

**PLUM BOROUGH
SCHOOL DISTRICT**

REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES

FOR

FISCAL YEAR ENDING

JUNE 30, 2016

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TABLE OF CONTENTS

- I. INTRODUCTION**
 - A. General Information
 - B. Term of Engagement
- II. DESCRIPTION OF THE AGENCY**
 - A. General
 - B. Background Information
 - C. Fund Structure
- III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**
 - A. Statements and Schedules to be prepared by the Agency
 - B. General
- IV. NATURE OF SERVICES REQUIRED**
 - A. General
 - B. Qualifying Requirements
 - C. Scope of Work to be performed
 - D. Auditing Standards to be followed
 - E. Reports to be issued
 - F. Working Paper Retention and Access to Working Papers
 - G. Other Audit Services
 - H. Implied Requirements
- V. TIME REQUIREMENTS**
 - A. Proposal Calendar
 - B. Schedule for the Annual Audit
 - C. Report Submissions
- VI. PROPOSAL REQUIREMENTS**
 - A. General Requirements
 - 1. Inquiries
 - 2. Submission of Proposals
 - B. Technical Proposal
 - 1. General Requirements
 - 2. Independence
 - 3. License to Practice in Pennsylvania
 - 4. Firm Qualifications and Experience
 - 5. Partner, Supervisory and Staff Qualifications and Experience
 - 6. Similar Engagements with Other Government Entities
 - 7. Audit Approach
 - 8. Identification of Anticipated Potential Audit Problems
 - C. Dollar Cost Bid
 - 1. Total All-Inclusive Maximum Price

2. Fixed Fees by Category
3. Rates for Additional Professional Services
4. Manner of Payment

VII. EVALUATION PROCEDURES

- A. Committee
- B. Evaluation Criteria
 1. Mandatory Elements
 2. Technical Qualifications
 3. Price
- C. Oral Presentations
- D. Final Selection
- E. Right to Reject Proposals

VIII. APPENDICES

- A. List of Key Personnel and Telephone Numbers
- B. Proposer Guarantees and Warranties
- C. Insurance
- D. Fixed Fees
- F. Sample Audit Services Proposal Letter

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

I. INTRODUCTION

A. General Information

PLUM BOROUGH SCHOOL DISTRICT is requesting proposals from qualified firms of certified public accountants (CPA) to audit its financial statements for the fiscal year ending June 30, 2013, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards (GAAS), the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of Sections 4-230 through 4-236 of the Pennsylvania General Statutes concerning the State Single Audit Act, and the U.S. Office of Management and Budget (OMB) Circular A-133, as necessary.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

There is no expressed or implied obligation for PLUM BOROUGH SCHOOL DISTRICT to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, we must receive sealed, clearly marked copies of a proposal as specified in section VI by 2:00 p.m. on XXXXXX, 2016 at the office of the Director of Business Affairs, located at 900 Elicker Road, Plum Borough, PA 15239. PLUM BOROUGH SCHOOL DISTRICT reserves the right to reject any or all proposals submitted. The Finance Committee will evaluate proposals submitted.

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

PLUM BOROUGH SCHOOL 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 firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between PLUM BOROUGH SCHOOL DISTRICT and the firm selected.

It is anticipated the selection of a firm will be completed by XXXX, 2016. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

B. Terms of Engagement

A five year contract is contemplated, subject to the annual review and recommendation of the Board, the satisfactory negotiation of terms (including a price acceptable to both PLUM BOROUGH SCHOOL DISTRICT and the selected firm), and the annual availability of an appropriation.

II. DESCRIPTION OF THE AGENCY

A. General

The auditor's principal contact with the PLUM BOROUGH SCHOOL DISTRICT will be the Director of Administrative , who will coordinate the assistance to be provided by PLUM BOROUGH SCHOOL DISTRICT to the auditor. PLUM BOROUGH SCHOOL DISTRICT utilizes the Harrison School Solutions (Formerly ProSoft) financial system for its accounting, payroll operations, and assets control and others.

