



**Yuba Community College District
425 Plumas Boulevard
Yuba City, CA 95991**

**Request for Proposals
Independent Audit
Services RFP# 19-06**

November 14, 2019

1. INTRODUCTION

- 1.1 This Request for Proposals (RFP) contains specifications and related documents covering independent audit services as specified herein.
- 1.2 This RFP and all subsequent modifications thereto are hereby designated as the sole reference and authority for the preparation of proposals. This release of the RFP supersedes all other documents related to the work to be done. The contents of this RFP and subsequent modifications thereto take precedence over any and all information related to audit services for the District obtained from any source, either by verbal or written communications.
- 1.3 This RFP shall not be construed to (1) create an obligation on the part of the District to enter into a contract with any audit firm; or (2) serve as the basis for a claim for reimbursement for expenditures related to the development of a proposal.

2. Yuba Community District Profile

- 2.1 Yuba Community College District is located at 425 Plums Boulevard, Yuba City CA 95991. The District serves Yuba, Sutter, Yolo, Lake, Colusa, Butte, Placer, and Glenn Counties.
- 2.2 Total enrollment for the District is approximately 7,626 full-time equivalent students.
- 2.3 The District is governed by an independent seven member governing Board of Trustees who are elected at large to overlapping four-year terms. The District's affairs are administered by the Chancellor, who is appointed by the Board of Trustees.
- 2.4 The District utilizes Datatel Colleague to manage its financial, payroll, personnel, and student systems.
- 2.5 The District administers specially funded projects under grants and contract with various federal and state agencies.
- 2.6 The District operates General, Bond Debt Service for General Obligation and Other Capital Outlay borrowings, Capital Outlay Projects, Internal Service, and Fiduciary funds. The District's general fund budget is approximately \$60 million, with a total of \$125 million in all funds.
- 2.7 The District is the administrator for the Yuba Community College District Foundation.
- 2.8 The District participates in joint powers authorities (JPAs), such as the Northern California Community Colleges Self-Insurance Authority (NCCCSIA) and Statewide Association of Community Colleges (SWACC) for auto, property and liability insurance, Protected Insurance Program for Schools and Community Colleges Insurance Program (PIPS) for worker's compensation, and Tri-Counties Schools Insurance Group (TCSIG) for health benefits. The relationship between the District and the JPA's are such that none of the JPAs are a component unit of the District for financial reporting purposes. Premiums are paid by the District to the JPAs.

3. INFORMATION AND GENERAL CONDITIONS

- 3.1 Submission of Proposal Documents. Five (5) sealed copies of the proposal shall be submitted no later than 2:00 p.m. on January 14, 2020. In addition to sealed copies of the proposal, the Auditor must also submit an electronic proposal saved on a USB flash drive with sealed hard copies of the proposal. It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Proposals shall be mailed or delivered to the attention of Mazie L. Brewington, Vice Chancellor, Administrative Services, Yuba Community College District, 425 Plumas Boulevard, Yuba City, CA 95991 in a sealed envelope marked "**Request for Proposals**

Independent Audit Services. Proposals received after 2:00 p.m., on January 14, 2020 will be returned unopened.

3.2 Definitions

3.2.1. The term "District" shall be construed to include the Yuba Community College District Board of Trustees and all employees, officers and agents of the District.

3.2.2. The term "Auditor" shall be construed to include the accounting firm, and all employees, officers, and agents of said accounting firm.

3.3 Signature. The proposal must be signed in the name of the audit firm and must bear the signature of the person authorized to sign proposals on behalf of the audit firm.

3.4 Completion of Proposals. Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the District, the information contained therein was intended to erroneously and fallaciously mislead the District in the evaluation of the proposal.

3.5 Erasures. The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by the signature in the margin immediately opposite the correction the name of the person signing the proposal.

