



Request for Proposal No. 17-08
EXTERNAL AUDIT SERVICES

Fresno Unified School District
Purchasing Services
4498 N. Brawley
Fresno, California 93722
559-457-3588

FRESNO UNIFIED SCHOOL DISTRICT

NOTICE TO VENDORS

RFP #17-08

External Audit Services

Notice is hereby given that Fresno Unified School District will receive proposals for **RFP #17-08, External Audit Services**. Proposals will be received no later than **3:01pm** on **October 31, 2016**. Proposals must be sealed, marked with the proposal number and title. Hardcopies should be mailed to:

Purchasing Department of Fresno Unified School District
4498 N. Brawley Ave.
Fresno, CA. 93722

In addition, an electronic version of the proposal should be emailed in Adobe PDF format to ann.loorz@fresnounified.org. Each Proposal must conform and be responsive to the Request for Proposal documents. Proposals received later than the designated time and date will not be accepted. Facsimile (FAX) copies of the proposal will not be allowed.

Fresno Unified School District reserves the right to accept or reject any or all proposals or any combination thereof and to waive any informality or irregularity in the bidding process.

To view and download a copy of this proposal, go to <http://www.fresnounified.org/dept/operations/Purch> (Bid Opportunities) or a copy can be obtained from **FUSD Purchasing Department**. Refer any questions to: **Ann Loorz at (559) 457-3582**.

Published: **September 26, 2016**

October 3, 2016

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INTRODUCTION

The Fresno Unified School District is situated in the City of Fresno, California, and is the fourth largest public school district in the state. The District provides educational services to a diverse student body of approximately 70,000 in grades TK through 12, and an Adult Education program. There are approximately 100 different school sites plus 30 administrative support facilities and approximately 11,000 employees. More information about the District may be obtained at its website (www.fresnounified.org).

The District employs approximately 12,000 full-time and part-time employees. The 2015-16 General Fund budget is approximately \$725 million. The accounting system is maintained on a modified accrual basis.

The District is self-insured for health, workers' compensation and property/liability. The District accounts for and finances its uninsured risks of loss in the General Fund. The General Fund provides coverage for up to a maximum of \$300,000 in a 12 month period or \$2,000,000 total for each worker's compensation claim, \$350,000 for each general liability claim and \$250,000 for each property claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and for all other risks loss.

SCOPE OF WORK

General Scope

The Fresno Unified School District is soliciting proposals from qualified companies from qualified licensed public accounting firms currently established in the business and capable of auditing financial statements in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the Government Accounting Standards and the Office of the Auditor General, State of California, specifically following the requirements of the State Controller's Office audit guide entitled "Standards and Procedures for Audits of California K12 Local Education Agencies and the appropriate sections of the Governmental Accounting Standards Board's (GASB) statements.

The examinations will be financial and compliance audits made in accordance with generally accepted auditing standards and government auditing standards. The services provided will be inclusive of all the District's needs for external audit services to include the District's annual financial and compliance audit of district operations. In addition, service to provide the following

- Quarterly agreed upon procedures for Measure Q Bond Measure (3 quarters)
- Annual audit for Measure Q bond measure
- Annual audit for the Internal Service Health Fund for the Joint Health Management Board

Proposers must in their proposals clearly present evidence that they are competent and qualified company capable of providing the services detailed herein. Proposers will, in their submitted proposals

detail their experience, expertise, qualifications, and proposed methodology to provide the services detailed in the Request for Proposal (RFP).

VENDOR'S REGISTRATION FORM

Email To: Ann Loorz
Ann.Loorz@fresnounified.org

Fresno Unified School District RFP materials are available online, and proposals must be submitted by email in addition to sending copies of the RFP to:

Purchasing Department of Fresno Unified School District
4498 N. Brawley
Fresno, CA. 93722

If you downloaded a Proposal **without** receiving an invitation, you are required to email the following information to Ann.Loorz@fresnounified.org so that you may be added to the Bidder's list to receive addendums to the RFP. (**Email this sheet only**)

