

REQUEST FOR PROPOSAL

Audit Services

Issued on: February 14, 2025

Bid due date: March 7, 2025 by COB (4:00 PM AKST)

CLASSIFICATION: Audit Services Request for Proposal

Terms & Conditions

This request implies no obligation on the part of the buyer. All bids submitted must remain valid for a period of 30 days (unless otherwise specified). The Galena City School District (“School District or GCSD”) reserves the right to negotiate the terms and conditions of any contract entered into as a result of accepting any bid submitted by the successful bidder(s).

The Galena City School District is not responsible for any costs to the bidders for the preparation of proposals.

One or more addenda to the Request for Proposal (RFP) may be issued by the School District after the RFP process is opened. A copy of any addendum issued by the School District must be signed by the bidder and submitted along with its bid. While the School District will make reasonable efforts to notify bidders of any addenda, it is the sole responsibility of the bidder to verify whether any addenda/attachment has been issued. Bidders should check the School District website to ascertain if any addenda have been issued.

Any interested party may obtain a copy of the RFP from the School District website at <https://www.galenaalaska.org/procurement/>.

To be considered for the award, the bid must be received via email no later than 4:00 P.M., Alaska Time, March 7, 2025

Submit a bid to Dr. Jason Johnson, GCSD Superintendent, via email at the following email address:

jason.johnson@galenanet.com

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SECTION 1 – INTRODUCTION

The Galena City School District (GCSD) is seeking proposals from qualified and experienced audit firms service providers to provide comprehensive audit services.

The Galena City School District, hereinafter called the District, operates a public school district under a 5 member-elected school board. The District is a distinct legal entity within the State of Alaska and a component unit of the City of Galena. All funds of the District are accounted for in accordance with generally accepted accounting principles (GAAP) and the requirements of the State of Alaska, Department of Education and Early Development. The district runs Black Mountain Software as our financial accounting software.

SECTION 2 – SCOPE OF WORK

A. Auditing Standards:

To meet the requirements of this RFP, the auditor must ensure that the audit and all reports conform to:

- a. GAAP as set forth by the American Institute of Certified Public Accountants
- b. Government Auditing Standards set forth by the U.S. General Accounting Office
- c. OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*
- d. State of Alaska Single Audit Regulation (2 AAC 45.010)
- e. State of Alaska Audit Guide and Compliance Supplement for State Single Audits

B. Required Reports

Upon completion of each fiscal year audit, the auditor shall issue:

- a. A report on the fair presentation of the financial statements in conformity with the generally accepted accounting principles.
- b. For federal and state purposes, a report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with Government Auditing Standards.
- c. A report on compliance with the requirements applicable to each major program and internal control over compliance in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

- d. A “schedule of findings and questioned costs” summarizing auditor results for a federal and state single audit, if required, along with recommendations for corrective action.
- e. A report on compliance with the requirements applicable to each major program and on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
- f. Reports on compliance with Alaska Statutes 14.14.050, 14.17.505 and other State Requirements.
- g. The auditor shall observe the adequacy of the systems of internal control, accounting procedures, and other significant matters and produce a report to management for the School Board.
- h. All other reports or documentation required to meet the standards set forth in *Section 2. Scope of Services*, “*Auditing Standards*” portion of this request for proposal.

C. Additional Requirements

- a. If material weaknesses are noted, appropriate recommendations should be reviewed with management and included in separate letters to the District School Board.
- b. Seven (7) Copies of all reports (including the audit and Management Letter) shall be made in accordance with Federal and State requirements. It will be the proposed auditor’s responsibility to ensure that one copy is distributed to the Alaska State Department of Education, and the remaining copies delivered to the District. One electronic copy shall also be required.
- c. The opinions and reports shall be dated on or before November 1st of each year and must be delivered by November 15th of each year.

