

**COOS BAY SCHOOL DISTRICT #9  
REQUEST FOR PROPOSAL - AUDITING SERVICES**

**I. Introduction**

Coos Bay School District #9 (hereinafter "District") Board of Directors is seeking proposals from qualified firms of certified public accountants and licensed Oregon Municipal auditors to provide auditing services beginning with fiscal year 2015 (July 1, 2015 through June 30, 2016) and for fiscal year 2016 (July 1, 2016 through June 30, 2017). District audits are to be performed in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the provisions of the federal Single Audit Act Amendments of 1996, if applicable, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the state prescribed Minimum Standards for Audits of Oregon Municipal Corporations.

The purpose and intent of issuing this Request for Proposals (hereinafter "RFP") is to obtain high quality auditing services at a competitive price and in a timely and efficient manner.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. All proposal information becomes the property of the District and will not be returned. The District may use any idea in a proposal, regardless of whether that proposal is selected.

Questions concerning this Request for Proposal should be directed to Candace McGowne, Director of Personnel & Business Services, telephone 541-267-1317 or email [candacem@coos-bay.k12.or.us](mailto:candacem@coos-bay.k12.or.us) Monday through Friday, 8:00 a.m. to 5:00 p.m.

**II. Employment Policy**

The District auditor will be hired by the Coos Bay School District #9 Board of Directors. The initial period will be for two years, for the 2015-16 and 2016-17 annual audits. Once an auditor has been selected, the auditor will be required to sign a contract with the District for the 2015-2017 audit services. This contract shall contain an option permitting the District to renew the audit contract for one year, for each of the successive three years ending with the 2019-20 audit. The total term of the audit contract, including the options to annually renew the contract for three successive years, shall not exceed five (5) years total.

The 2015-16 audit contract shall commence on July 1, 2015 and shall end, subject to annual renewal, on June 30, 2017. In the event the District exercises its option to renew the audit contract beyond the initial two (2) year period, the District may renegotiate the contract price for each renewal term. The option to renew the audit contact shall be entirely within the discretion and determination of the District. The District shall provide written notice of its intent to exercise its renewal option at least 90 days prior to the June 30, 2017, and June 30 or each successive year.

### III. Scope of Audit

1. The auditor shall audit all of the books, records, funds, all other financial documents, and information of the District in order to express an opinion as to the financial position, results of operation, and changes in financial position of the various funds of the District in conformity with generally accepted accounting principles applied on a consistent basis with that of the preceding year. A general description of content of the District's Annual Financial Report is contained in RFP Document "C", attached hereto and incorporated herein by this reference.
2. The extent of audit procedures and testing shall enable the expression of assurance of absence of fraud or malfeasance regarding the District's financial operations. Any that are found will require the audit firm to make an immediate, written report to the Board of Directors.
3. The auditor shall supply the District with a management letter setting forth findings on internal accounting control and respond annually to special concerns of the Board. The management letter shall include recommendations for improvement of procedures and practices, along with other suggestions.
4. The auditor shall deliver 15 copies of the audit report and adequate copies of the management letter no later than the regular December board meeting, each year, or face a late penalty of \$100 per day for each day after the regular December board meeting that the audit is late.
5. The auditor shall have staff available to answer questions on fiscal matters or provide a variety of technical assistance on matters to the Board and/or administration that may come up during the course of the fiscal year, for a total of 10 hours, which may be on site or by telephone.
6. The selected auditing firm is required to make a presentation to the Board of Directors of the Annual Financial Report no later than their regular December meeting.
7. An exit conference is required of the auditing firm on completion of all fieldwork, so as to inform the District Superintendent and the Board of Directors of pertinent findings.
8. The auditing firm is expected to provide the District with a summary of any audit adjusting entries.
9. Work papers and notes developed during the engagement will be retained for a minimum of three years from the date of the audit report and will be made available upon request for examination by the District for no additional cost.
10. The District will render all possible assistance to the selected auditing firm and will respond in a timely manner to all requests for information and provide all necessary books and records for the audit engagement. The District's Director of Personnel & Business Services will close

and balance all accounts and submit detailed trial balances, supporting schedules, and supporting documentation to the auditor on a timely basis.