Name _____

Title _____

Organization _____

Street Address _____

Address (cont.) _____

City _____

State/Province _____

Zip/Postal Code _____

Fax _____

Email _____

If you have any questions, please email Ann.Loorz@fresnounified.org

PRIME POINT OF CONTACT SHEET

Name of Company

Address

Signature

City State Zip

Code Print Name

Phone Number Fax Number

Title

Email Address

**NON COLLUSION DECLARATION TO BE EXECUTED BY AND SUBMITTED
WITH RFP No. 17-08 External Audit Services**

I, _____, declare that I am the party making the foregoing proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proponent has not directly or indirectly induced or solicited any other proponent to put in a false or sham proposal and has not directly or indirectly colluded, conspired, connived, or agreed with any proponent or anyone else to put in a sham proposal, or that anyone shall refrain from responding; that the proponent has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix any overhead, profit, or cost element of the proposal price, or of that of any other proponent, or to secure any advantage against the public body awarding the Contract of anyone interested in proposed Contract; that all statements contained in the proposal are true, and, further, that the proponent has not, directly or indirectly, submitted his or her proposal price of any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, RFP depository, or to any member or agent thereof to effectuate a collusive or sham RFP.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date

Name of Vendor

Printed Name of Authorized Company Representative

Signature of Authorized Company Representative

RFP TENTATIVE TIMELINE

Publish Notice to Vendors..... 09/26/2016 & 10/03/2016
RFP No. 17-08_ Proposals Due to Purchasing..... 10/31/2016
First Round Interviews11/23/2016 optional
Second Round Interviews12/07/2016
Board approval date.....12/14/2016
Contract start date.....After Board Approval

GENERAL TERMS AND CONDITIONS

RFP's/ Proposals. To receive consideration, RFP's/Proposals shall be made in accordance with the following terms:

1. **THE RFP** – To the extent that any of the general terms and conditions below are not applicable to your proposal for any reason, please so indicate in your proposal.
2. **"FAX" RFP** - Facsimile copies of proposals will not be accepted.
3. **DEFINITIONS** — Responsible; a bidding party possessing the skill, judgment, integrity and financial ability necessary to timely perform and complete the contract being RFP. Responsive; a RFP which meets all of the specifications set forth in the request for RFPs.
4. **NAME AND NATURE OF BIDDER'S LEGAL ENTITY**- The bidder(s) shall specify in the RFP and in the bond, if furnished as a guarantee, the name and nature of its legal entity and any fictitious name under which it does any business covered by the bond. The RFP shall be signed under the correct firm name by an authorized officer.
5. **WITHDRAWAL OF PROPOSALS** - Proposals may be withdrawn by the Vendors prior to the time fixed for the opening of proposals, but may not be withdrawn for a period of ninety (90) days after the opening of proposals. A successful bidder shall not be relieved of the proposals submitted without the District's consent or bidder's recourse to Public Contract Code Sections 5100 et. seq.
6. **ASSIGNMENT OF CONTRACT OR PURCHASE ORDER** - The bidder(s) shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of the surety on the bond, if any, and the District.
7. **RFP NEGOTIATIONS** - A response to any specific item of this RFP with terms such as "negotiable", "will negotiate" or of similar intent, will be considered as non-responsive to the specific item.
8. **PRICES** – Prices should be typed and shown as instructed on the RFP form for each item, in the amount of quantity specified in the RFP form. Taxes shall not be included. Errors may be crossed off and corrections made prior to RFP opening only, and must be initialed in ink by the person signing the proposal or Bidder's authorized representative. If during the contract period there should be a decrease in prices of the items, a corresponding decrease in prices on the balance of the deliveries shall be made to the District for as long as the lower prices are in effect, but at no time shall the prices charged the District exceed the prices in the proposal.
9. **TAXES**- Taxes shall not be included in unit prices. The District will pay only the State Sales and Use Tax; however, California Use Tax will be paid to out-of-state vendors only when their permit number is shown on both their RFP and invoices. The successful bidder(s) shall list separately any taxes payable by the District and shall certify on the invoices that Federal Excise Tax is not included in the prices listed thereon. Federal Excise Tax is not applicable, as school districts are exempt therefrom. The District, upon request, shall furnish the contractor such Federal Tax Exemption Certificates as may be required.

