

SCHENECTADY CITY SCHOOL DISTRICT



REQUEST FOR PROPOSAL EXTERNAL AUDITOR

01-30-12B

2011 - 2012 School Year

**DUE: January 30, 2012
9:00 a.m.**

**DAVID WEISER
DISTRICT CLERK AND DIRECTOR OF CENTRAL SERVICES
108 EDUCATION DRIVE
SCHENECTADY, NEW YORK 12303
Phone - (518) 370-8100 X 40116
Fax - (518) 395-3506**

REQUEST FOR PROPOSAL

EXTERNAL AUDITOR

1. GENERAL INFORMATION

The Schenectady City School District (the "District") is requesting proposals from qualified individuals and/or firms to provide services as External Auditor for the Board of Education of the District.

There is no expressed or implied obligation for the District to reimburse responding persons for any expenses in preparing proposals in response to this request.

To be considered, eight (8) copies of a proposal must be received by the District Clerk and Director of Central Services by 9 a.m. on January 30, 2012. The District reserves the right to reject any or all proposals submitted.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District, proposers may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Proposer of the conditions contained in this request for proposals.

It is anticipated that the selection will be completed by March 1, 2012. Following the notification of the selected person, it is expected a contract will be executed between the Proposer and the District by March 15, 2012.

2. BRIEF DESCRIPTION OF THE DISTRICT

- a. Enrollment – 9,709 Pre-K through 12
- b. Number of employees – 1,400 total; Full-time Equivalent (FTE) Instructional Staff – 750 (approx.)
- c. Number of Schools

Enrollment

2 Early Childhood Educational Centers	351
9 Elementary Schools (K-5)	3,516
3 Middle Schools (6-8)	1,324
4 Magnet Schools	1,940
1 High School (9-12)	2,711
Pre-Kindergarten	423

- d. Type of Superintendence – Independent
- e. Board of Education – 7 Elected Members
- f. Management
 - 1. Superintendent
 - 2. District Director of Business and Finance

3. District Director of Central Services/District Clerk/Purchasing Agent
4. Director of Student Support
5. District Director of Instructional Support
6. District Director of Planning and Accountability
7. District Director of Human Resources
8. District Treasurer
9. Internal Claims Auditor

g. Other Operations

The District operates a food service program which provides over 1,600,000 meals annually to students.

h. Accounting System

All funds are fully automated to a windows N.T. 4.0 server utilizing Finance Manager Software. Budget preparation, personnel employee attendance are the other major automated functions.

i. Budget

The 2011-2012 General Fund Budget is \$153,566,497
The 2011-2012 Special Aid Fund is \$ 22,797,071

3. TERM OF ENGAGEMENT

A three-year (3) contract, renewable annually, is proposed, commencing on June 30, 2012, subject to annual review and concurrence of the Board of Education of the District, and the annual availability of an appropriation.

The parties shall have the option to cancel the engagement for the 2nd contract year (July 1, 2012 - June 30, 2013) and/or 3rd contract year (July 1, 2013- June 30, 2014), provided that written notice is given to the other party at least sixty (60) days prior to the end of the contract year in question.

4. DESCRIPTION OF SERVICES

Proposers agree to perform the duties conferred on External Auditors as prescribed by the N.Y. Education Law and the rules and regulations of the State of New York Education Department and to serve and perform the specific duties as outlined under the Nature of Services Required.

The Selected Party shall be responsible for directly providing all of the services as outlined under Nature of Services Required and shall meet these responsibilities itself. The Selected Party will render any and all services required in connection with the District's staff, Audit Committee, and Board of Education (and relevant committees).

5. REQUESTS FOR ADDITIONAL INFORMATION

Any questions regarding the RFP must be submitted in writing, to the District Clerk/District Director of Central Services, District Office, 108 Education Drive,

Schenectady, New York 12303, at least five (5) days prior to the scheduled time of submission. A written answer will be prepared and will thereafter be available to all Proposers of record, in the form of an addendum, prior to the time of submission of the proposals. Such written answer will not be binding on the School District unless it is made in writing and no Proposer should rely on an oral answer given by any person.

Under no circumstances may any firm or its representatives contact any employee or representative of the District regarding this RFP, other than as provided in this section. Strict adherence to this important procedural safeguard is required and appreciated.

6. NATURE OF SERVICES REQUIRED / CRITERIA FOR EVALUATION

See Attachment A.