B. Background Information

Detailed information on the agency and its finances can be found in the following documents provided with this Request for Proposal:

1. General Purpose Financial Statements for last year, and
2. Government Auditing Standards and Single Audit Reports for last year, and
3. The current year's agency budget and Board Revenue report
4. The PLUM BOROUGH SCHOOL DISTRICT Annual Reports ending June 30, 2013 and June 30, 2014 are available.

C. Fund Structure

PLUM BOROUGH SCHOOL DISTRICT operates with four (4) funds: the general fund, the special revenue fund, the capital project funds, and the activity fund. Within each fund are a variety of individual programs with individual operational budgets. PLUM BOROUGH SCHOOL DISTRICT also has the PLUM BOROUGH SCHOOL DISTRICT Project, a 501c3, for application of certain foundation grants and individual contributions.

III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

A. Statements and Schedules to be prepared by the Agency

The staff of PLUM BOROUGH SCHOOL DISTRICT will prepare or provide the following statements and schedules for the auditor:

1. General ledger reports
 - Adjusted, balanced trial balance for all funds and projects
 - Check registers for all accounts
2. Payroll records
3. Cash
 - Bank reconciliations - all accounts as of June 30th
4. Accounts receivable
 - Subsidiary ledger showing balance by customer
5. Prepaid expenses schedule
6. Property
 - A list of property additions costing >\$5,000 (per item),
 - A description of any significant asset deletions
7. Accounts payable
 - Subsidiary ledger showing balance by vendor
8. Construction projects
 - Schedule comparing grant receipts, expenses and revenue
9. Debt Schedules including, if applicable:
 - Vehicle leases
 - Rental Leases
 - Capital Leases
10. Operating grants
 - Copy of every grant
 - A break-down of deferred revenue by grant
 - A schedule of grants receivable b y grant and which receivable account they are included in
11. GASB 34 conversion
 - Headquarters space allocation by function

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

Allocation of revenue types by function
Expenses by function

12. Board meeting minutes – 07/01/15 thru 6/30/16
13. PLUM BOROUGH SCHOOL DISTRICT Project 501c3
 - List of board of directors with personal addresses
 - Is there a conflict of interest policy?
 - Program service accomplishments
 - List of nongovernmental contributions received >\$5,000
14. Single audit testing
 - Revenue and expense reports for grants as indicated by firm
15. Internal controls
 - Copies of any write-ups on accounting procedures and/or controls
16. Completed ED001R and supporting documents
17. Schedules of special termination benefits and other long term debt
18. Other records or documents as requested

General

Office space will be provided in close proximity to the financial records. Telephones and Internet Access may be available as well as the use of a copy machine during the engagement. The audit firm will be required to provide its' own equipment and other office materials.

IV. NATURE OF SERVICES REQUIRED

General

PLUM BOROUGH SCHOOL DISTRICT is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2016, with the option to audit PLUM BOROUGH SCHOOL DISTRICT financial statements for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals. Contract renewal based on Agency satisfaction, board's recommendation and approval.

Qualifying Requirements

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

1. Qualified Firm

Firms submitting proposals must be qualified to perform independent audits of school districts (LEA) of the Commonwealth of Pennsylvania. The firm must have been engaged last fiscal year, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Commonwealth of Pennsylvania LEA.

2. Location

The auditors must have an office located within the Commonwealth of Pennsylvania, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

3. Non-Discrimination

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status, sexual orientation or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Agency and may result in ineligibility for further Agency contracts. The Proposer shall at all times in the proposal and contract process comply with all applicable Government, state, and federal anti-discrimination laws, rules, regulations and requirements thereof. The auditor must comply with all regulations including Executive Orders number 3 and 17.

4. Other

Supervisory members of the audit team, including the "in-charge" field auditor, should be Certified Public Accountants and have a minimum of five (5) years of municipal audit experience in the Commonwealth of Pennsylvania. The Finance Committee intends to strongly consider LEA audit experience and certification in evaluating the proposer's audit team.

Scope of Work to be Performed

PLUM BOROUGH SCHOOL DISTRICT desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor is to provide certain limited procedures on the required supplemental information. The auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements based on the auditing procedures applied during the audit of the financial statements and the combining and individual fund financial statements and schedules.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

The auditor is required to perform the procedures on the Form ED001R as enumerated by the State Board of Education.