10. **QUANTITY AND QUALITY OF MATERIALS OR SERVICES-** The successful Bidders(s) shall furnish and deliver the quantities, if any, designated in the RFP or purchase order. All materials, supplies or services furnished under the contract shall be in accordance with the RFP specifications and the District's sample or the sample furnished by the Vendor(s) and accepted by the District. Materials or supplies which, in the opinion of the Executive Director of Purchasing, are not in accordance and conformity with said specifications and samples shall be rejected and removed from the District premises at the Vendor's expense. The Bidder(s) certifies that all materials conform to all applicable requirements of CAL OSHA and all other requirements of law. All items of equipment and individual components, where applicable standards have been established, shall be listed by the Underwriter Laboratories, Inc., and bear the UL label.
11. **DISTRICT REQUIREMENTS –** The needs of the District may be substantially more or less than referenced quantities. The articles, supplies or services listed in the RFP and required during the contract period shall be ordered and purchased from the successful Bidder(s) during such period. The District shall have the right to issue purchase orders up to and including the last day of the contract period even though the time provided for delivery may extend beyond such period. The District reserves the right to acquire from other sources during the life of the contract such items as may be required for testing, evaluation or experimental purposes, or for special programs of an emergency nature, and purchases made by individual schools.
12. **ACCEPTANCE OR REJECTION OF PROPOSALS-** The District may purchase an individual item or combination of items, whichever is in the best interest of the District, provided also that Vendor(s) may specify that the District's acceptance of one item shall be contingent upon the District's acceptance of one or more additional items submitted in the same RFP. RFPs shall remain open and valid and subject to acceptance for ninety (90) calendar days after the RFP opening.
13. **RFP EXCEPTIONS –** All exceptions which are taken in response to this RFP must be stated clearly. Providing false, incomplete or unresponsive statements may result in the disqualification of the proposals. Allowance of exceptions will be determined by the Governing Board whose decisions shall be final. Any RFP exceptions or additional conditions requested after RFP closure, which are not detailed within the response, may result in disqualification of the proposal. No oral or telegraphic modification of any proposal submitted will be considered.
14. **AWARDS -** The District reserves the right of determination that proposals or portions thereof meet or do not meet RFP specifications. Further, the Board of Education reserves the right to accept or reject any or all proposals and to waive any informality in the RFP process.
15. **EXECUTION OF CONTRACT -** Issuance of a contract or Purchase Order, as applicable, shall evidence a contractual agreement between the Vendor(s) and the District and the Vendor's acceptance of these RFP Instructions and Conditions.
16. **DELIVERY –** Time and manner of delivery are essential factors in proper performance under the contract. Unless otherwise specified, the successful Bidder(s) shall be responsible for delivery and shall pay all costs, including drayage, freight and packing for delivery to locations in the

District as may be specified in the RFP form. Each item shall be securely and properly packed and clearly marked as to contents. All items purchased for delivery by truck or freight line shall be palletized. The preferred pallet size should be 48" long by 40" wide. All shipments shall be accompanied by a packing slip and the District purchase order number shall appear on all cases and packages.