7. CONTENT OF PROPOSAL

- a) Proposal must state the legal name of the individual or firm submitting the Proposal, and indicate the individual's or firm's form of business organization, *e.g.* sole proprietor, partnership, limited liability company, or professional corporation, etc.
- b) The Proposal must list the name, professional qualifications, and length of time in practice of each person who may provide services pursuant to the resulting contract.
- c) The Proposal should describe how the Proposer proposes to charge for services provided to the School District. Currently the District pays on an annual fixed contract price basis, but it is willing to consider a different fee structure; any such structure must be described clearly and in detail in order to be considered. If any services will not be included in the annual fee, please detail those services and the charges therefore in your proposal. Use the format in Attachment B.
- d) The Proposal should also describe the procedures the Proposer will follow in billing the School District.
- e) The Proposal must be signed by a person legally authorized to bind the person or firm submitting the Proposal.
- f) Evidence of insurance coverage, as outlined in Attachment C.
- g) Statement of Qualifications, including education, licensure, and experience and knowledge of state law and regulation in area of school district auditing.
- h) Provide at least five (5) references of clients similar to the District, including any small city school district's to which you currently provide or have, within the last five (5) years, provided service. References should include name, title, phone number and e-mail address. All references may be contacted and the

District reserves the right to also contact persons not listed with whom proposer has or has had a business relationship.

- i) Every proposal must be accompanied by a duly executed Non-Collusion Certification in the form set forth in Attachment D.
- j) Until the execution of the agreement with a Selected Party, the District will treat all proposals as proprietary and confidential information, not subject to public disclosure, except for consideration by representatives of the District. Since this information is considered proprietary to the District, Proposers must not release information concerning the content of their proposals until after execution of the agreement.
- k) All costs associated with the proposal shall be paid by the Proposer.

8. PROPOSAL SUBMISSION

Three (3) complete sets of the proposal are to be submitted to the District by 9:00 am, January 30, 2012 and clearly labeled as follows:

DAVID WEISER
DISTRICT CLERK AND DIRECTOR OF CENTRAL SERVICES
108 EDUCATION DRIVE
SCHENECTADY, NEW YORK 12303

Re: RFP FOR EXTERNAL AUDITOR

Each Proposer shall assume the risk of any delay in the mail or in handling of mail by employees of the District or others. Whether sent by mail or delivered in person, the Proposer assumes the responsibility for having the proposal delivered timely.

9. CONTRACT NOT TO BE ASSIGNED

It is mutually understood and agreed that the Selected Party shall not assign, transfer, convey, sublet, or otherwise dispose of the contract, of his right, title or interest therein, or his/her/its power to execute such contract to any other person, firm or corporation.

10. INVOICING AND PAYMENT

If a fixed price contract is not proposed, billing shall be made by monthly invoice to the Schenectady City School District, Business Office, 108 Education Drive, Schenectady, New York 12303. Payments shall be made within thirty (30) days of receipt of invoice. All invoices shall contain the following information:

- Name of person or firm providing service
- Description of services performed
- Date of services performed

If a fixed price contract, an invoice is not required, however a statement of services rendered should be submitted.

11. LAWS AND REGULATIONS

The Selected Party shall comply with all laws, ordinances and rules and regulations which may govern the work as specified in this contract.

12. INDEMNIFICATION REQUIREMENTS

The Selected Party must agree to indemnify, defend and hold the District, its Board of Education, officers and employees harmless from and against all liability, claims, actions, proceedings and suits, of any name and nature, as the same may relate to the services provided by the Selected Party pursuant to the Agreement resulting from this RFP.

13. VEHICLES

The Selected Party shall provide his/her/its own transportation and gas in the execution of the aforementioned duties, and shall at all times, carry vehicle insurance as outlined in Attachment A of this agreement.

All costs related to the Selected Party's vehicle(s) shall be the responsibility of the Selected Party.

14. RENEWAL

Renewal may be negotiated for additional one-year terms, by giving written notice of the desire to extend the Agreement with the District at least sixty (60) days prior to termination.

15. TERMINATION

This contract may be terminated by either party by a thirty (30) day written notice to the other party.

16. DISTRICT'S RIGHTS

This RFP does not commit the District to award a contract or to procure or contract for services. The District reserves the right to reject in whole or in part any proposal submitted in reference to this RFP, to waive any irregularities or informalities, and/or to select that proposal which is deemed to be in the best interests of the District. The District further intends to award a contract on the terms and conditions that best serve the interest of the District and to seek clarification from all qualified firms or to cancel this RFP in part or in its entirety, if it is in the best interest of the District. The District may select as the Selected Party the Proposer which, in the District's sole discretion, and with whatever modifications the District and the Selected Party may mutually agree upon, best meets the District's requirements whether or not that proposal is the most advantageous economically. No Proposer shall have any legal, equitable, or contractual rights of any kind arising out of its submission of a proposal. The District, in its sole discretion, shall enter into a contract with the Proposer that it selects as the Selected Party.

