



REQUEST FOR PROPOSALS:

AUDIT SERVICES

Issue Date: February 13th, 2017

Due Date: March 22nd, 2017

In order to be considered, proposals must be signed and returned via email to rtan@wested.org by noon PST on March 22nd, 2017

Proposal responses will be considered valid for a period of 90 calendar days after the proposal due date.



PROPOSAL FOR AUDIT SERVICES

Table of Contents

I.	INTRODUCTION	1
II.	BACKGROUND	1
III.	WESTED CONTACT	2
IV.	SOLICITATION FORM	3
V.	SOLICITATION KEY DATES AND TIMELINE	4
VI.	PROPOSAL SCOPE AND GUIDELINES	5
VII.	PROPOSAL OUTLINE	7
VIII.	PROPOSAL SUBMISSION AND SELECTION PROCESS	9
IX.	REVIEW PROCESS	9
X.	NOTICE TO FIRM(S)	9
XI.	REJECTION OF PROPOSAL(S)	10
XII.	COMPLIANCE WITH LAWS	11
XIII.	WRITTEN QUESTIONS AND ADDENDA	11
XIV.	SUBMISSION	11
XV.	PROTESTS	12

I. INTRODUCTION

WestEd is soliciting proposals from qualified firms to provide audit services relating to the annual financial and single-audit for the years ending November 30th, 2017, 2018, and 2019.

This request for proposal (RFP) contains background information on WestEd and specific information that must be included in the proposals submitted. An electronic version of the proposal must be received no later than March 22nd, 2017.

Electronic copies must be delivered via email to rtan@wested.org. If necessary, physical copies may be delivered directly to our office at the following address:

WestEd
4665 Lampson Ave.
Los Alamitos, CA 90720
Attn: Ronia Tan, Controller

II. BACKGROUND

WestEd is a not-for-profit research, development, and service agency that works with education and other communities to promote excellence, achieve equity, and improve learning for children, youth, and adults. WestEd has over 640 employees, located in 16 offices across the United States, and had revenue in excess of \$160 million for Fiscal Year 2016.

WestEd is a Joint Powers Agency (“JPA”) formed under the California Joint Exercise of Powers Act, California Government Code section 6500 et seq. and governed by public entities in Arizona, California, Nevada, and Utah. WestEd’s Board of Directors is comprised of members representing agencies from these states, as well as other national education and business leaders. WestEd’s income is tax exempt under Section 115 (1) of the Internal Revenue Code.

WestEd complies with the required federal regulations on procurement, as well as applicable State procurement law and procedures.

Efforts, including affirmative steps prescribed by federal regulation (if applicable), will be made by WestEd to utilize small and minority-owned businesses, women’s business enterprises and labor surplus area firms when possible. The selected firm may be required to undertake affirmative steps to utilize such firms in subcontracts if this contract is federally funded. A firm qualifies as a small business firm if it meets the definition of “small business” as established by the Small Business Administration (13 CFR 121.201, Subsector 541219) by having average annual receipts for the last three fiscal years not exceeding \$20.5 million.

III. WESTED CONTACT

All communications, including any requests for clarification, concerning this RFP should be addressed in writing to the following:

Ronia Tan
Controller
rtan@wested.org

IV. SOLICITATION FORM

FAILURE TO SIGN THIS PAGE WILL DISQUALIFY YOUR RESPONSE

The undersigned offers and agrees to furnish the audit services listed in this document at the prices and terms stated, subject to all of the terms and conditions of this Request for Proposal. The undersigned warrants and represents their authority to bind the firm into an agreement subject to the terms and conditions of this Request for Proposal.

Company Name:

Street Address:

City, State Zip:

Email:

Telephone:

By (Authorized Signature)	Date Signed:
Print name and title of Authorized Signatory	

ALL SPECIFICATIONS, TERMS, AND CONDITIONS OF THIS REQUEST FOR PROPOSAL WILL BE INCORPORATED INTO ANY RESULTING AGREEMENT.