17. **MATERIAL SAFETY DATA SHEETS** - For all products requiring a Material Safety Data Sheet — The District requires that a Material Safety Data Sheet accompany all orders at the time of delivery.
18. **DEFAULT BY VENDOR** – The District shall hold the Bidder(s) responsible for any damage which may be sustained because of failure or neglect to comply with any terms or conditions listed herein. It is specifically provided and agreed that time shall be of the essence in meeting the contract delivery requirements. If the successful Bidder(s) fails or neglects to furnish or deliver any of the materials, supplies or services listed herein at the prices named and at the time and place herein stated or otherwise fails or neglects to comply with the terms of the RFP, the District may, upon written notice to the Bidder, cancel the contract/purchase order in its entirety or cancel or rescind any or all items affected by such default, and may, whether or not the contract is cancelled in whole or in part, purchase the materials, supplies or services elsewhere without further notice to the Bidder. The prices paid by the District at the time such purchases are made shall be considered the prevailing market price. Any extra cost incurred by such default may be collected by the District from the Bidder, or deducted from any funds due the bidder.
19. **INSURANCE** – The successful Bidder(s) shall maintain insurance adequate to protect him/her from claims under Workers' Compensation Laws and from claims for damages for personal injury, including death and damage to property, which may arise from bidder's operations under the contract. Also, the Bidder may be required to file proof of such insurance, naming Fresno Unified School District as an additional insured by separate endorsement as follows: The Bidder is required to provide proof of insurance to the Governing Board of a comprehensive general liability insurance policy providing occurrence based coverage to be in effect during the term of the contract. Bodily Injury shall be \$ 1,000,000, combined single limit or \$ 1,000,000 per person, \$1,000,000 per accident. Property Damage shall be \$500,000 per loss. Failure to furnish such evidence and insurance, if required, may be considered default by the bidder(s).
20. **INVOICES AND PAYMENTS** - Unless otherwise specified, the successful bidder(s) shall render invoices in duplicate for materials delivered or services performed under the contract, to the Accounting Department of the District, 2309 Tulare Street, Fresno, California, 93721. Invoices shall be submitted under the same firm name as shown on the RFP. The successful bidder(s) shall list separately any taxes PAYABLE BY THE District and shall certify on the invoices that Federal Excise Tax is not included in the prices listed thereon. The District shall make payment for materials, supplies, or services furnished under the contract within a reasonable and proper time after acceptance thereof and approval of the invoices by the authorized District Representative.

21. MISCELLANEOUS PROVISIONS:

A. Assignment of Contracts – The Contractor shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of the surety on the performance bond (if one is required) and of the District.

B. Binding Effect – This Agreement shall inure to the benefit of and shall be binding upon the Contractor and District and their respective successors and assigns.

C. Severability – If any provisions of this agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

D. Amendments - The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written agreement signed by the parties.

E. Entire Agreement - This RFP and all attachments thereto constitutes the entire agreement between the parties. There are no understandings, agreements, representations or warranties, express or implied, not specified in the Agreement. Bidder, by the execution of his/her signature on the RFP Form acknowledges that he/she has and read this Agreement, understands it, and agrees to be bound by its terms and conditions.

F. Force Maieure Clause – The parties to the contract shall be excused from performance thereunder during the time and to the extent that they are prevented from obtaining, delivering or performing by act of God, fire, strike, loss or shortage of transportation facilities, lockout, or commandeering of materials, products, plants or facilities by the government, when satisfactory evidence thereof is presented to the other party, provided that it is satisfactorily established that the nonperformance is not due to the fault or neglect of the party not performing.

G. Hold Harmless Clause – The successful Bidder agrees to indemnify, defend and save harmless Fresno Unified School District, its governing board, related divisions and entities, officers, agents, and employees from and against any and all claims, demands, losses, defense costs, or liability of any kind or nature which the District, it's officers, agents, and employees may sustain or injure or which may be imposed upon them for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the bidder or bidder's agents, employees or subcontractor's performance under the terms of this contract, expecting only liability arising out of the sole negligence of the District.

H. Prevailing Law- In the event of any conflict or ambiguity between these instructions and state or federal law or regulations, the latter shall prevail. Additionally, all equipment to be supplied or services to be performed under the RFP and proposal shall conform to all applicable requirements of local, state and federal law.

I. Governing Law and Venue – In the event of litigation, the RFP documents, specifications and related matters shall be governed by and construed only in accordance with the laws of the State of California. Venue shall only be with the appropriate state of federal court located in Fresno County.

J. Permits and Licenses- The successful bidder(s) and all of his employees or agents shall secure and maintain in force such licenses and permits as are required by law, in connection with the furnishing of materials, articles or services herein listed. All operations and materials shall be in accordance with law.

K. Toll Charges – If it is necessary that the District place toll or long distance telephone calls in connection with this contract (for complaints, adjustments, shortages, failure to deliver, etc.), the successful bidder shall accept charges for such calls on a reverse charge basis.

