

PICACHO ELEMENTARY SCHOOL DISTRICT NO. 33

NOTICE OF REQUEST FOR PROPOSALS

Request for Proposals No. 2019-2020-1
Proposal Due Date October 15, 2020 Time: 11:00 AM MST
District Address 17865 S. Vail Rd.
Picacho, AZ 85141

In accordance with the School District Procurement Rules prescribed by the Arizona State Board of Education pursuant to Arizona Revised Statutes §15-213, competitive sealed proposals for the following services will be received by Picacho Elementary School District No. 33, at the address specified above until the time and date cited.

Biennial financial audits of financial transactions and accounts *subject to the Uniform Guidance* for the years ending June 30, 2019 & June 30, 2020, and completion of the *Uniform System of Financial Records Compliance Questionnaire.*

Refer any questions regarding this Request for Proposals to:

Veronica Jimenez
Business Manager
520-466-7942 Ext. 108

09/22/2020
Date

Veronica Jimenez, Business Manager
School District Administrator

PICACHO ELEMENTARY SCHOOL DISTRICT NO. 33
REQUEST FOR PROPOSALS NO. 2019-2020-1

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I. PURPOSE

The purpose of this Request for Proposals (RFP) is to enter into a contract with a qualified Certified Public Accountant to conduct a biennial audit of financial transactions and accounts kept by or for the District, for the two years ending June 30, 2019 & June 30, 2020, and to complete the *Uniform System of Financial Records* (USFR) Compliance Questionnaire.

II. SCOPE OF SERVICES REQUIRED

The selected audit firm will be required to perform a biennial audit, in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States, and issue the reports required by those standards. In addition, the audit firm must complete a USFR Compliance Questionnaire.

Districts must comply with the USFR. To help determine whether districts are in compliance, the Auditor General has developed the USFR Compliance Questionnaire, which consists of a series of questions to be completed by the District's audit firm regarding requirements set forth in the USFR and Arizona Revised Statutes. **For a biennial audit, the compliance questionnaire is only required to be completed for the second year of the 2-year audit.** The audit firm may obtain a copy of the USFR Compliance Questionnaire from the Auditor General's website at www.azauditor.gov.

Changes in Services

Changes in the scope, character, or complexity of the service may be negotiated if it is mutually agreed that such changes are desirable and necessary. Such changes must be authorized in writing by the SCHOOL DISTRICT **and approved by the Auditor General, prior to the performance of the service.**

III. GENERAL INFORMATION

A. Mandatory Qualifications

The following qualifications are mandatory for audit firms submitting proposals:

1. The auditors must be properly licensed certified public accountants or persons working for a licensed certified public accounting firm according to GAS.
2. The audit firm must meet the independence requirements of GAS.
3. The audit firm must not have a record of substandard audit work for the last two years. The District reserves the right to contact the Arizona State Board of Accountancy to verify the audit firm's credentials and the Office of the Auditor General, to verify that the audit firm has not been debarred or suspended or that such audit firm's contracts are not routinely rejected for substandard audits.
4. The audit firm must have an external quality control review performed at least every 3 years in accordance with GAS. The most recent external quality control review report must be included with the proposal.
5. The audit firm must meet the continuing education requirements of GAS. Therefore, each auditor responsible for planning, directing, conducting, or reporting on GAS audits should complete at least 80 hours of continuing education every 2 years. At least 20 hours should be completed in any 1 year of the 2-year period. At least 24 of the 80 hours of continuing education should be completed in subjects directly related to the government environment, government auditing, or the specific or unique environment in which the District operates.

B. Procedures and Time Frame for Submitting Proposals/Awarding Contract

Interested, qualified audit firms may submit a proposal to Picacho Elementary School District No. 33 at the following address:

17865 S. Vail Rd.

Picacho, AZ 85141

Three copies of the proposal are required. They should be prepared in accordance with the proposal format requirements discussed in this RFP and packaged in such a manner that the outer wrapping clearly indicates the RFP number and audit firm's name and address.

The following dates will apply unless waived in writing by the District Governing Board:

1. Sealed proposals will be received until 11:00 a.m. Mountain Standard Time, on October 15, 2020 at the District address listed above. No proposals will be accepted after the time indicated. Proposals received after the deadline will be stamped with time and date and returned unopened.
2. Proposals will be evaluated the week of October 19, 2020. Please have staff available at that time to respond to questions.
3. Discussions with individual audit firms may be held to clarify proposals.

If such discussions are held with any or all audit firms, all audit firms will be notified that a best and final offer may be submitted by October 22, 2020. The best and final offer provides the opportunity for audit firms to revise their proposals, including the fee for the services, based on additional information gathered during the oral discussions. If a best and final offer is not submitted, the previous offer will be construed as the best and final offer.

