Request for Proposal (RFP)

Educational Data Systems, Inc.

Audit Services

**REQUEST FOR PROPOSAL: Audit Services Summary**

EDSI requests qualified independent certified public accountants to submit proposals to enter into a five-year contract to perform program-specific audits.

EDSI reserves the right to review the agreement on a regular basis regarding performance and cost analysis, and may negotiate price and service elements during the term of the contract.

All inquiries for information should be directed to:

Rob Dancer, CFO

15300 Commerce Drive N.

Dearborn, MI 48120

rdancer@edsisolutions.com

Questions will be accepted until 5:00 p.m. on 7/15/2019.

All questions and answers will be posted on the EDSI website (EDSIsolutions.com) no later than 5:00 p.m. on 7/19/2019.

A full copy of the RFP is available on the EDSI website.

Proposals are due by 5:00 p.m. on 7/31/2019.

Proposals should be mailed, emailed or hand delivered to:

Rob Dancer, CFO

15300 Commerce Drive N.

Dearborn, MI 48120

rdancer@edsisolutions.com

**I. Purpose**

The purpose and intent of this Request for Proposal (RFP) is to enter into a contract with a qualified independent certified public accountant (hereinafter called the "Auditor/Offeror") to perform program-specific audits pursuant to the Super Circular for approximately 25 Program Specific audit reports. These reports encompass an estimated 45 to 50 programs and represent both TANF and WIOA funding.

**II. Proposed Schedule of Implementation**

1. Issue Request for Proposal (RFP): 6/20/2019
2. Questions Due: 7/15/2019
3. All Questions and Answers Posted on Website: 7/19/2019
4. Proposal Due: 7/31/2019
5. Award of Contract: on or before 8/15/2019

**III. Scope of Work to Be Performed**

1. Audit Standards:

The auditor shall perform an audit for each fiscal year of the contract period in accordance with
the following:

1. Auditing standards generally accepted in the United States of America, as promulgatedby the American Institute of Certified Public Accountants (AICPA)
2. *Government  Auditing  Standards*,  2011  revision,  published  by  the  U.S. Government Accountability Office
3. For the annual audit – the audit requirements of Title 2 U.S. Code of Federal

Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, andAudit Requirements for Federal Awards (Uniform Guidance) where applicable

1. Report Requirements:

A reporting package must be prepared and submitted for every audit performed. The reports may be in the form of either combined or separate reports, and the reporting package can be organized differently from the order presented in the guidelines. To comply with the reporting requirement, auditee, as a for-profit recipient, shall have a program-specific audit performed, based on the award(s) year, and should obtain from auditor:

1. Expenditures of Federal Awards Financial Report – Management prepares EDSI’s Schedule of Expenditures of Federal Awards (SEFA). The auditor shall audit the SEFA and records of EDSI. The auditor shall issue an auditor’s opinion on the presentation in conformity with terms of the awards and the cost principles governing the expenditures of funds, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.
2. Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards.
3. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor’s findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.
4. Reporting Deadlines – The audit must be completed with an electronic copy of each of the required auditor’s reports and must be submitted in accordance with individual contractual obligations.

**IV. Submission of Reports**

The auditor should be able to perform the audit within the required timeline and must be ready to compensate the auditee for any penalties that may result from delayed responses caused by the auditor.

**V. Proposal Preparation and Submission Requirements**

NOTICE: By submitting a proposal in response to this RFP, the Bidder is acknowledging that the requirements, scope of work and evaluation process outlined in this RFP are fair, equitable, not unduly restrictive, understood and accepted. Any exceptions to the content of the RFP must be protested to EDSI prior to the closing date and time for submission of the proposal.

The proposal must be received no later than July 31, 2019, by 5:00 p.m. EST or the proposal will be otherwise disqualified.

**The preferred method of proposal submission is electronically in PDF format to** rdancer@edsisolutions.com. However, if you choose to submit a hard copy, it must be submitted to Rob Dancer, EDSI’s CFO, at the address below, postmarked on or before July 31, 2019;

EDSI
15300 N. Commerce Drive

Dearborn, MI 48120

Selection of the contractor will be made on or before August 15, 2019, and all Bidders who
have submitted will be notified immediately as to the selection results.

RIGHT TO REJECT

EDSI reserves the right to reject any and all proposals submitted and to request additional
information from all Bidders. EDSI also reserves the right to cancel the RFP and award at

any time at its sole discretion. EDSI is not liable for any expense incurred by Bidder in
preparing for and responding to this RFP.

**VI. Proposal Qualification Requirements**

An  interested  certified  public  accounting  firm  (Bidder)  must  include  the  following
information in its proposal to be considered.