#### **IV. Additional Services**

It is understood and agreed that, should unusual conditions arise or be encountered during the course of the audit whereby the services of an audit firm are necessary beyond the extent of the work contemplated, written notification of such unusual conditions shall be delivered to the District who shall instruct the audit firm in writing concerning such additional services. Appearances before the Board, internal control audits, or examinations of other accounts, records and transactions may be required upon request.

The proposal should contain a statement of how the District will be charged for any requested additional services by the auditors.

#### **V. Proposer's Qualifications**

Proposals should contain, but not be limited to, the following considerations:

1. Authorization by the State Board of Accountancy to conduct municipal audits
2. Experience and qualifications of your firm (and those of your local office, if applicable) relative to the scope of the District's audit, including their governmental auditing experience (particularly school district auditing experience) for the last five years
3. List of other municipalities served by your firm during the last 5 years (by year), providing the name and phone number of individual contacts at municipalities
4. Size, experience, and licensing of staff available to complete the audit in a timely manner and a list of key staff that would be assigned to this audit
5. Ability to meet the District's proposed audit schedule
6. A fee schedule to provide auditing services for the initial two year period, the methodology to arrive at fees related to optional renewal periods, and a fee schedule for additional services that might be required
7. A sample copy of a previous school district and GASB 34 compliant audit
8. A discussion of how your firm will conduct the audit, including how you would approach the work efforts of subsequent years
9. Policies on notification of changes in key personnel

10. Whether the proposed staff has received continuing professional education in governmental accounting and auditing during the last 2 years
11. Whether your firm has received a positive peer review within the last 3 years
12. The number of certificates received on previous school district annual audits from the Governmental Finance Officers Association (GFOA)
13. Whether your firm has been the object of any disciplinary action during the past 3 years

The proposer will certify that the audit firm will, at its expense, obtain and maintain during the period of their contract with the District, in a form and with companies satisfactory to District, the following insurance coverage:

- A. Workers' Compensation insurance to meet fully the requirements of Oregon Workers' Compensation laws applicable in connection with the death, disability or injury of Auditor's officers, agents, servants or employees arising directly or indirectly out of the performance of this contract, with a waiver of subrogation in favor of District;
- B. Employers' Liability Insurance with Limits of not less than One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) policy limit for disease, and One Million Dollars (\$1,000,000) each employee for disease;
- C. Commercial General Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence and an aggregate limit of Two Million Dollars (\$2,000,000) for injury to or death of persons and damage to or loss or destruction of property. In addition, said policies shall be endorsed to name District and its divisions, directors, officers and employees as additional insured's and shall include a severability of interests provision and shall include a waiver of subrogation against District;
- D. Automobile Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) each occurrence for injury to or death of persons and damage to or loss or destruction of property. Said policy or policies shall be endorsed to name District, and its divisions, directors, officers and employees as additional insured's and shall include a severability of interests provision and shall include a waiver of subrogation against District;
- E. Professional Liability Insurance, including errors and omissions coverage, with limits of not less than \$1,000,000.00 per occurrence and \$1,000,000.00 policy aggregate.
- F. If Auditor's policies lapse or are canceled at any time during the term of the contract with District, District shall have the right to immediately terminate all of Auditor's activities until such insurance requirements have been fully satisfied by Auditor.
- G. Auditor shall furnish certificates of insurance to District Director of Personnel & Business Services, Candace McGowne, certifying the existence of such insurance. Each insurance policy

required by Section 3 and 4 shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or limits or not renewed without thirty (30) days advance written notice to District.