L. Contract Documents – The complete contract includes the following documents: The advertisement for RFPs, the RFP instructions and conditions, specifications and drawings, if any, the RFP and its acceptance by the District, the purchase order, and all amendments thereto.

All of these documents shall be interpreted to include all provisions of the other documents as though fully set out therein.

M. Independent Contractor – While engaged in carrying out and complying with terms and conditions of the contract, the bidder agrees by his/her signature on the RFP Form that he/she is an independent contractor and not an officer, employee or agent of the District.

N. Anti-discrimination – It is the policy of the Fresno Unified School District Board of Education, that in connection with all work performed under Purchasing Contracts there shall be no discrimination against any prospective or active employee engaged in the work because of sexual orientation, physical and mental disability, medical conditions, marital status, age, pregnancy, veteran status, gender, race, color, ancestry, national origin, sex, or religious creed. Therefore, the bidder agrees to comply with applicable Federal and California laws including, but not limited to, the California Fair Employment and Housing Act. In addition, the successful bidder(s) agrees to require like compliance by all subcontractors employed on the work by him.

O. Termination Without Cause - This Agreement may be terminated by the District upon giving Sixty days advance written notice of an intention to terminate.

P. Termination for Material Breach – If the District reasonably determines in good faith that the successful Bidder has materially breached any of its obligations under the contract, the District, in its sole discretion, shall have the right to provide written notice of a fifteen (15) day period to cure the breach. If the successful Bidder fails to cure a breach within that period of time, the District may terminate the contract immediately. If, in its sole discretion, the District determines that cure is not possible, the District may provide written notice of immediate termination of the contract.

Q. Product Shortages - If the successful Bidder is unable to supply any product listed herein, the District may purchase such product at a fair market value from another source. The difference in cost and all delivery charges shall be the responsibility of the supplier listed on the original contract agreement.

SPECIAL INSTRUCTIONS AND CONDITIONS

Deadline for Receipt of Proposals. Each vendor submitting a proposal package shall submit an original, signed document and three (3) copies prominently marked with the RFP No., Title, Due Date, Time, and name of vendor submitting the proposals. In addition, please email an Adobe PDF file of your proposal to Ann.Loorz@fresnounified.org

Purchasing Department of Fresno Unified School District
4498 N. Brawley
Fresno, CA. 93722

RFPs received later than the designated time and date will not be accepted.

Questions regarding this RFP may be submitted by email to: Ann.Loorz@fresnounified.org

This request does not commit the District to pay for any costs incurred in the submission of the proposal, or in making necessary studies for the preparation thereof.

Oral communications of District employees concerning this RFP shall not be binding on the District and shall in no way excuse the vendor of his/her obligations as set forth in the RFP.

Each proposal must contain a statement indicating the name of their prime point of contact for the resolution of difficulties with the vendor's proposed offerings.

The District reserves the right to accept or reject any or all proposals or RFPs or any combination thereof and to waive any informality in the RFP process. The District shall not be liable for any costs associated with the preparation and/or presentation of any proposal submitted in response to this RFP or any demonstrations or other performances test. All RFP's become the property of the District.

PROPOSAL RESPONSE FORMAT

The RFP is designed to provide interested Proposers with sufficient basic information to submit proposals meeting minimum requirements. Furthermore, this RFP is not intended to limit a proposal's content or exclude any relevant or essential data. The District will consider various proposals and methods of providing services outlined in this document.

This RFP will not obligate the District to purchase or Agreement for any services specified herein. Furthermore, the District reserves the right to accept or reject any or all proposals received, to negotiate with any qualified source or to cancel in part or in its entirety this RFP, if it is determined by the District to be in its best interest.