1. PROFILE OF THE BIDDER
2. The organization and size of the Bidder, and whether it is local, regional, national or international in operations.
3. The office location from which the work is to be done and the number of professional staff, by staff level, employed at the office. Also describe the Bidder’s policy on availability/responsiveness of staff and potential fees for questions between audit years.
4. A positive statement that the following mandatory criteria are satisfied:
	1. An affirmation that the Bidder is properly licensed for practice as a Certified Public Accountant in the State of Michigan
	2. An affirmation that the Bidder meets the independence requirements of AICPA Rule 101 and the *Government Auditing Standards*
	3. An affirmation that the Bidder meets the continuing education and external quality control review requirements contained in the current version of the *Government Auditing Standards*
5. Is the Bidder, any principals of the Bidder, or any affiliate to the Bidder the focus of any pending or ongoing litigation, formal investigation or administration proceedings related to attestation services? If yes, please describe.
6. A copy of the Bidder’s most recent peer review report
7. BIDDER’S QUALIFICATIONS
8. Identify the audit partners, audit managers, field supervisors, and other staff who will work on the audit, including staff from locations outside the local office. Include resumes which outline relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the audit.
9. Describe a recent local office auditing experience similar to the type of audit requested.
10. The above information for any other firms and their employees that may participate in the audit

C. BIDDER’S APPROACH TO THE EXAMINATION

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit
work plan should demonstrate the Bidder's understanding of the audit requirements and the audit

tests and procedures to be applied in completing the audit plan. The plan should detail the
expected number of audit hours.  The plan should also identify the breakdown of total hours

between staff, incharges, and higher levels. The planned use of specialists, if any, should also be  specified. Please base expected number of audit hours on previous experience similar to the type  of audit requested.

EDSI encourages, but does not require, some preliminary work during the middle part of the year to spread out time requirements on EDSI management and staff. That preliminary work

should be restricted principally to documentation and testing of internal controls and systems,
compliance testing, and not analytical reviews and roll-forwards.

D. TIME REQUIREMENTS

Detail how the reporting deadline requirements of the audit will be met.

E.   FEES

Supply the billing rates, estimated number of billable hours, other billable expenses, and a
comprehensive "not-to-exceed" fee for the audit, inclusive of travel and all other out-of-
pocket expenses. As noted, it is expected that if the Contractor performs

satisfactorily for the June 30, 2020 audit, it will be engaged to perform the audit for up
to four additional years. Therefore, the not-to-exceed fee information requested above should
be provided on an annual basis for fiscal years ending 2020 through 2024. The annual contract
extensions will be negotiated before the start of each extension.

F.   NON-DISCRIMINATION

Affirm that the Bidder does not discriminate against any individual because of race, color, sex,
age, religion, national origin, disability, pregnancy, familial status, veteran status, genetic

information,  sexual  orientation,  or  gender  identity,  and  that  these  are  not  factors  in
consideration for employment, selection of training, promotion, transfer, recruitment, rates of

pay, or other forms of compensation, demotion, or separation.

G.  CONFLICT OF INTEREST

Affirm that none of the Bidder’s officers, employees, or immediate family members of its
officers and employees is or has been an elected official, employee, board member, or

Commission member of EDSI or its affiliates who influence the RFP, selection of a
Bidder, or the subsequent written agreement. Each Bidder must also represent and warrant

that it has not provided any compensation in any form, whether directly or indirectly, to an
elected official, employee, board member, or commission member of EDSI or its

Affiliates who influences the RFP, selection of a Bidder, or the subsequent written agreement.

**VII. CONTRACTUAL ARRANGEMENTS**

1. DOCUMENT RETENTION
	1. Workpapers and reports for the audit must be retained for a period of five years after  the completion of the audit, and made available upon request from the contracting  entities.
2. COMPENSATION FOR SERVICES
	1. Progress payments may be made during the audit period based on percent of work  complete.Final payment for the audit will be made upon receipt of the audit reports  required in Section II.
3. AVAILABILITY OF STAFF
	1. EDSI  staff  will  be  available  to  prepare  schedules,  indirect  rate  schedules,  and   provide documentation to assist the auditor during the audit.
4. CONFIDENTIALITY
	1. The Bidder must be willing to guarantee the confidentiality of all files, emails,  documents and other information that are obtained or accessed in execution of the  audit, unless it hasreceived prior written authorization from EDSI. The Bidder must  also be willing to use reasonable precautions and processes to prevent unauthorized access, use, or disclosure of any file, email, document, or other information.
5. WRITTEN AGREEMENT
	1. By submitting a proposal to the RFP, the Bidder signifies that it is willing and able to  enter into a written agreement with EDSI to fulfill each of the terms found in the RFP.

**VIII. EVALUATION OF PROPOSALS**

The following criteria will be considered when making an evaluation of the proposals, each having a scoring weight of 25%:

1. RESPONSIVENESS OF THE PROPOSAL (25% SCORING WEIGHT)

Responsiveness of the proposal in clearly stating an understanding of the audit services to be
performed.

* 1. Appropriateness and adequacy of proposed procedures.
	2. Reasonableness of time estimates, timing of audit, and total audit hours.
	3. Appropriateness of plan to meet stated deadlines.
	4. Appropriateness of assigned staff levels, including proposed fieldwork hours of  managers and partners
	5. Availability and responsiveness of audit staff
1. TECHNICAL EXPERIENCE OF THE FIRM (25% SCORING WEIGHT)

1.  Governmental audit experience, including number and size of past and current

 governmental clients (with specific emphasis on municipal clients)

2.  Size and structure of the firm

3. Results of most recent peer review

1. QUALIFICATIONS OF STAFF PROPOSED TO PERFORM THE AUDIT (25% SCORING WEIGHT)

1.  Years of government auditing experience (with specific emphasis on municipal clients)

2.  Knowledge of Uniform Guidance and SEFA reporting requirements

 D. COST OF THE AUDIT (25% SCORING WEIGHT)

**IX. SOURCES OF INFORMATION**

The individual listed below may be contacted for information.

Robert Dancer, CFO

Phone: 313-271-2660

Email: rdancer@edsisolutions.com