4. Contract award is expected to be made on or before October 23, 2020. The contract will be awarded on the basis of demonstrated competence and qualifications to perform the required services at fair and reasonable compensation. However, after the audit firm is selected, the Auditor General will review the proposed contract and approve or disapprove it in accordance with A.R.S. §§15-914(E) and 41-1279.21(A)(4), and *Arizona Administrative Code* R4-44-117. Only upon approval of the proposed contract by the Auditor General will the contract be signed by the school district administrator and the selected audit firm.

The District will inform each audit firm that submitted a proposal, in writing, whether the proposal was accepted or rejected.

5. Audit work may begin as soon as the Auditor General approves the proposed contract. Audit work must be completed by December 1, 2020.
6. A preliminary draft of the reports should be completed, and an exit conference held no later than January 1, 2021.
7. The final reports should be submitted to the District no later than January 29, 2021.

Cost and price information provided in the proposal will be held confidential and will not be disclosed to competing audit firms prior to selection of the audit firm.

All information and proposals submitted by offerors will be made available for public inspection following the award of the contract.

C. Review of Proposals and Evaluation Criteria

The District and any outside experts the District considers necessary will evaluate the proposals. A point formula will be used during the review process to score proposals. If several proposals are very closely ranked, the District may arrange for oral discussions with the audit firms to assist in making the selection.

Proposals will be evaluated using 3 sets of criteria. Audit firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical and cost criteria. The following represents the principal selection criteria that will be considered during the evaluation process:

1.	Mandatory Criteria	
	a.	The audit firm is independent and properly licensed.
	b.	The audit firm’s professional staff has received the required continuing professional education within the preceding 2 years.
	c.	The audit firm submitted its most recent external quality control review report and has a record of quality audit work.
2.	Technical Criteria	<u>Points Possible</u>
	a.	Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed, including:
		1. Comprehensiveness of audit work plan 10
		2. Realistic time estimates of each major segment of the work plan and the estimated number of hours of each staff level 10
	b.	Technical experience of the audit firm
		1. Auditing Arizona school districts 15
		2. Auditing governments 5
		3. Auditing computerized systems 5
		4. Auditing federal programs 5
	c.	Qualifications of staff
		1. Qualifications of supervisory staff and of the audit team performing field work 15
		2. General direction and supervision to be exercised over the audit team by the audit firm’s management 5
	d.	Size and structure of the audit firm, considering the scope of the audit 5
3.	Cost Criteria	<u>25</u>
	Technical and Cost Criteria—maximum points	<u>100</u>

Cost is a factor in awarding the contract; however, only those proposals that meet all the mandatory criteria in the RFP will be given consideration. The contract will not be awarded solely on the basis of cost.

After a composite technical score for each audit firm has been established, the sealed proposal will be opened and additional points will be added to the technical score based on the proposed price. The maximum score for price will be assigned to the audit firm offering the lowest price, and proportional scores will be assigned to the other audit firms.

IV. PROPOSAL FORMAT

The proposal must conform to the format specified below. The District will make no reimbursement for the cost of developing or presenting proposals in response to the RFP.

A. Title Page

Each proposal must contain a title page that identifies the RFP number and subject and provides the audit firm's name, address, and telephone number; the name and title of a contact person; and the date the proposal was submitted. The title page must also state the period the proposal is effective (nonrescindable).

B. Table of Contents

The proposal's table of contents should include a clear and complete identification of the materials submitted by section and page number.

C. Letter of Transmittal

A brief letter of transmittal should be submitted that includes the following information:

1. The audit firm's understanding of the work to be performed.
2. A positive commitment to perform the service within the time period specified.
3. The names of persons authorized to represent the audit firm, their titles, addresses, and telephone numbers.
4. Reference to a sealed envelope that contains the all-inclusive fee for which the audit work will be done. The fee amount should not be divulged elsewhere in the proposal.

D. Audit Firm Profile and Qualifications

The following information should be included:

1. A description of the audit firm, including office size; whether the organization is local, regional, national, or international in operations; the number of professional staff by level; and a description of the range of activities performed by the local office (i.e., auditing, accounting, tax, or management services).
2. Affirmation that the audit firm meets the mandatory qualifications set forth in section II.A. above.
3. A statement of the audit firm's expertise in: 1) financial audits of Arizona school districts, 2) financial audits of governments, and 3) audits of computerized systems, and 4) audits of federal programs.
4. A description of prior experience with audit services of a similar or related nature, including references. The description should include a list of names and dates of school districts audited.
5. Identification of senior and technical staff to be assigned to the audit, including the audit manager or partner. Staff named in the proposal may not be substituted without permission of the District. Resumes, including relevant experience and continuing education of the auditor in charge up to the individual with final responsibility for the audit, may be included as an appendix.