3.6 Examination of Contract Documents. Auditors shall thoroughly examine the contents of the RFP. The failure or omission of the Auditor who is awarded the contract to receive or examine any contract document, form, instrument, addendum, or other document shall in no way relieve the Auditor from obligations with respect to this RFP or to the contract to be awarded. The submission of a proposal shall be taken as prima facie evidence of the Auditor's compliance with this Section.

If the Auditor discovers any ambiguity, conflict, discrepancy, omission, or other errors in the RFP, they shall immediately notify the District of the error in writing and request modification or clarification of the document. Clarification shall be given by written notice to all Auditors participating in the RFP, without divulging the source of the request for it. Modifications shall be made by addendum issued pursuant to Section 3.7 below.

If an Auditor fails to notify the District of an error in the RFP before the date scheduled for submission of proposals, or of an error that reasonably should have been known to him/her he/she shall submit the proposal at his/her own risk. If the contract is awarded to the Auditor, he/she shall not be entitled to additional compensation or time by reason of the error or its subsequent detection.

3.7 Addenda. The District may modify this RFP before the date scheduled for submission of proposals by issuance of an addendum to all parties who received the RFP for the purpose of submitting a proposal. Addenda shall be numbered consecutively (the number of the first addendum would be RFP 14-04 A 1). It is the responsibility of the Auditor to review the district website <http://www.yccd.edu/administrative-services/purchasing/bids.aspx> for any addendums.

3.8 Modification of RFP Response. An Auditor may modify his/her proposal after submission by written notice to the District of withdrawal and resubmission before the date and time specified for receipt of proposals. Modifications will not be considered if offered in any other manner.

3.9 Withdrawal of Proposals. An Auditor may withdraw his/her proposal by submitting a written request to the District at any time prior to the proposal submission deadline. An Auditor may

thereafter submit a new proposal before the proposal submission deadline. Proposals may not be withdrawn after the proposal submission deadline.

- 3.10 Rejection of Proposals. The District reserves the right to reject any or all proposals received in response to this Request with any Auditor when it is determined to be in the best interest of the District to do so.
- 3.11 Misunderstandings. The District upon written request from an Auditor will clarify the RFP documents. Written request must be received no later than five (5) working days prior to the submission date. The District's decision shall be final in any matter of interpretation of the documents.
- 3.12 Cost of Preparation of Proposals. Costs of developing responses to this RFP are entirely the responsibility of the Auditor and shall not be chargeable to the District.
- 3.13 Evaluation of Proposals. Proposals will be evaluated in accordance with the procedures contained in Section 6. During the evaluation, validation and selection process, the District may request answers to questions or may request that the Auditor answer specific questions in writing. The District may require that the Auditor make presentations that are pertinent to the evaluation process. If a question and/or questions are asked by the District in a meeting and these questions and the answers thereto are pertinent to the proposal documents and the contract to be awarded, the questions and answers will be sent to the Auditor in writing for verification before they are included in the proposal and/or contract documents.
- 3.14 Award of Contract. If the contract is awarded, it will be to the responsible Auditor whose proposal is deemed to be the best proposal and whose proposal best meets the needs of the District. Notification of the successful bidder will be posted on the District web-site: <http://www.yccd.edu/administrative-services/purchasing/bids.aspx>
- 3.15 Standard Agreement. The Auditor selected for contract award, if any, through the RFP shall be required to enter into a written agreement with the District. The District's standard Agreement for Independent Audit Services presented in Exhibit A of the RFP is the contract proposed for execution. At the District's discretion, the standard agreement may be modified to incorporate other pertinent terms and conditions set forth in this RFP, including those added by addendum to this RFP, and to reflect the Auditor's offer or the outcome of contract negotiations, if any. Exceptions and requested changes to the terms and conditions of the standard agreement, or the Auditor's inability or unwillingness to comply with any of the provisions of the standard agreement, must be declared in the proposal and will be considered as part of the proposal evaluation process.
- 3.16 Errors in Proposal. Auditors shall be bound by the terms and conditions of their proposals, notwithstanding the fact that errors are contained therein. However, if immaterial errors are found in a proposal, the District may notify the Auditor that his/her proposal contains errors and require Auditor to correct the errors.
- 3.17 Related Experience. All Auditors must submit information that indicates specific qualifications to perform the financial and compliance audit services for a community college district as specified herein. Each Auditor shall submit with his/her proposal; a list of clients for whom he/she has performed such services during the past two (2) years. The reference list shall include the names and addresses of each client, the names, titles and telephone numbers of each client's cognizant manager, and the dates the work was performed. During the evaluation and selection process, the District may contact each of the referenced clients. Auditors are hereby advised that the District maintains the sole and exclusive right to determine whether or not the Auditor can perform the work to be done. This determination will specifically address the similar level, background and experience of individuals to be assigned to perform the audit services.