D. Technical Proposal Preparation Requirements

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the technical preparation specified below:

- a. Title Page – Show the Request for Proposals subject, name of your firm, Alaska address, telephone number, name of contact person and date.
- b. Letter of Transmittal – Limit to one or two printed pages. Briefly state your company’s understanding of (1) the work to be done, (2) the organization and (3) its accounting environment. Give the names of the people who will be authorized to make representations for your firm, their titles, addresses and telephone numbers.
- c. Profile of the Audit Organization, Technical Qualifications and Approach
 - i. State whether your audit organization is national, regional or local. Firms submitting proposals must have an Alaska decision-making office.
 - ii. Indicate the number of people in the firm that will handle the audit.
 - iii. Provide a list of the firm’s current and prior government audit clients (borough and school district accounts, other local governments, and federal and/or state single audits grant compliance audits), indicating the types of services and the number of years they were performed.
 - iv. Indicate the firm’s experience in providing additional services to government clients by listing the name of each government, the types of service performed and the years of engagement.
 - v. Describe your audit organization’s quality control program for audits.
 - vi. Provide a copy of your most recent peer review, including the participation dates.
 - vii. Identify any disciplinary action against the firm.
 - viii. Describe your approach to the audit. This should include at least the following points:

1. Type of audit program used, (tailor made, standard government, or standard commercial).
 2. Organization of audit team and approximate percentage of time spent on audit.
 3. Management letter (provide a sample letter).
 4. Typical assistance expected from District staff.
 5. Tentative timetable outline for completing audit, within specified deadlines of RFP.
- ix. The proposal must include a positive affirmation that:
1. The firm is authorized to use the term “certified public accountants” or “CPA”
 2. The firm personnel have experience and expertise in governmental accounting and Federal and State Single Audit requirements.
 3. The firm meets the standards of the Government Auditing Standards
 4. The firm does not have a record of substandard audits according to records maintained by the State Division of Occupational Licensing
- d. Scope of Services – Clearly describe the scope of the required services to be provided. In addition to the services included for the examination, specific reference must be made to the requirements of the Federal Single Audit Act of 1984 and OMB Circular A-133, and the State of Alaska single audit regulations. Although no change in the scope of the audit is anticipated by management, the proposal shall include a description of how cost increase or decreases should be calculated in the event the scope is altered.
- e. Summary of the Audit staff technical qualifications – Identify the partners, managers, and supervisors/seniors who will work directly on the audit, including any staff from other than the Alaskan office. Include resumes for each supervisory person to be assigned to the audit. Describe the experience in local government audits, including federal and state single audits, and grant compliance audits of each senior and higher-level person assigned to the audit.
- f. Conformance with fixed fee – In order to determine an applicant’s ability to conform to the fixed fee set forth, the District requires that the estimated hours of audit work be disclosed in the technical proposal. This is to aid in determining that the engagement has been reasonably planned and, therefore, that the fixed fee can reasonably be adhered to by the proposing auditor.

E. Cost proposal preparation requirements:

- a. All proposals shall follow the format on the *Cost Proposal Page* with respect to price quotations. This is a “not-to-exceed” total for each year’s audit.
- b. The final award will be influenced by the sum of the total cost for three years but will be based on factors outlined in *Section 2. Selection Criteria*.
- c. Prices shall be firm and open for acceptance by the District for a period of not less than thirty (30) calendar days from the date the proposal is due. Prices proposed shall be firm for the audited years ending June 30, 2025, June 30, 2026, and June 30, 2027. All prices and quotations shall be written legibly.
- d. The District is not responsible for any costs incurred in the preparation of proposals.