With respect to the insurance required by Section B, C, and D, Auditor agrees to waive all rights of subrogation against District and each additional insured as identified herein, and all such insurance shall be primary and without right of contribution from any insurance maintained by District.

The District reserves the right to review, investigate and reject insurance companies proposed to be used by Auditor if they are determined inadequate to provide the necessary coverages as herein specified. All insurance required herein to be purchased and maintained by Auditor shall be obtained from an insurance company licensed or authorized in the State of Oregon to issue the insurance policies for the limits and coverages required herein.

The insurance coverage required herein shall in no way limit the Auditor's liability under its contract with District.

## **VII. Auditor Selection Criteria**

The Audit Selection Committee and the Board of Directors will consider the following criteria in selecting the firm to provide auditing services for the District:

1. 25% - The expertise and experience of the auditor's staff assigned to the District in areas of municipal audits, in particular school district audits, including:

*Years of experience auditing local Oregon government entities*

*Years of experience auditing entities similar to the District, including recent experience*

*Years of recent experience auditing federal and state grant programs*

*Qualification of audit staff assigned to the District audit; education, position in firm, years of governmental auditing*

2. 25% - Audit firm's capability to provide timely service
3. 25% - References from current and former clients
4. 25% - The cost over the initial two year audit term  
*The audit fee, although a significant factor, may not be a dominant factor. Cost is particularly important when all of the other evaluation criteria are relatively equal.*

Proposers will be screened according to their written proposals. Finalists may be invited to interview with District personnel. The final selection will be based on an evaluation of all information

submitted by the Proposer and the District's determination that the proposal will best serve the needs of the District.

### **District Selection Committee**

The District's selection committee will be comprised of the following:

- Superintendent of Schools
- Director of Personnel & Business Services
- Two (2) Board Members
- One (1) Other

The District reserves the right to reject any irregularities or informalities in any proposal or to accept or reject any or all proposals if it is in public interest to do so. In the event that a contract is offered to the successful Proposer, if the contract is not executed within thirty (30) days after the award has been made, the District may give notice to the Proposer of the District's intent to award the contract to the next best proposal, or to issue a new Request for Proposals.

### **VIII. General Instructions for Submission of Proposal**

Auditing firms shall submit six (6) copies of their proposal, including the completed Exhibit B and all other information requested in this RFP, in a sealed envelope marked "Auditing Services" to the Coos Bay School District Office, 1255 Hemlock, Coos Bay, OR 97420, Attn: Candace McGowne no later than 2:00 p.m. on Friday, March 11, 2016 when the proposals will be opened. Faxed proposals will not be considered.

The Board of Directors, or authorized representative, of the District reserve the right to accept or reject any and all proposals and waive any and all formalities and irregularities as they deem best in the interest of the District. The District may also, at its discretion, request additional information or clarification from proposers, or allow corrections of errors or omissions. The submitted proposals shall become the property of the District without obligation. The District will not reimburse any firm responding to the RFP for any costs or expenses incurred in preparing the response to this RFP. All Proposers who respond to this RFP do so solely at their own expense.

Respondents are encouraged to submit any additional information that they consider helpful or appropriate for the Board of Directors.

The submission of a Proposal shall be considered a representation that the Proposer has carefully investigated all conditions which may affect, or may, at some future date, affect the performance of the services requested in the RFP and is qualified and able to perform the services requested.

Any Proposer taking any exception to the content of this RFP shall furnish a written statement to the District giving a complete description of all exceptions to the terms, conditions and specifications contained in this RFP. Failure to furnish such a written statement shall mean that the Proposer agrees to all of the terms, specifications and conditions contained in this RFP.