GENERAL INFORMATION

Proposals must be submitted in the format and order outlined below. The proposal should present information in a concise manner, neatly arranged, legible, and in terminology understandable for evaluation by the District's Fiscal Services and Audit Committee. All information requested is to be addressed directly and completely. It is more desirable to give additional information than less when the answer could be misinterpreted. There should be no attachments, enclosures, or exhibits other than those considered by the Proposer to be essential to a complete understanding of the proposal submitted. Each section of the proposal must be clearly identified with the following headings:

G1. Business Organization

State the full name and address of your organization and, if applicable, branch office(s) or other subordinate elements that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if a corporation, include state in which it is incorporated. If appropriate, state whether your firm is licensed to operate in the state of California.

State number of years your firm has been in business and the total number of employees.

G2. Business Experience, Expertise & References

(a.) Experience: Indicate the experience of your firm and prior experience in providing services, as detailed herein; which Proposer believes demonstrates their firm's qualifications and experience. Include sufficient detail to demonstrate the relevance of such qualification and experience. Include the total number of auditing years that employees are required to have a various classifications within the company.

This portion of the proposal should include all other similar services performed by your firm, especially those performed for large, California K-12 School Districts. Information should

include the location and size of each service, a management level contact representative at the organizations referenced along with contact telephone number. The District reserves the right to interview, and if appropriate, visit referenced clients.

(b.) References: List a minimum of three clients that Proposer is currently providing with these same proposed support services listed:

Provide the contact information so that the District may speak with each client about: Quality of the company's services and deliverables, service responsiveness, and overall satisfaction with the service program and support team.

Provide a list of all current clients by the following types: K-12, College/University/Community college, City, County, State, and others.

(c.) Key Personnel: Indicate the specific individuals that will be assigned and dedicated to this service to insure successful execution and completion of the work. Please specify in detail the names, titles, work location, addresses, telephone numbers, fax numbers, email addresses and the specific responsibilities each will have in this service. Detail and provide copies of any pertinent certification, license, etc. that your firm and staff currently have relating to the services requested.

Proposer's Manager and Staff: Include the name(s), resume(s), project experience summary, addresses, telephone numbers, fax numbers, email addresses of the company manager and staff member(s) in your organization who will be assigned to work with the District and who will be authorized to make recommendations and decisions regarding the work.

G3. Proposed Methodology & Familiarity with School District K-12 Operations

Proposers are to include in their proposals a detailed written statement of their standard methodology and their typical procedures for providing the services required to successfully provide the auditing services detailed herein.

TECHNICAL PROPOSAL

The successful proposer will be required to provide and/or perform the following services. All specified services will be performed in full compliance with all local, state and federal regulation requirements.

The scope of the Fresno Unified School District Audit will include all Fresno Unified School District funds for each audit year ending June 30, 2017, June 30, 2018, and June 30, 2019 with an option to extend for two following years including any other funds under the control or jurisdiction of the District.

The report will include an opinion relative to the financial and compliance portions of the audit. The Fresno Unified School District final audit report will be addressed to the attention of the Board of Education, Fresno Unified School District. The report will include any supplementary information pursuant to the audit.

The examinations will be financial and compliance audits made in accordance with generally accepted auditing standards and government auditing standards. The services provided will be inclusive of all the District's needs for external audit services and will include Measure Q Bond performance and annual audits, Joint Health Management Board annual audit for the health internal service fund, and the District's annual financial and compliance audit of district operations. The audit procedures used should be sufficient to enable the proposer to express an opinion on the fairness with which the financial statements present the financial position of the District and the results of its operations and the cash flows of its proprietary fund types in accordance with generally accepted accounting principles. In addition, such procedures should be adequate to determine whether the operations of the District were properly conducted in accordance with legal and regulatory requirements, including California statutes, State Board of Education Rules, Federal laws, and School Board policies and procedures.

Copies of the final Fresno Unified School District Report on Audited Financial Statements and Supplementary Information will be filed by the Proposer with the Fresno Unified County Office of Education, the California State Department of Education Audit Bureau, and the Controller of the State of California.

Financial statements incorporated into each audit report will be audited pursuant to the applicable guidelines as specified in this Agreement. Reports of audited financial statements will state the scope of the audit and that the audit was performed in accordance with Generally Accepted Auditing Standards and the standards applicable to financial audits contained in "Government Auditing Standards issued by the Comptroller General of the United States of America, specifically following the requirements of the State Controller's Office audit guided entitled "Standards and Procedures for Audits of California K12 Local Education Agencies, Education Code (commencing with Section 41020) and will include an opinion as to whether the statements conform to general accepted accounting principles.