3.18 Tentative Schedule of Events.

Release of RFP	November 15, 2019
Proposals Due	No later than 2:00 p.m. January 14, 2020
Interviews and Selection	To be determined

3.19 Equal Opportunity. Auditor shall take appropriate action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, ancestry, handicap, age, sexual orientation or national origin. Such action shall include, but may not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

3.20 Compliance with Civil Rights. Auditor hereby assures that he/she will comply with subchapter VI of the Civil Rights Act of 1964, USC Sections 2000e through 2000e (17), to the end that no person shall, on the grounds of race, creed, color, sex, sexual orientation or national origin be excluded from participation in, be denied the benefits of, or be otherwise be subjected to discrimination under the Agreement or under any project, program or activity supported by the Agreement.

3.21 Compensation. The District shall pay Auditor an amount not to exceed the maximum cost proposed by Auditor for each audit year this Agreement is in effect. Payments shall be made upon receipt of itemized invoices delivered monthly, or less frequently at the option of the Auditor.

3.22 Supplemental Compensation and Additional Services. If during the course of the examination, the Auditor finds any unusual item or circumstance, which, in their view, warrants an immediate detailed investigation, the same will be reported in writing to the Director of Business Services. If in the opinion of the Director of Business Services, a more detailed verification is required than that which would be required under ordinary circumstances, a written authorization will be provided to the Auditor by the District.

Additional services are not within the scope of services to be performed pursuant to this Agreement. If additional services are required and authorized, a separate Agreement may be executed to address the additional services required. If the District does not authorize the additional work, the audit report may be qualified according to the circumstances involved.

The District may also request the Auditor to perform work or render services in addition to those, which are usual and customary in making an examination of books and accounts of the District. If the Auditor performs such work, a separate Agreement will be executed to reflect the scope of the work to be done. Compensation for such work shall be at the rates applicable to the scope of work identified in the new Agreement.

3.23 Auditors Obligation to Perform Work in Accordance with Standards. If the work performed by Auditor is not in accordance with the standards as specified herein or if the reports submitted by Auditor are not complete; or if the reports are rejected by the U. S. Department of Education, the California State Department of Finance, or the Community College Chancellor's Office as incomplete, then the Auditor shall be obligated to do whatever is required to correct the reports to meet the requirements specified in the standards, or as specified by the Department of Finance and/or the Chancellor's Office, at no cost to the District.

3.24 Insurance and Indemnification. Auditor shall take out and maintain, during the term of the Agreement, such general liability insurance as is required to protect Auditor and District from any

and all actions, suits or other proceeding which may arise as a result of the work by Auditor pursuant to the Agreement with District.

Auditor shall hold harmless and indemnify the District and all officers, agents and employees of the District, from and against any such actions, suits, or other proceedings, which may arise as a result of the work performed by Auditor pursuant to the Agreement with District.

- 3.25 Independent Contractor. While performing services pursuant to this Agreement, Auditor is an independent contractor and not an officer, agent or employee of the District.
- 3.26 Assignment of Contract. The Auditor shall not assign, transfer or subcontract, by operation of law or otherwise any or all of their rights, burdens, duties or obligations without the prior consent of the District.
- 3.27 Legal Action. If the District prevails in any action in law or equity to enforce or interpret the provisions of this agreement, it shall be entitled to reasonable attorney's fees in addition to any other relief to which it may be entitled.