## **IX. Proposal Contents**

In order to achieve a uniform review process and to obtain the maximum degree of comparability, it is requested that proposals be organized in the following manner:

1. Completed RFP Document "A" (Signature Page) and RFP Document "B" (Fee Schedules) pages 9 and 10
2. Table of contents that includes a clear identification of the material by section and by page number
3. Letter of transmittal (limit two pages):
  - Briefly state your firm's understanding of the work to be done and make a positive commitment to perform the work within the time period.
  - State the names, titles, addresses, and telephone numbers of the persons who will be authorized to make representations for the firm.
  - State that the person signing the letter will be authorized to bind the firm, as to both work performed and the price charged.
4. Include a sample of a recent audit report and management letter for an entity in Oregon that would be similar to the District that was audited by your firm.
5. Proposals shall provide all information listed in "Proposer's Qualifications" in Section V.

## **IX. Additional Information**

The contract resulting from this request for proposal shall be construed under the laws of the State of Oregon.

This RFP and all exhibits, the Proposer's response to this RFP and the resulting contract between the District and the successful Proposer contain the entire understanding between the parties and any additions or modifications thereto may only be made in writing executed by both parties.

The successful Proposer shall not assign the audit contract, or any portion thereof, to any other party except upon the written approval of the District.

The District operates under a public information law, which permits access to most records and documents. Proposals will be available for public inspection after the proposals are opened and a successful Proposer is identified, except to the extent that a Proposer designates trade secrets or other proprietary data to be confidential. Material designated as confidential must be readily separable from the remainder of the proposal to facilitate public inspection of the non-confidential

portion of the proposal. A Proposer's designation of material as confidential will not necessarily be conclusive, and the Proposer may be required to provide justification why such material should not be disclosed, on request.

The successful Proposer, during the performance of the contract, shall not disseminate any information concerning the specific work being performed without the prior written approval and authorization of the District's Director of Personnel & Business Services.

Any property or work to be provided by the successful Proposer under the contract with the District shall remain at the successful Proposer's risk until written acceptance of the work is given by the District, and the successful Proposer shall replace, at the Proposer's expense, all property or work damaged or destroyed by any cause whatsoever.

After the contract for the audit services is awarded, all coordination for the work shall be with the District's Director of Personnel & Business Services, Candace McGowne, direct line 541-267-1317. The successful Proposer shall designate, in writing, a contact person and all coordination and communication between the District and the successful Proposer shall be the responsibility of the District's Director of Personnel & Business Services and the contact person designated by the successful proposer.

Termination for Convenience: The contract that will be offered to the successful Proposer shall contain a provision that will permit the District to terminate the contract, in whole or in part, whenever the District determines that such termination is in the best interest of the District, without showing cause, upon giving 60 day written notice to the contractor. The District shall pay all reasonable costs incurred by the contractor up to the date of termination. However, in no event shall the contractor be paid an amount which exceeds the price proposed for the work performed. The contractor shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.

Termination for Default: The contract that will be offered to the successful Proposer shall contain a provision that will provide that if the contractor has not performed or has unsatisfactorily performed the contract, the District may terminate the contract for default. Upon termination for default, payment may be withheld at the discretion of the District. Failure on the part of a contractor to fulfill the contractual obligations shall be considered just cause for termination of the contract. The contractor will be paid for work satisfactorily performed prior to termination less any excess costs incurred by the District in re-bidding and completing the work.

The following is the general timeline. An annual work plan and timetable will be agreed upon as part of the audit contract.

Date of Advertisement	February 10, 2016
Public Opening of Proposals	March 11, 2016
Board Approval	March 14, 2016
Pre-Audit	June through July
Written Work Plan and Schedule	July
Engagement Letter and Annual Contract	July



Coos Bay School District #9  
Request for Proposal - Auditing Services

Compliance Work	October	
End Field Work	Late October	
Exit Conference with Director of Personnel & Business Services		Late October
First Draft of Report	Late October	
Final Draft Review	Late November	
Report Printing and Submission to District	Early December	

The auditor shall be available to meet with elected or appointed District officials at their request to discuss the audits or related financial matters.

