



Dr. Adrian Palazuelos, Superintendent

Request for Proposal: Independent Audit Services

Deadline for Submittal of Responses: February 28, 2018 (3:00 PM)

The Fillmore Unified School District invites proposals from qualified California licensed firms for independent auditor services for the Fiscal years 2017-18, 2018-19 and 2019-20. Proposals are to be delivered in person or by certified / express mail to the Business Services Office, Attention Andrea McNeill, Assistant Superintendent, Business Services located at the District Office: 627 Sespe Avenue, Fillmore, CA 93015. All proposals must be received by 3:00 p.m. on February 28, 2018 to be considered a responsive proposal. The Fillmore Unified School District reserves the right to extend this deadline by providing a written addendum to the Request for Proposal (RFP).

Proposals submitted by fax or electronic mail will not be considered.

**FILLMORE UNIFIED SCHOOL DISTRICT
NOTICE TO AUDITORS CALLING FOR PROPOSALS
INDEPENDENT AUDIT SERVICES**

NOTICE IS HEREBY GIVEN that Fillmore Unified School District, hereinafter referred to as District, will receive up to, but no later than 3:00 p.m. on February 28, 2018, sealed proposals for the award of contracts for independent audit services for the years ending June 30, 2018; June 30, 2019; and June 30, 2020.

Proposals shall be made on forms prepared by the Fillmore Unified School District. Bid forms, specifications and further information may be obtained from Tracy Orozco, Administrative Secretary, Business Services, phone (805) 524-6018.

The District reserves the right to accept or reject any or all proposals, or any combination of proposals and to waive any irregularities or informalities which may be legally waived.

Each proposal must conform and be responsive to applicable audit and accounting guidelines.

The Education Code requires that contracts for audits must include:

1. A provision to withhold 10% of the audit fee until the State Controller certifies that the audit report conforms to the reporting provisions of the audit guide.
2. A provision to withhold 50% of subsequent year fees if the prior year audit was not certified by the California State Controller.
3. A provision that will allow the State Controller access to audit working papers of the independent auditor. The California State Board of Accountancy may be notified of any substandard work performed.

It is anticipated that the agreement will be for the audit of records of the 2017-18, 2018-19 and 2019-20 fiscal years with an option that allows the District to renew same for the 2020-21 and 2021-22 fiscal years, with estimated inflation factors that will not be exceeded.

Each proposal is not to be construed as a bid, but as one of a number of factors to be considered in making the selection of an audit firm, as per Government Code Section 53060.

Three (3) sealed copies of the proposal shall be submitted no later than 3:00 p.m. on February 28, 2018. Proposals shall be delivered to the attention of:

**Fillmore Unified School District
Andrea McNeill, Assistant Superintendent Business Services
627 Sespe Avenue
Fillmore, CA 93015
ATTENTION: RFP, Audit Services**

It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Proposals received after 3:00 p.m. on February 28, 2018, will be returned to the audit firm unopened. PROPOSALS SUBMITTED BY FACSIMILE OR VIA ELECTRONIC MAIL WILL NOT BE ACCEPTED.

We look forward to receiving your proposal.

Andrea McNeill, Assistant Superintendent Business Services
Fillmore Unified School District

AUDITING CONTRACT SPECIFICATIONS

The following are specifications for the agreement to be entered into between the District and the auditing firm selected to audit the funds of the District for the 2017-18, 2018-19 and 2019-20 fiscal years with an option for renewal of the agreement for the years 2020-21 and 2021-22, under the same terms and conditions.

PREPARATION OF PROPOSAL DOCUMENTS

THREE (3) sealed copies of each of the proposals shall be submitted no later than 3:00 p.m. on February 28, 2018. Proposals shall be delivered to the Fillmore Unified School District, 627 Sespe Avenue, Fillmore, CA 93015, ATTENTION: RFP, Audit Services.

It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Proposals received after 3:00 p.m. on February 28, 2018 will be returned to the Auditor unopened.

PROPOSALS SUBMITTED BY FACSIMILE OR VIA ELECTRONIC MAIL WILL NOT BE ACCEPTED.

SIGNATURE

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

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.

ERASURES

The proposal submitted must not contain erasures, interlineations or other corrections unless each correction is authenticated by the Auditor or authorized agent signing in the margin immediately opposite the correction.

EXAMINATION OF CONTRACT DOCUMENTS

Auditor shall thoroughly examine the contents of the Request for Proposal. The failure or omission of any Auditor to receive or examine any contract documents, form, instrument, addendum, or other document, shall in no way relieve the Auditor from obligations with respect to this Request for Proposal or to the contract to be awarded. The submission of a proposal shall be taken as prima facie evidence of compliance with this Section.