4. STATEMENT OF WORK

- 4.1 Scope of the Audit Service. Auditors shall submit a proposal to provide the District with audit services for the fiscal years beginning July 1, 2019, and ending on June 30, 2020, and a period not to exceed two (2) years thereafter. Except, Performance and Financial Audits of Measures J & Q General Obligation Bonds will include fiscal years 2020-21 & 2021-22. Said audit services shall include:
 - 4.1.1. All funds and accounts under the jurisdiction and control of the District;
 - 4.1.2. Yuba Community College Foundation;
- 4.2 Technical Standards. Examination of financial records, statements and audits for compliance shall be made in accordance with generally accepted auditing standards as specified in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants; Office of Management and Budget Circular A-133; the General Accounting Office's (GAO) Standards for Audit of Governmental Organizations, Programs, Activities and Functions; and the standards specified in the California Community Colleges Contracted District Audit Manual;
- 4.3 All laws, regulations, and/or documents referred to herein shall be interpreted as the most current laws, regulations, and/or documents relating to audits as specified herein and shall automatically be updated by auditors as required.
- 4.4 Work to be Done
 - 4.4.1. Conduct a comprehensive financial and compliance audit of the District as required by the State of California.
 - 4.4.2. Conduct a comprehensive financial and compliance audit of the District as required under the Federal Single Audit Act.
 - 4.4.3. Attend such meetings with the District Audit Committee as may be required.
 - 4.4.4. Provide a separate audit report of the financial records and statements of the Yuba Community College Foundation.

- 4.4.5. Conduct an exit conference with appropriate personnel of the District for each audit or statement.
- 4.4.6. Attend such meetings with District Board of Trustees and staff of District as may be required during the course of audit.
- 4.4.7. Prepare appropriate tax returns for the Yuba Community College Foundation.
- 4.5 Staffing. The Auditor shall assign professional staff as appropriate to each of the audits. The Chief Business Officer shall be assigned to coordinate the activities of all Auditors staff and shall be the liaison between Auditor and District. Supervising auditors shall be CPA's currently licensed in the State of California. The Auditor is responsible for assignment of Auditor personnel and shall keep a current Project Organization Chart, which indicates the specific personnel assigned to each aspect of the audits, which will be made available upon request.
- 4.6 Audit Reports. Each report must include an appropriate opinion relative to the financial and/or compliance portions of the audit. Ten (10) bound copies and one (1) unbound copy of each audit report and Five (5) copies of the management letters shall be delivered to the Chief Business Officer per timeline developed by the District. The Auditor shall file all required reports and audits with the appropriate state and federal agencies as will be appropriate to meet all compliance requirements.
- 4.7 Statements and Reports. Financial statements incorporated into each audit report shall be made pursuant to applicable guidelines as specified in subsection 4.2 of the Statement of Work.

Reports of examination of financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles. Reports of compliance must include a statement that the examination was conducted in accordance with applicable auditing standards. The audit report must state whether the examination disclosed instances of significant noncompliance with laws and regulations. Findings of noncompliance or ineligible expenditures must be presented in enough detail for management of the District to be able to understand the findings and implement corrective action.
- 4.8 Management Letter. A separate management letter shall be prepared and submitted for each audit. The management letter shall include a statement of findings and recommendations affecting the financial statement, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material information.