E. Audit Firm’s Approach to the Audit

The technical portion of the proposal shall include, as a minimum:

- 1. A work plan detailing the approach the audit firm intends to follow. The audit work plan should completely cover what audit work will be accomplished to allow the audit firm to render the reports described in this RFP.

The audit work plan should also detail how the audit firm plans to meet the time constraints and reporting deadline requirements specified in this RFP.

- 2. A plan for organizing and staffing the audit, with an estimate of time each staff member will devote to the audit.

F. Sealed Cost Proposal

The cost portion of the proposal should be submitted along with the proposal, but in a separate sealed envelope. **Note: The cost proposal should include separate costs for audits of basic financial statements, CAFR statements, and federal programs (i.e., Single Audit, if applicable) including the preparation of the USFR Compliance Questionnaire. Any fees that will be paid to the audit firm for submission of the district’s reports to the Association of School Business Officials International (ASBO) and Government Finance Officers Association for certification or for the preparation of the Meritorious Budget Award application to ASBO, should not be part of the audit service cost. Any nonaudit service fees should be separately described in the cost proposal, if applicable.**

V. DESCRIPTION OF DISTRICT AND RECORDS TO BE AUDITED

A. General

Picacho Elementary School District No. 33 is a political subdivision of the State of Arizona located in Pinal County. The District consists of approximately 165 students.

The District operates on a July 1 to June 30 fiscal year.

The accounting policies of Picacho Elementary School District No. 33 conform to U.S. generally accepted accounting principles as adopted by the Government Accounting Standards Board (GASB).

B. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District’s financial statements present only the activities of those organizational entities for which its elected governing board is financially accountable.

C. District Funds

The District reports the following governmental and enterprise funds and other fund types:

<u>Governmental</u>	<u>Number of Funds</u>
General Fund	1
Major Fund(s)	1
Non-Major Fund(s)	16

<u>Enterprise</u>	<u>Number of Funds</u>
Major	1
Non-Major Fund(s)	8

<u>Other Fund Types</u>	<u>Number of Funds</u>
Internal Service	0
Agency	0

D. Federal and State Financial Assistance

(List all federal and state financial assistance programs and approximate annual expenditures in each program.)

<u>Federal or State Financial Assistance Program Name</u>	<u>Annual Expenditures (\$)</u>
<u>Title I</u>	<u>\$40,188</u>
<u>Title III</u>	<u>\$2,136</u>
<u>IDEA, Basic</u>	<u>\$41,123</u>
<u>IDEA, Preschool</u>	<u>\$0</u>
<u>REAP</u>	<u>\$17,313</u>
<u>Comprehensive Support & Improvement</u>	<u>\$27,082</u>
<u>State Tutoring</u>	<u>\$7,078</u>

E. Deposit of District Monies

In accordance with A.R.S. §15-341(A)(20), the District deposits with the County Treasurer all monies received, except monies allowed to be held in a separate bank account as listed below. The County School Superintendent (or school districts that have assumed accounting responsibility in accordance with A.R.S. §15-914.01) draws warrants on funds on deposit with the County Treasurer upon presentation of a voucher by the District Governing Board to expend District monies on deposit with the County Treasurer.

In addition to maintaining funds on deposit with the County Treasurer, the District maintains several bank accounts in accordance with A.R.S. Following is a list of all bank accounts maintained by the District:

<u>Bank Account Name</u>	<u>Bank Name and Location</u>
Maintenance and Operation Fund revolving account	Great Western Bank, Eloy AZ
Food Service Fund clearing account(s)	Great Western Bank, Eloy AZ
Student Activities Fund revolving account	Great Western Bank, Eloy AZ
Employee Insurance Programs Withholdings account	Wells Fargo Bank, Casa Grande, AZ

F. Magnitude of Financial Activity

The District’s total expenditures budgeted for the years ended June 30, 2019, and June 30, 2020, were \$1,445,899 and \$1,610,697, respectively.

The District has approximately 22 employees with estimated payroll expenditures of \$1,020,813 and \$958,627 for the years ended June 30, 2019, and June 30, 2020, respectively.

Annual budgets, annual financial reports, and financial statements for the one year ended June 30, 2018, will be sent to interested, qualified audit firms upon request, or may be examined at the District office.