If the Auditor discovers any ambiguity, conflict, discrepancy, omission, or other errors in the Request for Proposal, she/he shall immediately notify the District of the error in writing and request modification or clarification of the document. Clarifications shall be given by written notice to all Auditors participating in the Request for Proposal without divulging the source of the request for same. Modifications shall be made by addendum issued pursuant to the following section "Addenda".

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

ADDENDA

The District may modify this Request for Proposal before the date scheduled for submission of proposals by issuance of an addendum to all parties who received the Request for Proposal for the purpose of submitting a proposal. Addenda shall be numbered consecutively.

MODIFICATION OF REQUEST FOR PROPOSAL RESPONSE

The Auditor may modify his proposal after its 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. All final proposals must be submitted by the stated due date and time.

WITHDRAWAL OF PROPOSALS

The Auditor may withdraw his/her proposal by submitting a written request to the District at any time before the date scheduled for proposal submission. The Auditor may thereafter submit a new proposal before the proposal submission date. Proposals may not be withdrawn after the proposal submission date for a period of 60 days following the submission date.

REJECTION OF PROPOSALS

The District reserves the right to reject any or all proposals received in response to this Request or to negotiate separately with any Auditor when it is determined to be in the best interest of the District to do so.

MISUNDERSTANDINGS

The Request for Proposal documents will be clarified by the District upon written request from an Auditor. The District's decision shall be final in any matter of interpretation of the documents.

COST OF PREPARATION OF PROPOSAL

Costs for developing responses to this Request for Proposal are entirely the responsibility of the Auditor and shall not be chargeable to the District.

EVALUATION OF PROPOSALS

Proposals will be evaluated in accordance with the attached "Proposal Evaluation Form" marked Exhibit A.

BREAKDOWN OF AUDIT FEES BY ENTITY

Proposals will include a "Breakdown of Audit Fees by Entity" in accordance with the attached Exhibit B for Fillmore Unified School District, and Bond audits.

AWARD OF CONTRACT

If the contract(s) 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. It is anticipated that the contract will be awarded within a sixty days from approval of the audit firm by the School Board. Written notification will be made to unsuccessful Auditors.

ERRORS IN PROPOSAL

Auditors shall be bound by the terms and conditions of their proposals notwithstanding the fact that errors are contained herein. However, if immaterial errors are found in a proposal, the District may notify the Auditor that his proposal contains errors and require the Auditor to correct the errors.

WORKERS' COMPENSATION

In accordance with the provisions of Section 3700 of the Labor Code of the State of California, each Auditor shall sign and file with the District the following certificate before performing the work to be done:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self- insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the work to be done under the contract."

INSURANCE

The District requires its consultant provide evidence of coverage for Professional Liability Insurance of at least \$2 million, to be paid by the audit firm. In addition the audit firm must also provide certificates demonstrating \$1 million minimum coverage each of comprehensive liability, automobile liability and workers compensation insurance coverage.

FINGERPRINTING OF OUTSIDE CONTRACTOR (ENTITY) EMPLOYEES

All costs associated with this process are the responsibility of the audit firm. The Auditor, contractor (entity), shall comply with the requirements of Education Code Section 45125.1, including but not limited to the following:

Background Clearance Requirements:

1. Obtain California Department of Justice (CDOJ) clearance for contractor employees as required by EC 45125.1.
2. Prohibit its employees from coming in contact with pupils until CDOJ clearance is ascertained as required by EC 45125.1(e).
3. Certify in writing to the Governing Board and provide the certification to the school district administrator for this contract that none of its employees who may come in contact with pupils have been convicted of a violent or serious felony as required by EC 45125.1(f).
4. Provide a list of the names of its employees who may come in contact with pupils to the school district administrator for this contract, as required by EC 45125.1(f). This list shall be timely revised and shall be by school site as appropriate.

RELATED EXPERIENCE

Auditor must submit information that indicates specific qualifications to perform the financial and compliance audit services as specified herein. Auditor shall submit with his proposal.

1. A list of related clients for whom she/he has performed such services during the past two (2) years. The reference list shall include the names and addresses of each client, the names and telephone numbers of each client's cognizant manager, and the dates the work was performed.
2. A list of the individuals who will be assigned to the audit. All managers and supervisors assigned to the audit must have a minimum of three years' experience performing audits of school districts. All staff below the supervisory level must have a minimum of two years' experience performing school district audits.