Prior to the submission of the final draft of the management letters, the Auditor shall meet with appropriate management and staff of the District to discuss and review findings.
- 4.9 Working Papers. A copy of the recommended adjusting detail entries shall be provided to the Chief Business Officer by the Auditor. Working papers shall be retained by the Auditor for a period of five (5) years, unless otherwise specified by District. Such working papers shall be available for review and audit by District, representatives of the Federal and/or State governments and other individuals designated by District.
- 4.10 Prior Years' Records. Copies of prior years' financial statements, budgets and copies of the prior years' audit reports are available. The prior year audits were performed by:

Cossolias/Wilson/Dominquez/Leavitt (CWDL)
151 Murphy Canyon Rd Suite, 135
San Diego, CA 92123

- 4.11 Staff Assistance. The District shall assign appropriate staff to assist the Auditor by providing required information and explanations. District staff will furnish Auditor with copies of existing schedules as appropriate. It is not the intent of the District to furnish staff assistance for the purpose of pulling documents or preparing new schedules. Auditors are to identify in their proposals the level of District staff assistance anticipated.
- 4.12 Working Space. The District shall provide Auditor with working space for a maximum of five (5) persons. Requests for space shall be directed to the attention of Chief Business Officer, four (4) weeks prior to the time the space will be required. The request shall include an estimate of the time

5. PROPOSAL RESPONSE REQUIREMENTS

- 5.1 General. All proposals shall be submitted in the following format specified. Provide a complete response to each request for information, and reference the response to the item numbers indicated in these requirements, i.e., 5.1, 5.2, etc. Responses to this Section of the RFP will be used by District to determine the successful Auditor.
- 5.2 Title Page. Indicate "Yuba Community College District, Independent Audit Services, Request for Proposals Response," the name of the firm, local address, the name of the firm's contact person for the purposes of this RFP, the telephone number of the contact person and the date.
- 5.3 Table of Contents. Include a clear identification of the material included in the firm's response by section and by page number.
- 5.4 Letter of Transmittal. Summarize your understanding of the work to be done. Indicate the names of the persons who will be authorized to make representations on the part of the firm, their titles, addresses and telephone numbers. The person and/or persons who are authorized to execute the contract on the part of the firm shall sign the transmittal letter.
- 5.5 Profile of Auditor
 - 5.5.1. State whether the firm is local, regional, national or international.
 - 5.5.2. State the location of the office from which the work will be done if the firm is awarded the contract, the number of partners, manager, seniors, supervisors and other professional staff employed at this office.
 - 5.5.3. Describe the range of experience that the firm has in performing audits of community college districts. Provide current samples of audit reports and management letters prepared for those districts.
 - 5.5.4. Describe the range of activities performed by the office from which the work will be done (i.e. auditing, accounting, tax service, management consulting service.)
 - 5.5.5. Discuss the office's experience in auditing computerized systems, including the number and classifications of personnel skilled in computer related audit services.
- 5.6 Auditor's Staffing and Qualifications
 - 5.6.1. Indicate the name and position of the person who will manage the audit services as specified in this RFP. Provide a brief resume of the manager's background, training, and experience. Specifically discuss the manager's experience in managing audits of the size and scope of the audits as specified herein.

5.6.2. Indicate the names of supervising auditors who will be assigned to the audit of the District. Provide a brief resume of the supervisors' background, training and experience in supervising audits of the size and scope of the audits as specified herein.

5.6.3. Provide a list of the levels and titles and a copy of the resumes of other auditors who will be assigned to perform services under the contract. Include a job description, which describes the types of experience, background and training required for each of the classifications proposed.

5.7 References

5.7.1. Provide a list of community college clients for whom the firm has provided, auditing services in the past two (2) years. Indicate the scope of the audits performed for each of the referenced clients. Include the name of the client, address, telephone and the name of each client's cognizant manager.

5.8 Auditor's Approach to the Examinations

5.8.1. Provide an overview of the number of staff to be assigned, including their name, role in the audit, and a brief resume.