T1. Financial Audits

The examination will be a financial and compliance audit made in accordance with generally accepted auditing standards and government auditing standards. The primary purpose of this audit is to express an opinion on the financial statements of the District. The audit procedures used should be sufficient to enable the proposer to express an opinion on the fairness with which the financial statements present the financial position of the District and the results of its operations and the cash flows of its proprietary fund types in accordance with generally accepted accounting principles. In addition, such procedures should be adequate to determine whether the

operations of the District were properly conducted in accordance with legal and regulatory requirements, including California statutes, State Board of Education rules, Federal laws, and School Board policies and procedures.

- a. Proposer will inform District of all violations of laws or governmental regulations
- b. Proposer will include all matters in the reports required for a Single audit
- c. Proposer will exercise due diligence in consideration of the definition of reasonable assurance as it conveys different levels of assurance to different aspects of the financial statements.
- d. Proposer will not be authorized to disseminate or utilize said information for any other purposed other than to assist the District in its pursuit of compliance with the State of California Education Code requirements for the service detailed.
- e. Proposer will attend meetings with the Fresno Unified School District Audit Committee as required. Provide written reports and review all material findings in any audit performed and their observations related to the audit, internal controls, data processing or other significant issues or items that came to their attention during the course of the audit; they will discuss their reasons for any opinion that is other than unqualified.
- f. Proposer will conduct an exit conference with the appropriate personnel of the District's Deputy Superintendent of Business Services/Chief Financial Officer.
- g. Proposer will prepare written and present the final audit report at a public meeting of the Board of Education determined by the District.
- h. Proposer will assign professional staff as appropriate to conduct the audits. A partner and manager will be assigned to coordinate the activities of all Proposer staff and will be the liaison between the Proposer and the Fresno Unified School District. The partner and manager will be accessible to the District's Project Manager at all times. The partner and manager will be Certified Public Accountants currently licensed with the State of California. The proposer will be responsible for assignment of Proposer personnel and will keep current Project Organization Chart that indicates the specific personnel assigned to each aspect of the audits.

T2. Review of Internal Controls

An evaluation is to be made of the system of internal controls, including the control environment, computer systems, data processing, accounting systems and specific control procedures, to assess the extent to which the controls can be relied upon to ensure accurate information, to ensure compliance with the law and regulations, and to provide for efficient and effective operations. In order to assess the control risk, the proposer is to perform tests of controls and properly document its assessment. The proposer will communicate periodically to the Project Manager and the audit committee if reportable conditions in data process review are identified during the engagement. Reportable conditions will be communicated in writing with the Audit Committee and the staff in accordance with generally accepted auditing standards.

T3. Additional Services

If during the Agreement period, additional services are needed, the proposer may, at the option of the District, be engaged to perform these services. The proposer will, upon receipt of a written request from the Project Manager, Audit Committee, School Board of Education or designee, perform such additional services. Such services, if offered, by the proposer, may include, but not be limited to: Management advisory services, tax consulting services or actuarial consulting services.

T4. Audit Charges

The agreement accepted by the District for services per annual report period shall include all necessary travel, secretarial, administrative and other necessary to fulfill the contract on the part of the auditing firm.

When the audit has been completed, a bill in the amount of the fee shall be submitted to the District.

Payments shall be made when the audit of the District has been completed and accepted by the Governing Board or from time to time during the progress of the audit, as may be mutually agreed upon, except that 10% of all payments normally due to the auditor will be withheld in accordance with Education Code Section 14505 until the California State Controller certifies that the audit report conforms to the reporting provisions set in the audit guide. Additional provisions of Education Code 14505 require a 50% payment withholding if a prior year audit does not conform to standards.