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 level, background and experience of individuals to be assigned to perform the audit services.

TENTATIVE SCHEDULE OF EVENTS

Issue Request for Proposal – February 1, 2018

Receive Proposals – February 28, 2018

Complete Evaluation and Oral Interviews – March 9, 2018

Recommend Award of Contract – March 16, 2018

Approval of Selection by Governing Board – March 20, 2018

Contract Finalized by – March 30, 2018

RESPONSE TO PROPOSAL

In order to proposals to be considered, the proposal must be in the following order with a “tab” indicating the title of each section of the proposal. Further, the proposal is limited to a maximum of twenty-five (25) pages.

1. A statement describing how the examination will be conducted in order to comply with the applicable laws, regulations, and standards described in applicable accounting and auditing literature.
2. A brief description of the firm’s system of quality control.
3. A statement of the independence of the firm and its employees.
4. A list of each member of your firm that will be working on the audit and a list of school districts each member has conducted audit work within the past 5 years.
5. List at least five (5) school district audits your firm has completed within the past 3 years along with the name and contact information of the school district representative responsible as your contact person during the audit.
6. A description of the professional education of the firm’s personnel within the last two (2) years, covering school district audit topics.
7. A schedule of rates, maximum fees, and the number of hours planned.
8. A schedule of maximum fees should show firm quotes for the first year and for each succeeding year.
9. A tentative schedule reflection when field work will be conducted on District premises.

AUDIT SCOPE AND STANDARDS

The audit shall be performed in accordance with the requirements of Education Code Section 41020, 41020.2, 41020.3 and 41020.8 (attached) and shall include all funds of the District, including the student body and cafeteria funds and accounts, and any other funds and accounts under the control or jurisdiction of the District. The intent of the code is to encourage sound fiscal management practices among schools for the most efficient and effective use of public funds for education in California by strengthening fiscal accountability at the District, County and State levels.

In addition, the audits of Local Educational Agencies (LEA's) shall be performed in accordance with general accepted auditing standards, as promulgated by the AICPA, generally accepted government auditing standards for financial and compliance audits, the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities and Functions, and the standards issued by the Office of the State Controller in Standards and Procedures for Audits of California K-12 Local Educational Agencies. When applicable, the audits must also be made in accordance with the requirements established by Circular A-133, Audits of State and Local Governments, issued by the U.S. Office of Management and Budget (OMB).

AUDIT CHARGES

The agreement accepted by the District for services per annual report period shall include all necessary travel, secretarial, administrative and other costs 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.

Payment 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 of his/her 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.

AUDIT COMPLETION/REPORTING DELIVERY

No later than the 1st day of December, 2018, 2019, 2020, 2021 and 2022 respectively, the auditor shall deliver the original of each of the audit reports to the District, together with 15 copies suitably bound together and properly indexed, with an additional one (1) unbound copy, as well as an electronic copy in Portable Document Format (Adobe PDF). 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 assistants selected by the auditor, and is not assignable. All audit exceptions of a material nature will be reported, as they are discovered, to the District Assistant Superintendent for Business Services.

Audit work papers shall be maintained by the Auditor for at least five (5) 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 adjustments to financial statements.

FAILURE TO COMPLETE WORK

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, in his judgment may be necessary to complete the work provided by Education Code 41020.2.

TERM OF CONTRACT

The agreement to be entered into for performance of the audit may be canceled by the District at its option by giving notice in writing to the auditors on or before June 1, 2018 or before June 1, 2019. In the former event auditors shall perform no services for the fiscal year ending June 30, 2018, and in the latter event auditor shall perform no services for the fiscal year ending June 30, 2019.

BACKGROUND INFORMATION

The Fillmore Unified School District is located in northern Ventura County just below the San Cayetano Mountain peak in the Los Padres National Forest and within the Santa Clara River Valley. The District is located within a historic Ventura County agricultural and tree farming belt. The District is primarily served by state Highways 126 and 23. The District serves the communities of Fillmore, Bardsdale, Piru and a portion of the unincorporated portions of

Ventura County. The District is located directly west of the fastest growing portion of Los Angeles County.

The District is a K-12 school district and serves approximately 3,800 students in Grades TK through 12th Grade. Approximately 56 percent of its students are Hispanic, 33 percent White, 4 percent Asian and the remainder of different nationalities. Close to 24 percent of the students qualify as English Learners and over 78 percent of the students qualify for free/reduced lunches based on current federal guidelines. Based on the State's funding program, the Local Control Funding Formula (LCFF), approximately 81 percent of the student population (unduplicated count) qualify for additional general fund revenue, supplemental and concentration grants.