G. Uniform System of Financial Records (USFR)

A.R.S. §15-271 requires the Auditor General in conjunction with the Arizona Department of Education (ADE) to prescribe a uniform system of financial records for use by school districts. This system has been established in the *Uniform System of Financial Records* accounting manual.

The USFR includes a Chart of Accounts that provides for the establishment of a complete accounting system. The Chart complies with U.S. generally accepted accounting principles, and meets the requirements of the U.S. Department of Education’s account classifications and A.R.S. The account codes and titles listed in the chart must be used by the District.

The USFR also provides comprehensive accounting procedures for accounting records, cash, supplies inventory, property control, revenues, expenditures, payroll, travel, and state and federal financial assistance.

VI. REPORT REVIEW, TIMING, AND NUMBER OF COPIES

Following completion of draft reports, the audit firm must submit two copies of the audit reports, management letter, and the USFR Compliance Questionnaire to the audit liaison Veronica Jimenez, Business Manager, for review.

Upon completion of the final reports, the audit firm must provide five paper copies and one electronic copy of the audit reports, management letter, and USFR Compliance Questionnaire to the District. The electronic copies shall be in PDF format. The audit firm must also provide the electronic copies of the audit reports, management letter, and USFR Compliance Questionnaire to the Office of the Auditor General, Accounting Services Division and ADE’s Grant Management Division and send a paper copy or electronic copy of the applicable audit reports to the District’s county school superintendent’s office.

The audit firm will make no other distribution unless approved by the District.

A.R.S. §§15-914(E) and 41-1279.21(A)(4) require the Auditor General to ensure that completed audits are conducted in accordance with U.S. generally accepted auditing standards, GAS, the Uniform Guidance, and the minimum audit and reporting standards prescribed by the Auditor General. **An audit will not be accepted as meeting the requirements of this section until it has been approved by the Auditor General.**

VII. EXIT CONFERENCE REQUIREMENTS

The audit firm must be available to participate in 1 or more exit conferences with members of the District and the District Governing Board. Exit conferences must be coordinated through the audit liaison, Veronica Jimenez, Business Manager. The purposes of the exit conferences are to discuss the draft audit reports with the District, identify any errors, and obtain comments on report findings and recommendations. In addition, the AUDIT FIRM should review the District’s USFR noncompliance findings with the SCHOOL DISTRICT officials.

VIII. AUDIT DOCUMENTATION

The audit firm shall retain the audit documentation in its entirety for a period of 5 years after the date of the audit reports, unless the Auditor General requests a longer retention period. The audit documentation shall be subject at all reasonable times to review upon request by the Auditor General or her designee, ADE, *the United*

States Government Accountability Office, other appropriate governmental agencies, or produced at the Office of the Auditor General, if so requested.

IX. CONTRACTUAL ARRANGEMENTS

A. Multiterm Contracts

If the monies are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract shall be canceled. If the type or frequency of audits the District is required to obtain in a subsequent fiscal year changes or the District is no longer required to obtain an audit, the contract may be amended or canceled. If the contract is canceled, the audit firm shall be reimbursed for the reasonable value of any nonrecurring cost incurred but not amortized in the price of services delivered under the contract or which are otherwise not recoverable.

X. RIGHT TO REJECT

The District reserves the right to:

- A. Reject any or all proposals submitted.
- B. Request additional information from all audit firms.
- C. Conduct discussions with responsible audit firms who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements.
- D. Negotiate modifications to the audit firm's proposal prior to final award for the purpose of obtaining best and final offers.
- E. Negotiate a contract that may be terminated for lack of funds.

XI. ASSISTANCE AVAILABLE TO AUDIT FIRMS

A. Previous Audit Reports and Audit Documentation

The most recent audit of the District was performed for the two years ended June 30, 2017 & June 30, 2018, by William Dobridge, CPA, P.C. The audit firm's reports, issued March 22, 2019, contained a(n) unqualified opinion.

Audit documentation related to the aforementioned audit is available for inspection by contacting Dallas R. Siler II, CPA, at: William Dobridge, CPA, P.C., 623-202-2052, 1930 S. Alma School Rd., Suite A-214, Mesa, AZ 85210.

B. District Assistance

District officials and staff will be available to assist the audit firm by providing information, documentation, and explanations as required. Veronica Jimenez, Business Manager, will be the audit liaison between the District and the audit firm.

C. Grantor Assistance

Questions or requests for assistance concerning federal grants should be directed to ADE's Grants Management Division or the applicable ADE federal program area.

Refer any questions regarding this Request for Proposals to:

Veronica Jimenez

Business Manager

520-466-7942 Ext. 108

09/22/2020

Date School District Administrator

Veronica Jimenez, Business Manager