17. CONTRACT

As a result of this RFP, it is the District's intent to enter into an agreement clearly defining the rights and obligations of the District and the Selected Party, in a form

acceptable to the District and its school attorneys, which will incorporate the terms and conditions of this proposal and other appropriate contractual terms. The District expects that the agreement will be finalized within 30 days after the notification of recommendation from the District. Any agreement resulting from this RFP must also comply with all applicable status, rules and regulations of the Federal Government and the State of New York, including the regulations of the Commissioner of Education and as they now exist or as they may hereafter exist. All written material submitted in response to this RFP will become the property of the District and may be appended to the final contract between the parties.

ATTACHMENT A

NATURE OF SERVICES REQUIRED / CRITERIA FOR EVALUATION

- A. The Selected Party shall be expected to perform the following services in each year of the engagement:
1. The annual audit of all funds of the District shall be performed in accordance with:
 - Generally Accepted Auditing Standards
 - Standards promulgated by the New York State Comptroller
 - Regulations of the Commissioner of Education
 - Regulations of the Federal Government regarding Federal Funds (single audit)
 2. A comprehensive management letter that will contain comments and recommendations relating to the District's system of internal controls shall also be submitted.
 3. Reviews of drafts of the reports and management letter will occur prior to final preparation and submission.
 4. All of the District's funds and account groups are to be part of the audit including, but not limited to, the self-funded health insurance plan.
 5. If anything other than an unqualified opinion is to be issued on the District's financial statements, the reasons for such opinions must be discussed with the appropriate District officials and sufficient time granted to correct any deficiencies which may result in such qualification.
 6. Special audits or management services shall be performed in accordance with specific guidelines from the Board of Education or Superintendent. If necessary, separate fees will be negotiated for such work.
- B. **QUALIFICATIONS OF FIRM'S STAFF.** The District is interested in the level and type of government auditing experience of those persons to be assigned as senior auditor(s) and/or manager. Therefore, brief resumes and a listing of governmental or school district contacts to attest to their experience shall be submitted with a proposal. The District reserves the right to reject staff who it feels do not have appropriate experience or qualifications to conduct the audit.
1. In addition to the references required by the RFP, provide a list of current and prior school district clients with information on the number of years of service to each, along with the names, addresses, and telephone numbers of contact persons in each such district. A listing of Capital-area government and school district references is requested.
 2. Provide information concerning your approach to the audit, i.e., the planned use of audit programs, the organization and composition of the audit team, the type of management letter used, and the statistical sampling methods used.
 3. For the individuals that will be conducting the audit, provide their experience in conducting school district audits including years on each job and their position while on each audit, their educational background, and any other specialized skills or training.

4. Provide a description of any regulatory action taken by any oversight body such as the SEC or IRS against your firm or staff members.
5. Submit any other relevant information which you believe might be useful in making our selection.

C. QUALIFICATIONS AND EXPERIENCE OF THE FIRM. Firms submitting proposals should be of a sufficient size to ensure stability and responsiveness during the engagement. Firms submitting proposals shall provide information about their size as well as their local government and school district experience. Indicate whether your firm is local, regional or national and provide the address of the local office that will be in charge of the audit of our district.

D. ANNUAL AUDIT TIME REQUIREMENTS

1. The District's fiscal year ends June 30th and Commissioner's Regulations require the Independent Auditor's report be filed by October 15th, The October 15th, filing deadline established by State Education Department must be met unless otherwise mutually agreed upon.
2. The Annual Financial Report (Form ST-3) should be completed by August 20th of each year.
3. Given 1 and 2 above, the District will require that the Selected Party's assigned staff perform preliminary audit work (e.g. test of transactions) for approximately 5 workdays prior to the close of the fiscal year. Final field work shall begin not later than the third Monday of August and conclude not later than 25 workdays thereafter. The District requires that the staff assigned to perform preliminary audit work prior to June 30th will be the same staff to complete field work in August and September.

E. AUDITOR'S REPORTS.

1. Typing and Copies. The external auditor will type and make copies of all reports on its premises and will deliver 25 copies of all reports to the District's Audit Committee. The annual audit report's letter to Management shall be attached to or included in the same binder with the financial statements.
2. The external auditor shall advise the Audit Committee as to the proper promulgation of their reports in writing.

F. CRITERIA FOR EVALUATION. Some elements which will be included in evaluation of proposals are:

- The municipal and school district auditing experience of the firm and the staff to be assigned
- Reference checks
- The clarity of the proposal
- The Proposer's past performance on meeting deadlines
- Oral interview (if held)

This is not an exhaustive list, nor are the elements ranked in priority order. Proposals need not be bound by this list. The District intends this list to be preliminary and encourages firms to fully describe any and all potential strategies which they recommend.