**RFP Document "A" - Signature Page**

Coos Bay School District  
Proposal

Title: Auditing Services  
Opening: March 11, 2016 Time: 2:00 p.m.  
To: *Coos Bay School District*  
*Attn: Candace McGowne*  
*1255 Hemlock*  
*Coos Bay, Oregon 97420*

We, the undersigned, agree to furnish and deliver the above titled item in accordance with the specifications issued for same, and subject to all terms, conditions, and requirements provided therein, and in the various request for proposal documents, at the following price (basic audit fee including travel and per diem costs):

Cost First Year: \_\_\_\_\_

Cost Second Year: \_\_\_\_\_

Includes all services requested under **Scope of Audit**. This fee includes up to 10 hours of annual on-site and phone consultation.

**AUDITING FIRM'S CONTACT: (PRINT OR TYPE NAME)**

**TELEPHONE NUMBER:** \_\_\_\_\_

**FACSIMILE NUMBER:** \_\_\_\_\_

**PROPOSAL OF:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**SIGNED:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

Any alterations in figures on this form must be initialed in ink by persons signing the proposal. Coos Bay School District is exempt from all local, state, and federal taxes, and prices stipulated by the proposer are considered maximum, and are not subject to any increase due to any taxes, or any other cause or reason.

**RFP Document "B" (Fee Schedules)**

Coos Bay School District  
 Proposal

Title: Auditing Services

Opening: March 11, 2016 Time: 2:00 p.m.

To: *Coos Bay School District  
 Attn: Candace McGowne  
 1255 Hemlock  
 Coos Bay, Oregon 97420*

Type of Employee	Number Of Employees	Years of Experience Municipal Audits	Years of Experience School Districts Audits	Estimated Hours by Type	Hourly rate per Employee	TOTAL COST
Partner						
Manager						
Supervisor						
Senior						
Junior						
Secretarial						
<b>TOTALS</b>						

Project	Hours	Personnel Costs	Expenses/ Printing	TOTAL COST
Comprehensive Audit of District Annual Financial Report and related Management Letter				
<b>TOTALS</b>				

**Fee Schedule – Additional Services, if required (hourly rate per employee):**

Partner \$ \_\_\_\_\_  
 Manager \$ \_\_\_\_\_  
 Supervisor \$ \_\_\_\_\_  
 Senior \$ \_\_\_\_\_  
 Junior \$ \_\_\_\_\_  
 Secretarial \$ \_\_\_\_\_

## **RFP Document “C” (Annual Financial Report)**

The District’s annual financial report includes General Purpose Financial statements for the general fund, special revenue funds, capital project funds, and a debt service fund. The financial report shall contain, but not be limited to the following sections:

### **INTRODUCTORY SECTION**

- ❑ List of Elected and Appointed Officials

### **FINANCIAL SECTION**

- ❑ **Independent Auditor’s Report**
- ❑ **Management’s Discussion and Analysis**
- ❑ Basic Financial Statements
  - Statement of Net Assets
  - Statement of Activities
  - Balance Sheet – Governmental Funds
  - Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets
  - Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
  - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to Statement of Activities
  - Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual:
    - General Fund
    - Special Revenue Fund
    - Capital Project Fund
- ❑ Notes to the Basic Financial Statements

### **SUPPLEMENTARY INFORMATION**

- ❑ Combining Balance Sheet – Nonmajor Governmental Funds
- ❑ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
- ❑ Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds:
  - Debt Service Fund
  - Capital Projects Fund

**SINGLE AUDIT and DISCLOSURES REQUIRED BY STATE REGULATIONS**

**ACCOMPANYING INFORMATION**

- ❑ Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133
- ❑ Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with GOVERNMENT AUDITING STANDARDS
- ❑ Schedule of Expenditures of Federal Awards
- ❑ Notes to Schedule of Expenditures of Federal Awards
- ❑ Schedule of Findings and Questioned Costs
- ❑ Summary Schedule of Prior Audit Findings
- ❑ Audit comments and disclosures required by State Regulations
- ❑ Supplemental Information as required by the Oregon Department of Education