V. SOLICITATION KEY DATES AND TIMELINE

RFP Activity	Dates
RFP Released	February 13, 2017
Questions Due by Firms	February 22 2017
Response to questions posted	March 1, 2017
Proposal Due Date	March 22, 2017
Interviews	April 19, 2017
Award Notice	April 28, 2017
Meeting with CAO and Controller to review all work papers and schedules to be prepared by WestEd	TBD by Auditor and Controller
Entrance Conference with WestEd Board	TBD by Auditor and Controller
Performance Period and Exit Conference	TBD by Auditor and Controller
Copies to the Board of Directors and Chiefs	March 16, 2018
Presentation to WestEd Board	April 26, 2018
Copies to WestEd	May 4, 2018

VI. PROPOSAL SCOPE AND GUIDELINES

SCOPE OF SERVICES

WestEd will receive proposals for audit services relating to the annual financial and single-audit for the years ending November 30, 2017, 2018, and 2019. The audit engagement will be for one year (FY 2017), with an option to renew for two additional years. The WestEd Board of Directors must confirm the auditor's appointment annually.

The audit services will require an Independent Auditor's Report on (1) WestEd, a joint powers agency organized under California Government Code Section 6500 and located at 730 Harrison Street, San Francisco, CA 94107; (2) Far West Laboratory for Educational Research and Development, a joint powers agency organized under California Government Code Section 6500 and located at 730 Harrison Street, San Francisco, CA 94501; and (3) Southwest Regional Laboratory for Educational Research and Development, a joint powers agency organized under California Government Code Section 6500 located at 4665 Lampson Avenue, Los Alamitos, CA 90720. Moreover, the audits shall be performed in accordance with the following:

1. U.S. Generally Accepted Auditing Standards
2. *Government Auditing Standards* issued by the Comptroller General of the United States
3. OMB 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*

WestEd will require the audit firm to meet with the Chief Administrative Officer and the Controller to review all work papers and schedules to be prepared by WestEd. The first year fieldwork must begin on or before February 23, 2018. The audit must be completed in time for the April 26, 2018 Board meeting and the audit reports shall be submitted by March 16, 2018 for distribution to the Board of Directors, the Chief Executive Officer, and members of the Executive Team.

A presentation to the Board on April 26, 2018 will be made by the audit partner or manager in charge. Remaining copies will be delivered by May 4, 2018 to WestEd.

The audit report should conform to any standard reporting formats issued by the Comptroller General of the United States Office and/or any existing AICPA Audit Guides and the requirements of OMB Uniform Guidance.

Exit Conference

An exit conference with the Chief Administrative Officer or designee and the firm's representatives will be held at the conclusion of the fieldwork. Observations and

recommendations must be summarized in writing and discussed with WestEd. It should include internal control and program compliance, observations, and recommendations.

Workpapers

Upon request, the firm will provide a copy of the workpapers pertaining to any questioned costs identified in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

The audit report should include a management letter, if appropriate, which includes recommendations affecting the financial statements, internal control, accounting systems, and legality of actions.

Bound copies of the report, including the management letter, should be typed and reproduced by the firm accepting the contract in a quantity sufficient to meet the needs of WestEd and its Board's Management Committee serving as Audit Committee.

PROPOSAL GUIDELINES

1. WestEd reserves the right to reject any and all proposals received, and its decision is final.
2. Only proposals received within the time frame given will be considered.
3. The Solicitation Form should be completed and manually signed by a partner of the firm submitting the proposal.
4. Notification of Award
It is expected that a decision selecting the successful audit firm will be made within three (3) months of the closing date from the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all firms submitting proposals in response to the Request for Proposal will be informed, in writing, of the name of the successful audit firm.
5. The fees quoted in your proposal and included in the contract will be the maximum paid, unless both parties complete an amendment to the contract.
6. The audited financial statements for FY 2015 and 2014 are available to review by firms wishing to make a proposal.
7. The final contract shall incorporate this proposal.
8. The firm shall maintain the confidentiality of all of WestEd's confidential information.

VII. PROPOSAL OUTLINE

In order to simplify the review process and to obtain the maximum degree of comparability, the proposals should include the following items and be organized in the manner specified below.

Letter of Transmittal

A letter of transmittal briefly outlining the firm's understanding of the work and general information regarding the firm and individuals to be involved is limited to a maximum of two pages. The letter should clearly identify the local address of the office of the firm to be performing the work, the telephone number, and the name of the authorized representative.