In the event that circumstances disclosed by the audit indicate that more detailed verification is required, in addition to that which would be sufficient under ordinary circumstances, the auditing firm agrees to provide the District with all ascertainable facts relative to the extraordinary circumstances, together with an estimate of any additional costs thereof. It is expressly understood that fees relating to such extended verification procedures will be in addition to the original fee agreed upon by the District and the auditing firm.

The terms of the agreement to be entered into shall specify a maximum amount of the fees so specified and will constitute the total amount of the compensation of the auditor for services to be rendered.

T5. Audit Completion/Reporting Delivery

The auditor shall deliver the original of each of the audit reports to the District, together with 30 copies bound together and properly indexed prior to the December Audit Committee Meeting and/or December board meeting. The form and content of the reports shall be in conformity with

the audit guide and amendments issued by the California State Controller.

The auditor shall perform the work required with due diligence; and the agreement entered into will be for personal services of the auditor, and of the assistant selected by the auditor, and is not assignable. All audit exceptions of a material nature will be report, as they are discovered to the Executive Officer of Fiscal Services.

Audit work papers shall be maintained by the Auditor for at least five years after the date of the auditor's report. The Auditor shall make available his work papers during this period to the California State Controller or his representative, the County Superintendent and/or District. Additionally, any recommended adjustments must be provided in sufficient detail for District staff to understand and record the adjustment to financial statements.

In the event the auditor is unable to complete the work as required, the District expressly and specifically reserves the right to terminate the agreement, and to engage another auditor as may be necessary to complete the work provided by Education Code 41020.2

PRICE PROPOSAL

The District is seeking a Proposer that brings technical expertise, process discipline, best industry practices, and industry talent to implement successful audit services, while providing competitive fixed pricing on auditing services. All prices offered will be firm and fixed for the entire term of this Agreement as specified and will be inclusive of all costs, taxes, travel, fees and services required to perform and complete specified services.

P1. General Services

State all pricing and annual costs associated with this Request for Proposal that you intend to charge. Identify all costs (provide a full breakdown that may potentially be associated with the District's purchase of our services). Include the hourly rate for individuals assigned, identified by individual's job classification, detailed by audit type and estimated hours.

Provide costs by audit type:

1. District's Financial and Compliance Audit of District Operations proposed fees
2. Measure Q Performance Audit proposed fees
3. Measure Q Financial Bond Audit proposed fees
4. Joint Health Management Board (Health Internal Service Fund) Financial Audit proposed Fees

P2. Additional Services

If during the Agreement period, additional services are needed, the proposer may, at the option of the District, be engaged to perform these services. State all pricing and costs associated with the Request for Proposal that you intend to charge. Identify all costs (provide a full breakdown that may potentially be associated with the District's purchase of your services). Include the hourly rate for individuals assigned, identified by individual's job classification, detailed by potential service.

1. Management advisory services
2. Tax consulting services
3. Assistance in the preparation of or performance of extended audit procedures

EVALUATION AND AWARD

The method used for evaluating proposals will involve a three (3) step process:

1. The Evaluation Team will review only proposals that are submitted on time. The Evaluation Team members will use the Forced Ranking method to rank vendors. Only the top ranked proposals that are deemed to be compliant and capable of meeting the Districts needs will be selected to move to Step 2. The Evaluation Team reserves the right to select the number of vendors that will be invited to Step 2. At no time will a lower ranked vendor be invited to step 2 over a higher ranked vendor.

The Evaluation Team will use the forced ranking method to rank vendors. The Evaluation Team members will be instructed to rank the most qualified vendor as #1, the second most qualified #2 and so on. The vendor with the lowest average score will be the apparent best value bidder.

This step may be omitted if all of the respondents are being selected to move onto step two.

2. Vendors selected for Step 2 will be given the opportunity to present their proposals in person to the Evaluation Team. During this time the Evaluation Team will use the Forced Ranking method to rank vendors.
3. After completing step two (2) the District reserves the right to either open negotiations with the highest qualified respondent or ask one or more vendors to submit best and final proposals.

The Board of Education of the Fresno Unified School District ("the Board") reserves the right to accept or reject any or all proposals and to waive any informality in the RFP process. Respondents shall be responsible for any and all expenses that they may incur in preparing proposals.