5.8.2. Identify the total number of hours it is anticipated the engagement will require.

5.9 Cost of the Services. Using the Cost Proposal Response Form, attached to this RFP as Exhibit B, state the maximum annual cost for each audit for the first year which services will be provided and for each of the two (2) years thereafter; and the cumulative total for the first three (3) years of services. State an estimate cost for each of the two (2) years thereafter, in case District opts to extend. Costs as specified in this Section shall be based upon the scope of the work as specified herein. It is understood that if the scope of the work is increased and/or decreased the maximum costs as proposed would be adjusted upwards and/or downwards as appropriate. The supporting data for the maximum cost of the audit services shall include the number of staff to be assigned, by level, the estimated maximum number of hours each of the staff will be assigned, and the hourly rate applicable to each level of staff assigned.

5.10 Certifications and Assurances. Provide completed and signed Certifications and Assurances, attached to this RFP as Exhibit C.

5.11 Additional Information. The preceding sections shall contain only the information requested. If Auditor desires to present additional information, such additional information shall be presented in this Section of the RFP. If there is no additional information present, indicate "there is no additional information to present."

5.12 Assurances. Auditor certifies that Auditor is a properly licensed, certified public accountant on or before December 31, 2019.

Auditor certifies that the audit will be made in accordance with generally accepted auditing standards; Office of Management and Budget (OMB) Circular A-133; the General Accounting Office's (GAO) Standards for Audit of Governmental Organizations, Programs, Activities, and Functions; and the standards specified in the California Community Colleges Contracted District Audit Manual.

Auditor understands the primary purpose of the examinations as specified herein is to express an opinion on the financial statements and that such an examination is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other

circumstances are encountered that require extended services, the Auditor will promptly advise the District. No extended services will be performed unless they are authorized by District and the agreement covering the work to be done has been amended to reflect such extended services.

Auditor shall certify that in accordance with auditing standards and other applicable guidelines and regulations, Auditor will select the necessary procedures to test compliance and to disclose noncompliance with specified laws, regulations and contracts.

6. ANALYSIS AND EVALUATION OF PROPOSALS

- 6.1 General. This Section of the RFP describes the general procedures that will be utilized by District during the evaluation and selection process. It is the intention of District to select an Auditor who is deemed to best satisfy the requirements of the RFP, taking into consideration all aspects of the RFP response, including experience, quality, and the cost of the services.
- 6.2 Evaluation. District staff will evaluate the proposals.
- 6.3 Elements of Evaluation of Proposals
 - 6.3.1. Appropriateness and adequacy of proposed procedures
 - 6.3.2. Necessity of procedures
 - 6.3.3. Reasonableness of time estimates
 - 6.3.4. Appropriateness of assigned staff levels
 - 6.3.5. Timelines of expected completion
 - 6.3.6. Technical experience of the firm
 - 6.3.7. Community college audit experience of the firm
 - 6.3.8. Qualifications of Staff
 - 6.3.9. Size and structure of the firm
 - 6.3.10. Experience auditing sophisticated computerized accounting systems
- 6.4 Cost Factors. Cost will be a significant factor when all other evaluation criteria are relatively equal; however, relative experience with community college audits is a major consideration.
- 6.5 Mandatory Criteria. A proposal will not be considered unless the Audit firm submitting the proposal meets the following criteria:
 - 6.5.1. The Auditor must be a certified public accountant, properly licensed before February 28, 2015.
 - 6.5.2. The Audit firm must certify that the audit will be made in accordance with generally accepted auditing standards: Office of Management and Budget (OMB) Circular A-133; the General Accounting Office's (GAO) Standards for Governmental Organizations, Programs, Activities and Functions; and the specified in the California Community Colleges Contracted District Audit Manual.
 - 6.5.3. The Audit firm must have a record of quality work.

6.6 Auditor Selection. Following the selection of the apparent successful Auditor, the District will enter into negotiations regarding the provisions of the Agreement. If a satisfactory contract cannot be negotiated, the District may, in its sole discretion, begin contract negotiations with the second ranking Auditor and terminate negotiations with the originally selected Auditor.

The decision of the District is final and is not subject to review. The district may reject all proposals submitted and negotiate with a single Auditor when it is determined to be in the best interest of the District to do so.