ATTACHMENT B

SUMMARY OF PROPOSAL TERMS

Proposers may choose the manner in which they opt to quote their fees to the District, using either a fixed price or an hourly rate, or a combination of both options. You may choose an hourly rate subject to an annual maximum fee.

Fixed Annual Price for July 1, 2011 – June 30, 2012: _____

Covering the following base services (list):

Hourly Rate for Additional Services for July 1, 2011 – June 30, 2012: _____

Covering the following types of services (list):

Price escalation factors, if any, in the second and third year of services:

Name of
Proposer: _____

Authorized
Signature: _____

Printed
Name: _____

Title: _____

Date: _____

ATTACHMENT C

REQUIRED INSURANCE

1. Notwithstanding any terms, conditions or provisions, in any other writing between the parties, the Selected Party agrees to effectuate the naming of the District as an unrestricted additional insured on the Selected Party's insurance policies, with the exception of workers' compensation and professional liability. If the policy is written on a claims-made basis, the retroactive date must precede the date of the contract
2. The policy naming the District as an additional insured shall:
 - Purchase an insurance policy from an A.M. Best rated "secured" insurer, authorized to conduct business in New York State.
 - Contain a 30-day notice of cancellation.
 - State that the organization's coverage shall be primary coverage for the District, its Board, employees and volunteers.
 - The district shall be listed as an additional insured by using endorsement CG 2026 or broader. The certificate must state that this endorsement is being used. If another endorsement is used, a copy shall be included with the certificate of insurance.
 - a. The Selected Party agrees to indemnify the District for any applicable deductibles.
 - b. Required Insurance:
 - **Commercial General Liability Insurance**
\$1,000,000 per occurrence/ \$2,000,000 aggregate.
 - **Automobile Liability**
\$1,000,000 combined single limit for owned, hired and borrowed and non-owned motor vehicles.
 - **Workers' Compensation and N.Y.S. Disability**
Statutory Workers' Compensation, Employers' Liability and N.Y.S. Disability Benefits Insurance for all employees.
 - **Professional Errors and Omissions Insurance**
Occurrence-basis professional liability insurance against professional liability claims, in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. If it is economically impractical to obtain professional liability insurance on an occurrence basis, professional liability insurance on claims-made basis with a permanent prior-acts ("Tail") coverage, is acceptable.
 - **Excess Insurance**
On a "Follow-Form" basis, with limits of \$3,000,000 each occurrence and aggregate.
3. The Selected Party acknowledges that failure to obtain such insurance on behalf of the District constitutes a material breach of contract. The Selected Party is to provide the District with a certificate of insurance, evidencing the above requirements have been met, prior to the commencement of work or use of facilities. The failure of the District to object to the contents of the certificate or the absence of same shall not be deemed a waiver of any and all rights held by the District.

The District reserves the right to waive these requirements on a case-by-case basis.

ATTACHMENT D

NON-COLLUSION CERTIFICATION

- A. By submission of this proposal, each proposer and each person signing on behalf of any proposer certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:
1. The prices in this proposal have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other proposer or with any competitor;
 2. Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to opening, directly or indirectly, to any other proposer or to any competitor;
 3. No attempt has been made or will be made by the proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restricting competition;
 4. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary proposal;
 5. The proposer has not offered or entered into a subcontract or agreement regarding the purchase of materials or services from any firm or person, or offered, promised or paid cash or anything of value to any firm or person, whether in connection with this or any other project, in consideration for an agreement or promise by any firm or person to refrain from submitting a proposal or to submit a complementary proposal on this project;
 6. The proposer has not accepted or been promised any subcontract or agreement regarding the sale of materials or services to any firm or person and has not been promised or paid cash or anything of value by any firm or person, whether in connection with this or any other project, in consideration for the proposer's submitting a complementary proposal or agreeing to do so on this project;
 7. The individual signing on behalf of the proposer represents and warrants that they are authorized to sign on behalf of the proposer and that they have made a diligent inquiry of all members, officers, employees and agents of the proposer with responsibilities relating to the preparation, approval or submission of the proposal on this project and have been advised by each of them that he/she has not participated in any communication, consultation, discussion, agreement, collusion, act or other conduct inconsistent with any of the statements and representations made in this certification; and
 8. This certification is in accordance with Section 103-d of the General Municipal Law.
- B. If the proposer is a corporation, a corporate resolution authorizing the signing of the proposal and this certification must be included with the proposal.

Name of
Proposer: _____
Authorized
Signature: _____
Printed
Name: _____

Title: _____

Date: _____