The auditor is required to complete a school district questionnaire.

The auditor is required to conduct a State Single Audit and a Federal Single audit as necessary.

The auditor is required to prepare the PLUM BOROUGH SCHOOL DISTRICT's year end June PDE- 2057 (Annual Financial Report or AFR for 2015-16) and to submit it electronically to the Pennsylvania Department of Education and other related forms, as necessary, by the stated deadline.

Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Comptroller General's Government Auditing Standards, in conjunction and conformity with sections 4-230 through 4-236 of the Pennsylvania General Statutes (the State Single Audit Act) and OMB Circular A-133 (the Federal Single Audit Act) when applicable.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, and Government Auditing Standards, the Pennsylvania General Statutes and OMB Circular A-133 including but not limited to the following:

Governmental Auditing Standards:

Auditor will prepare a report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

- *A report on compliance with applicable laws and regulations.*

State Single Audit:

- *Reports on the supplementary schedules of state financial assistance.*
- *Reports on the internal control structure used in administering state financial assistance programs.*
- *Reports on compliance with laws and regulations related to major state financial assistance*

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

programs. This report should include an opinion on compliance with specific requirements applicable to major state financial assistance programs.

Federal Single Audit:

- *Reports on the supplementary schedules of Federal financial assistance.*
- *Reports on the internal control structure used in administering federal financial assistance programs.*
- *Reports on compliance with laws and regulations related to major federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs.*

The auditor shall communicate in a letter to the Board of Directors any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by PLUM BOROUGH SCHOOL DISTRICT of the need to extend the retention period. The auditor will be required to make working papers available, upon request by PLUM BOROUGH SCHOOL DISTRICT.

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

Other Audit Services

Periodically the Agency is required to have other accounting work performed. The Auditor will be expected to perform these engagements and any other audit services requested by the Agency outside of the standard audit at the hourly rate stated in Appendix D.

Implied Requirements

All services not specifically mentioned in this request for proposals that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

V. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	July 1, 2016
Due date for proposals	July 15, 2016
Oral presentation, if necessary, by selected proposers	TBD
Appointment by the Board on or before	September 27, 2016
Contract date	September 28, 2016

B. Schedule for the Annual Audit

The following is a list of key dates for the performance and completion of the audit:

Entrance conference with management	by August 1, 2016
Preliminary fieldwork begins	by September 1, 2016
Final audit work begins	by September 30, 2016
Exit conference to review draft and significant findings	by November 18, 2016

C. Report Submissions

Copies of all reports shall be addressed to the Superintendent and President of the Board of Directors. The successful firm will also submit copies of reports as required by state and federal audit requirements.

The submission dates for the various reports to the Agency and the appropriate cognizant agencies on or before December 31st.

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Agency, in writing. It is the Agency's responsibility to secure all necessary approvals in a timely manner. The Auditor shall promptly notify the Audit Committee of any suspicion of fraud, defalcation or misapplication of funds. Such notice shall be in addition to any notice to grantors required by single audit legislation.

The final report and fifteen (15) signed copies and a electronic copy should be delivered to the Director of Business Affairs.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

VI. PROPOSAL REQUIREMENTS

General Requirements

- **Inquiries**

Inquiries concerning the request for proposals and the subject of the request for proposals must be made via email to Mr. Michael Brewer at brewerm@pbsd.k12.pa.us, or by fax to 412-798-6396.

- **Submission of Proposals**

The following material is required by 2:00 p.m. on XXXXXXXX, 2016 at the office of the Director of Business Affairs, Central Administrative Offices, 900 Elicker Road, Plum, PA 15239 for a proposing firm to be considered:

The sealed, clearly labeled Proposal and six copies are to include the following:

- Title Page - Title page showing the request for proposal's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
- Table of Contents
- Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered. A sample of this letter is included in the appendix.
- Detailed Proposal - The detailed proposal should follow the order set forth in Section VI B of this request for proposals.
- Guarantees and Warranties - Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).

The Proposer shall submit a sealed, clearly labeled original and six copies of a dollar cost bid attached to this request for proposals (Appendix D).

