY - Provide additional CONCISE and SIGNIFICANT information or data which you feel is relevant to CVS and may be helpful in the selection process. Limit to one page.