Section 3 – SELECTION CRITERIA

Proposals will be evaluated to ascertain which proposing auditor best meets the needs of the District. Proposals will be evaluated based on the following criteria, with points awarded out of 100 total:

Presentation (5 points)

- Completeness and organization of all required proposal elements
- Professional appearance and clarity of documentation
- Quality and thoroughness of proposal materials
- Clear and concise communication style

Responsiveness (5 points)

- Clear demonstration of understanding the work to be performed
- Comprehensive response to all RFP requirements
- Evidence of adequate planning for the engagement
- Clear commitment of necessary staff resources
- Detailed project timeline aligned with RFP deadlines

Experience and Qualifications (30 points)

- Demonstrated experience with audit services
- Past performance on similar projects
- References from comparable service contracts
- Expertise in public school district audit services, including rural Alaska
- Expertise in federal and state single audits

Technical Capability (10 points)

- Demonstrated ability to meet response time requirements
- Evidence of adequate planning and commitment of staff resources
- Technical qualifications of the individuals who will be assigned to the audit
- Demonstrated understanding of work to be performed including audit services scope and preparation requirements

Cost Effectiveness (50 points)

- Cost proposals will be evaluated using the following formula: the lowest total cost of all proposals submitted divided by the total cost of this firm's proposal multiplied by 50 will equal the Cost Score or $(\text{Lowest Proposal Firm's Total Cost} \div \text{Proposal Firm's Cost}) \times 50 = \text{Cost Score}$. Total cost is defined as the sum of three years' fixed fees.

Minimum Score Required: 75 points

Only firms which are deemed to be qualified to perform the engagement in the manner specified in this RFP will be rated on the cost proposal (Attachments A-1, A-2, A-3).

GCSD reserves the right to request additional information or clarification from bidders during the evaluation process.

A. Terms of the Contract:

- a) The contract will begin with an award by Galena City School Board for the FY 2025 (year ending June 30, 2025) audit.
- b) The contract will end with the completion of the FY 2027 (year ending June 30, 2027) audit.

B. Audit Payment

Payment will be made upon receipt of detailed invoices at the following phases of the audit:

- a) At completion of interim work.
- b) After final audit work.
- c) Upon receipt of all reports by the District.

C. Minimum Insurance Requirement

Before signing this contract, or commencing work on any project, the proposing auditor shall obtain all insurance required in this section. Proof of insurance must be provided.

The contractor shall provide the following insurance:

- a) Workers' Compensation and Employers' Liability as required by Alaska Law.
- b) Commercial General Liability in the amount of \$1,000,000.
- c) Professional liability in the amount of \$1,000,000 minimum.
- d) Each policy of insurance required by this section shall provide for no less than thirty (30) days advance notice to the District prior to cancellation.

D. Engagement Fees

The District requires that this entire engagement be a fixed fee contract to include all expenses. No additional fees or costs will be allowed unless authorized in advance and approved in writing by the District Superintendent. For any additional fees/costs so authorized, the District requires that they be expressed as a fixed hourly rate for each fiscal year subject to audit, quoted for each staff category of the proposing auditor (i.e. partner, manager, senior, etc.), and that the details of the costs be disclosed.

E. Coordination Required

The District requires the external auditors to coordinate their work with District Personnel. Prior to the commencement of audit work, the auditor will notify the District management of all work papers and reports expected to be prepared by the District.

F. Deviations

The District reserves the right to permit deviations from technical specifications if a service offered is deemed by the District to equal or exceed the specified requirements, and if the service offered is fit for the purpose intended. Any deviations must be noted by the proposing auditor. A proposal may be rejected at the District's sole discretion when the proposed auditor makes a material change in the specifications or terms and conditions of the RFP.

G. Contract Award in Best Interest

The District reserves the right to accept or reject proposals on each item separately or as a whole without penalty, to waive informalities or irregularities, and to contract in the best interest of the District may require in order to obtain the services which best meet the needs of the District as expressed in this RFP.

Any award made will be based on the Selection Criteria described in *Section 2. Selection Criteria* of this RFP.