Proposers should send the completed proposal consisting of the two (2) separate envelopes to the following address:

Director of Administrative Services
Central Administration Offices
900 Elicker Road
Plum Borough, PA 15239

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

1. Sealed Envelope #1: Audit 2016 Technical Proposal
2. Sealed Envelope #2: Audit 2016 Dollar Cost Bid

Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of PLUM BOROUGH SCHOOL DISTRICT in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information, which should only be included in Appendix D). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent the primary criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of PLUM BOROUGH SCHOOL DISTRICT as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving PLUM BOROUGH SCHOOL DISTRICT or any of its collaborative agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in Pennsylvania

An affirmative statement should be included indicating that the firm and its municipal partner(s) are qualified to practice in Pennsylvania.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide a copy of the firm's last peer review. Only firms with unqualified peer reviews will be considered. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Pennsylvania. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of PLUM BOROUGH SCHOOL DISTRICT. However, in either case, PLUM BOROUGH SCHOOL DISTRICT retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of PLUM BOROUGH SCHOOL DISTRICT, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the firm provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. The listing should provide the name and telephone number of the principal client contact.

7. Audit Approach

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposal. In developing the work plan, reference should be made to such sources of information as the Agency's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of this engagement.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from PLUM BOROUGH SCHOOL DISTRICT.

Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

PLUM BOROUGH SCHOOL DISTRICT will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

2. Fixed Fees by Category

The dollar cost bid should include a schedule of professional fees and expenses; presented in the format provided in the attachment (Appendix D) that supports the total all-inclusive price.

3. Rates for Additional Professional Services

If it should become necessary for PLUM BOROUGH SCHOOL DISTRICT to request the auditor to render any additional services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement,

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

then such additional work shall be performed only if set forth in an addendum to the contract between PLUM BOROUGH SCHOOL DISTRICT and the firm. Any such additional work agreed to between PLUM BOROUGH SCHOOL DISTRICT and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

Evaluation Committee

The Finance Committee will evaluate proposals submitted.

Evaluation Criteria

The following represent the principal selection criteria, which will be considered during the evaluation process of proposals.

Mandatory Elements

The audit firm is independent and licensed to practice in Pennsylvania.

The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.

The firm has no conflict of interest with regard to any other work performed by the firm for PLUM BOROUGH SCHOOL DISTRICT.

The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

Technical Requirements

Expertise and Experience

The firm's past experience and performance on comparable government LEA

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

engagements.

The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

Experience with the preparation of federal and state financial assistance and related reports.

Audit Approach/Service Delivery Plan: Describe how the firm intends to conduct the audit. Describe the service delivery system including who, will do what, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences.

Price - Cost will not be the primary factor in the selection of an audit firm.

Oral Presentations

During the evaluation process, the Finance Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Finance Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

Final Selection

It is anticipated that a firm will be selected by XXX, 2016. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty days of approval.

Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between PLUM BOROUGH SCHOOL DISTRICT and the firm selected.

PLUM BOROUGH SCHOOL DISTRICT reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX A

LIST OF KEY PERSONNEL AND TELEPHONE NUMBERS:

<u>Name</u>	<u>Position</u>	<u>Phone Number</u>

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX B

PROPOSER'S GUARANTEES AND WARRANTIES:

Proposer Guarantees

The Proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section IV, Nature of Services Required.

Proposer Warranties

1. Proposer warrants that it is willing and able to comply with State of Pennsylvania laws with respect to foreign (non-state of Pennsylvania) corporations.
2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of PLUM BOROUGH SCHOOL DISTRICT.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX C

INSURANCE

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term "professional individual or firm" shall also include the individual's or firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

Minimum Scope and Limits of Insurance:

- 1) Broad Form Comprehensive General Liability - \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products/completed operations.
 - 2) 2) Automobile Liability - \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
 - 3) Umbrella Liability - \$1,000,000 per occurrence, following form.
 - 4) Workers' Compensation - Limits as required by State of Pennsylvania Labor Code.
 - 5) Employers' Liability - \$500,000 each accident with \$500,000 disease/policy limit and \$500,000 disease/each employee.
 - 6) Professional Liability (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two (2) years following contract completion.) - \$1,000,000 per occurrence and \$1,000,000 aggregate.
 - 7) Personal Property Coverage - Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Agency property, while in use or in storage, for the duration of the contract.
 - 8) Aggregate Limits - Any aggregate limits must be declared to and be approved by the Agency. At the option of the Agency, the insurer shall increase or eliminate the aggregate limit and notify the Agency of any erosion of aggregate limits.
- A. Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to and be approved by the Agency. At the option of the Agency, the insurer shall