The Districts operates 4 elementary schools, 1 middle school, 1 comprehensive high school, 1 alternative education high school, 1 agricultural center and district administrative and operation facilities.

The prior year audit is available on the district's website at:

https://www.fillmoreusd.org/apps/pages/index.jsp?uREC_ID=369878&type=d&pREC_ID=895018

Exhibit A

EVALUATION SHEET FOR REQUEST FOR PROPOSALS

I. TECHNICAL CRITERIA

Those proposers who have met the criteria will be evaluated on the following criteria:

A. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.

1. Appropriateness and adequacy of proposal procedures
2. Necessity of procedures
3. Reasonableness of time estimates
4. Appropriateness of assigned staff levels
5. Timeliness of expected completion

B. Technical experience of the firm

1. Auditing of the type under consideration
2. Auditing local governments
3. Auditing similar entities

C. Qualifications of staff, including consultants to be assigned to the audit. Education, including continuing education courses taken during the past three years, position in the firm and years and types of experience will be considered. This will be determined from the resumes submitted.

1. Qualifications of the audit team.
2. Supervision to be exercised over the audit team by the firm's management
3. Reference from other school districts.

D. Size and structure of the firm

E. Fees

REQUEST FOR PROPOSAL FORM

Board of Trustees

FILLMORE UNIFIED SCHOOL DISTRICT
627 Sespe Avenue
Fillmore, California 93015

RE: Request for Proposal – Audit Firm

Dear Members of the Board of Trustees:

The undersigned, doing business under the firm name of _____

_____, **having carefully examined the Notice to Proposers, the Instructions, the Contract, the Specifications and all of the contract documents for the proposed AUDIT SERVICES proposes to perform the contract, including all of its component parts, and to furnish all labor, material, equipment, supplies, and taxes called for by them for the entire order, as follows:**

Amount of proposal to be outlined in Exhibit B

SUBMITTED BY:

COMPANY

ADDRESS

CITY/STATE/ZIP

SIGNATURE

PLEASE TYPE OR PRINT NAME

TITLE

DATE

PHONE

Exhibit B

BREAKDOWN OF AUDIT FEES BY ENTITY THE AUDITOR'S FEES

The District agrees to pay and the Auditor(s) agree to accept for performance of all services rendered herein, exclusive of extra work and services, a fee in the sum of, not to exceed, \$_. It is understood and agreed that said fee is maximum fee and is subject to corresponding reduction in the event that the actual cost of making the audit proves to be less than is now estimated at the time of entering into this contract. The cost estimates, which include a reasonable profit and constitute the basis upon which the maximum fee has been determined, are hereby fixed and set forth as follows:

FILLMORE UNIFIED SCHOOL DISTRICT AUDIT

Audit Year	Maximum Annual Fee	Estimated Hours
2017-18		
2018-19		
2019-20		
2020-21		
2021-22		

BOND AUDIT

Audit Year	Maximum Annual Fee	Estimated Hours
2017-18		
2018-19		
2019-20		
2020-21		
2021-22		

Extra work and services duly ordered and approved as herein above provided and duly performed shall be computed and paid for at the per hour rate set forth above.

It is understood that the District reserves the right to reject this Proposal in whole or in part; to waive informalities in the proposals or in the bidding, and that this proposal shall remain open and not be withdrawn for a period of sixty (60) days from the date prescribed for the opening of this Proposal.



**NONCOLLUSION AFFIDAVIT TO BE EXECUTED
AND RETURNED WITH PROPOSAL**
(Public Contract Code Section 7106)

_____, deposes and says that
Authorized Representative

he/she is _____ of _____,
Title *Audit Firm Name*

the party providing 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 respondent has not directly or indirectly colluded, conspired, connived, or agreed with anyone else to put in a sham proposal; that the respondent has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other respondent, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the respondent has not, directly or indirectly, submitted his or her price or any breakdown thereof, or the contents thereof, or divulged information of date relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member of agent thereof to effectuate a collusive or sham proposal.

Signature

Typed or Printed Name

ADDENDA

The undersigned acknowledges receipt of the following Addenda and the cost, if any, of such revisions has been included in the Lump Sum Grand Total of your proposal.

Addenda No. _____ Dated _____

Addenda No. _____ Dated _____

Addenda No. _____ Dated _____

Addenda No. _____ Dated _____

Addenda No. _____ Dated _____

Name of Proposer _____