Table of Contents

Include a table of contents that identifies the material by section, page number, and a reference to the information to be contained in the proposal.

Profile of Firm Proposing

1. State whether the firm is a local, national, or international firm and include a brief description of the size of the firm.
2. State whether the firm is in compliance with the registration and permit requirements to engage in the practice of public accounting in California.
3. Describe the local office from which the work is to be performed.
 - a. Location of office.
 - b. Current size of the office.
 - c. The size of professional staff by level, such as partner, manager, supervisor, senior, and other professional staff.
 - d. The number of CPA's in the office.
4. Any other information required to describe the office that will be performing the work.

Qualifications

1. Describe the recent local office auditing experience with similar audits to which the proposal relates. If appropriate, include regional experience in auditing similar entities.
2. Include resumes of all key professional members who will be assigned to the audit. Résumés should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The résumés should include:

- a. The amount of experience the individual has in the auditing profession.
 - b. A summary of similar audits the individual has worked on.
 - c. A summary of the continuing professional education the individual has in non-profit accounting and auditing during the last two years (state the number of CPE hours earned).
 - d. A statement whether the individual is independent, as defined by applicable auditing standards.
3. Describe the firm's policy on notification of changes in key personnel.
 4. Provide a listing of the number of professionals in the office who are experienced in non-profit auditing.
 5. Describe the availability of individuals within the firm who are heavily involved in non-profit auditing and reporting and with whom the audit team may consult.
 6. Briefly describe the firm's system of quality control to ensure the audit is adequately performed.
 7. Include copies of the firm's peer review reports for the last three (3) years.
 8. Include three audit client references.

Scope of Services and Proposed Project Schedule

Briefly describe the firm's understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract will be issued on the date given in the cover letter, including the approximate dates the firm would perform field work, office review, and report preparation and the latest delivery date of the final report.

Fees and Compensation

Provide the following information:

1. Estimated total hours to complete the audit.
2. Estimated out-of-pocket expenses.
3. The hourly rate by staff classification.
4. The all-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. The frequency and timing of the firm's billing process.

VIII. PROPOSAL SUBMISSION AND SELECTION PROCESS

The proposal will be evaluated based upon the following areas. Therefore, it is important that the proposal be responsive to data requested.

1. Qualifications

- a. Organizational structure and size of the firm.
- b. Organizational structure and size of the office performing the work.
- c. Recent experience in similar audits.
- d. Qualifications of the audit team and number of individuals experienced in non-profit auditing.
- e. Individuals the audit team may consult with.
- f. Understanding of the work and timetable to complete the engagement.

2. Contract Price

Overall cost including out-of-pocket expenses for performance of the audit.

3. Submission of Proposals

All submissions shall be done via email as stated in the RFP cover.

4. Evaluation

Evaluation of each proposal will be based on a point system for each section of the proposal. Contract price will be limited to 30% of total available points.

IX. REVIEW PROCESS

WestEd may, at its discretion, request interviews/presentations by or a meeting with any or all firms, to clarify or negotiate modifications to the firm's proposal. However, WestEd reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the firm can propose. WestEd contemplates award of the contract to the responsible firm with the highest total points and its decision is final.

X. NOTICE TO FIRM(S)

All materials provided to WestEd become the property of WestEd and may be returned only at its sole discretion. WestEd is a public entity. All proposals and any materials submitted with a proposal may be deemed public records subject to disclosure pursuant to the California Public Records Act. No portion of any proposal or materials submitted therewith will be withheld from disclosure as proprietary, trade secret or confidential unless that portion is clearly marked by the firm as such, and the firm agrees to indemnify

WestEd against any claim or action to compel disclosure of such portion of the proposal. WestEd is not obligated to accept any proposal or to negotiate with any entity. All transactions are subject to the final approval of WestEd, which reserves the right to reject any and all proposals without liability. All costs directly or indirectly related to a response to this RFP will be borne by the firm.

The contract, if any, shall be awarded to the responsible firm whose proposal is most advantageous to WestEd, based on the evaluation criteria set forth in this RFP. WestEd may at its sole discretion select the response that best fits its needs, may choose to cancel the RFP, or to not select any Firm. A selection committee will evaluate the responses based on established criteria, including compliance with the direction herein, experience and qualifications, cost, financial position of the company, and other factors as stated in this RFP. If selected, the successful firm will enter into a written agreement with WestEd that will include service agreements and compensation agreements.