Section 4 – COMPLIANCE

The selected vendor, contractor, installer will be required to adhere to all Alaska Department of Education

and Early Development (DEED), State of Alaska, and Federal laws and regulations as applicable, including, but not limited to FERPA, COPPA, CIPA, CIPA-2, HIPAA, ADA and the Galena City School District board policy.

The Galena City School District is committed to providing access to our electronic information, including our websites, for individuals with disabilities in accordance with all applicable State and Federal laws.

Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990 require us to ensure that anyone with disabilities seeking information or services from us, have access to and use of information and data that is comparable to the access and use by any other members of the public who are not individuals with disabilities. This requirement extends to any and all web-based services, applications, or other technology that is acquired, contracted or otherwise made available by the School District, to its students, staff and/or community members. Responders to this solicitation shall be equally responsible and contractually bound to ensure their product and service offerings are accessible pursuant to the aforementioned laws. The School District's website accessibility standards can be found here: <https://www.galenaalaska.org/>.

Section 5 – QUESTIONS

Please direct all questions via email to GCSD Superintendent Jason Johnson:
jason.johnson@galenanet.com.

All correspondence is required to be made in writing to ensure the integrity of our bidding process and for recording purposes. Questions initiated during the bid process may also result in addendum items being expanded beyond the initial posting. It is the sole responsibility of the bidder to verify whether any addenda/attachment has been issued or updated.

Section 6 – SUBMISSION

To be considered for the award, the bid must be received by via email no later than 4:00 P.M., Alaska Time, March 7, 2025

Submit bid to Dr. Jason Johnson, GCSD Superintendent, via email at the following email address:
jason.johnson@galenanet.com

The following forms must be completed and returned with the proposal.

- Cost Proposal Page included as Attachments A-1, A2, and A-3 and all proposals shall follow the format on the Cost Proposal Page with respect to price quote.
- Proposal Transmittal Form

No proposals shall be accepted after the aforementioned date and time. Proposals received by the District after the time specified will remain unopened.

If it becomes necessary to revise any part of this RFP or otherwise provide additional information, an addendum will be issued by the District.

ATTACHMENT A - 1 Schedule of Professional Fees and Expenses for the Audit of the FY2025 Financial Statements

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$
Estimated Out of Pocket Expenses				
				\$
				\$
Other (specify)				\$
Subtotal – Out of Pocket Expenses				\$

Total all-inclusive maximum price for 2025 Audit	\$
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**ATTACHMENT A - 2 Schedule of Professional Fees and Expenses for the Audit of the FY2026
Financial Statements**

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$
Estimated Out of Pocket Expenses				
				\$
				\$
Other (specify)				\$
Subtotal – Out of Pocket Expenses				\$

Total all-inclusive maximum price for 2026 Audit	\$
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ATTACHMENT A - 3 Schedule of Professional Fees and Expenses for the Audit of the FY2027 Financial Statements

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners		\$	\$	\$
Managers		\$	\$	\$
Supervisory Staff		\$	\$	\$
Other (specify)		\$	\$	\$
Subtotal		\$	\$	\$
Estimated Out of Pocket Expenses				
Other (specify)				\$
Subtotal – Out of Pocket Expenses				\$
				\$
				\$

Total all-inclusive maximum price for 2027 Audit	\$
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PROPOSAL TRANSMITTAL FORM

BUSINESS NAME

MAILING ADDRESS

CITY / STATE / ZIP

PHYSICAL BUSINESS ADDRESS

CITY / STATE / ZIP

CONTACT PERSON FOR THIS PROPOSAL

TELEPHONE

FAX NUMBER

E-MAIL ADDRESS

ALASKA BUSINESS LICENSE #

FEDERAL TAX ID #

CERTIFICATION: I certify that I am a duly authorized representative of the business listed above and that the information and materials enclosed with this proposal accurately represent the capabilities of the business to provide the services as indicated in compliance with the requirements of the RFP.

SIGNATURE: _____ **DATE:** _____

PRINTED NAME: _____ **PRINTED TITLE:** _____