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX C (continued)

reduce or eliminate such deductibles or self-insured retentions as regards the Agency or the Auditors shall procure a bond, which guarantees payment of the losses and related investigations, claims administration and defense expenses. At no time will the Agency be responsible for the payment of deductibles or self-insured retentions.

- B. Notice of Cancellation or Non-renewal - Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency.
- C. Other Insurance Provisions - The policies are to contain, or be endorsed to contain, the following provisions;
- 1) Liability, (General, Automobile, Professional) Coverage;
 - a. **"The Agency and its respective officers, agents, officials, employees, volunteers, boards and commissions"** are to be named as additional insured with regards to liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency.
 - b. The Auditor's insurance coverage shall be the primary insurance as regards the Agency. Any insurance or self-insurance maintained by the Agency shall be in excess of the Auditor's insurance and shall not contribute with it.
 - c. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the Agency.
 - d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer's liability.
 - 2) Workers' Compensation and Employer's Liability Coverage
 - a. The insurer shall agree to waive all rights of subrogation against the Agency for losses arising from the work performed by the Auditor for the Agency.
 - b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish the Agency with adequate proof of the self-employment status. The Auditor agrees to waive all rights of claims against the Agency for losses arising from the work performed by the Auditor. In the event that during the contract this self-employment status should change, the Auditor shall

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX C (continued)

immediately furnish proper notice to the Agency and a certificate of insurance indicating that Workers' Compensation insurance and the Auditor as has obtained Employer's Liability coverage required by this Exhibit.

D. Acceptability of Insurers

- 1) Insurance is to be placed with insurers which have a Best's rating of at least A.
- 2) Insurance companies must either be licensed to do business in the State of Pennsylvania or be deemed to be acceptable by the Agency's Attorney.

E. Verification of Coverage

The Auditor shall furnish the Agency with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the district before work commences. Renewal of expiring certificates shall be filed thirty days prior to expiration. The Agency reserves the right to require complete, certified copies of all required policies, at any time.

All insurance documents required by this Exhibit shall be mailed to the Director Business/Finance once the firm proposal is accepted.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX D

FIXED FEES

To be submitted on your firm's letterhead in a separate envelope.

Firm's Name:

Location of office staffing the audit:

Number of Municipal professional audit staff:

Number of Municipal audit staff to be assigned:

FIXED FEES

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
General Agency: Financial Audit	_____	_____	_____	_____	_____
State Single Audit	_____	_____	_____	_____	_____
Federal Single Audit, if needed	_____	_____	_____	_____	_____
The PLUM BOROUGH SCHOOL DISTRICT Project – 501c3	_____	_____	_____	_____	_____
TOTAL:	_____	_____	_____	_____	_____

Total hours included in total fees and hourly rate used for each level for services outside the specified scope:

	<u>No. of Hours</u>	<u>Hourly Rate</u>
Partner	_____	\$ _____
Manager	_____	\$ _____
Senior	_____	\$ _____
Staff	_____	\$ _____
Support	_____	\$ _____

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX D (continued)

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

**PLUM BOROUGH SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES
For Fiscal Year Ending June 30, 2016**

APPENDIX E

**SAMPLE AUDIT SERVICES PROPOSAL LETTER
(To be submitted on your firm's letterhead)**

To: Director of Administrative Services
900 Elicker Road
Plum Borough, PA 151239

Dear Director of Administrative Services:

We have read the Auditing Services Request For Proposal (RFP) and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Evaluation Committee.

We have attached the following:

1. Proposal as outlined in Section VI
2. Appendix B: Proposer Guarantees and Warranties
3. Appendix C: Insurance
4. Appendix D: Fixed Fees (separate envelope).

It is further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to the Agency.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____