All information in this RFP should, for purposes of this RFP, be considered proprietary and confidential. Information contained in this RFP should not be shared or distributed without the expressed written consent of WestEd.

XI. REJECTION OF PROPOSAL(S)

WestEd reserves the right in its sole discretion to reject any or all proposals, in whole or in part, without incurring any cost or liability whatsoever. All proposals will be reviewed for completeness of the submission requirements. The proposal may be rejected if it fails to meet a material requirement of the RFP or if it is incomplete or contains irregularities. A deviation is material to the extent that a proposal is not in substantial accord with RFP requirements.

Immaterial deviations may cause a bid to be rejected. WestEd may or may not waive an immaterial deviation or defect in a proposal. WestEd's waiver of an immaterial deviation or defect will in no way modify the RFP or excuse a firm from full compliance with the RFP requirements.

Any proposal may be rejected where it is determined to be not competitive, or where the cost is not reasonable.

Proposals that contain false or misleading statements may be rejected if in WestEd's opinion the information was intended to mislead WestEd regarding a requirement of the RFP.

WestEd may reject a proposal from a firm it finds non-responsible. Any person or entity that has substantially assisted WestEd in preparing any part of this RFP is prohibited from

submitting a proposal. Submission of a proposal to WestEd shall constitute the firm's certification that the proposal is not collusive.

XII. COMPLIANCE WITH LAWS

Any Firm must affirmatively agree and certify that it will comply with all applicable federal, state, and local laws and regulations, including but not limited to the provisions of the Fair Employment and Housing Act (Govt. Code, § 12900 et seq.) and any applicable regulations promulgated there under (Cal. Code of Regs., tit. 2, § 72850.0 et seq.). Any Firm must affirmatively agree to include the non-discrimination and compliance provisions of this clause in any and all subcontracts to perform work under the agreement.

XIII. WRITTEN QUESTIONS AND ADDENDA

Written questions or comments regarding this RFP must be in writing and received no later than February 22, 2017. Questions should be emailed to the Controller, Ronia Tan at rtan@wested.org. All questions will be responded to via email. Firm(s) invited to submit proposal understand and agree that they have an affirmative duty to inquire and seek clarification regarding anything in this RFP that is unclear or open to more than one interpretation.

WestEd, at its sole discretion, may make questions submitted by Firms and responses to the submitted questions available to all Firms.

WestEd reserves the right in its sole discretion to revise or amend this RFP prior to the stated submittal deadline. Any such revisions will be made by written addenda to this RFP. Firms are responsible for verifying they have received, and all proposals shall acknowledge receipt of, all addenda issued by WestEd relating to this RFP. Failure to acknowledge receipt of all such addenda may render a proposal nonresponsive.

XIV. SUBMISSION

Electronic copies of responses must be received by March 22nd, 2017. Any response received after this date may be returned or not considered. Responses should be submitted electronically to the Controller at rtan@wested.org. If Firms wish to also submit a hard copy of the proposal, it needs to be postmarked no later than the due date and mailed to 4665 Lampson Ave., Los Alamitos, CA 90720; Attn: Ronia Tan. Submission of a proposal shall constitute the firm's representation that it:

- Has thoroughly examined and become familiar with the scope of work set forth in this RFP;
- Understands the requirements of the scope of work, the nature of the work and all other matters that may affect the work;

- Will honor its proposal for no less than 90 days after the submission date stated in this RFP (or until execution of a final contract with the selected firm, if sooner), and acknowledges that its proposal cannot be withdrawn within that time without the written consent of WestEd;
- Will comply with all requirements set forth in this RFP, and in the ensuing contract, if any.

XV. PROTESTS

Following the selection of the apparent successful firm, WestEd shall notify all firms of its intent to award a contract to such firm. Any protest to the award of the contract to the apparent successful firm shall be submitted to WestEd in writing within no less than five (5) calendar days from the date of such notice. Any protest shall state with specificity the ground on which the protestor alleges the contract may not be awarded to the apparent successful firm. WestEd shall consider any properly submitted protest and may accept or reject such protest as it determines appropriate in its sole discretion.