

# Los Rios Community College District

## **REQUEST FOR PROPOSAL #16022 AUDITING SERVICES**

**RFP ISSUE DATE**  
**FEBRUARY 1, 2017**

**RESPONSE DUE DATE**  
**MARCH 1, 2017**  
**2:00 PM**

**Los Rios Community College District  
Request for Proposal #16022 for Auditing Services  
For the Fiscal Years 2016-17 through 2019-20**

Notice is hereby given that the Los Rios Community College District (“District”), pursuant to the State of California Education Code (Education Code) Section 84040 and Title 5 of the California Code of Regulations, Section 59100, et seq., invites proposals for furnishing auditing services for the Annual Financial Audit of the Los Rios Community College District (District), its Proposition 39 Bond Funds and the Los Rios Foundation (Foundation) for fiscal years 2016-2017 through 2019-2020. The annual audit proposed shall be made in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General of the United States and shall include reporting requirements and audit procedures required by:

- Government Auditing Standards;
- Code of Federal Regulations, Chapter 2, Part 200;
- Contracted District Audit Manual, issued by the California Community Colleges System Office;
- California Community College Auxiliary Organization Accounting Reporting System (related to audit of the Los Rios Foundation); and,
- Other promulgations that might apply.

Proposals must be submitted to Los Rios Community College District by 2:00 P.M. on March 1, 2017. The acceptable proposal format is one (1) bound original and one (1) electronic copy. Proposals must be submitted in a sealed envelope clearly marked “Auditing Services Proposal RFP #16022” and delivered to the following address:

**Mailing Address**

Los Rios Community College District  
Attention: General Services  
1919 Spanos Court  
Sacramento, CA 95825

**Hand Carry Address**

Attention: General Services  
2100 Northrop Avenue, Suite 200  
Sacramento, CA 95825

Electronic versions may be submitted on compact disk or flash drive and shall be formatted in Portable Document Format (PDF).

Proposals submitted after the deadline or delivered via fax will not be accepted.

The District reserves the right to reject any or all proposals, or any part thereof, or to waive any irregularities therein. No proposal, once submitted, may be withdrawn for a period of sixty (60) days after the date set for the opening of bids.

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**A. Request for Proposal (RFP) Time Line**

<b>TASK</b>	<b>RESPONSIBILITY</b>	<b>DATE</b>
1. RFP Issue Date	District	February 1, 2017
2. Request for Inquiries	Audit Firm	February 15, 2017 (noon)
3. Response to Inquiries	District	February 22, 2017
4. Firms to submit Audit Proposals	Audit Firm	March 1, 2017
5. Firms notified that selected for interview	District	March 13, 2017
6. Potential Auditor presentation to District	Audit Firm/District	March 22, 2017
7. Present selected Audit Firm to the Board of Trustees for approval	District	April 5, 2017

**B. Proposal Guideline**

1. Request for Proposal

The Los Rios Community College District (District) requests proposals for performance of the annual audit for the District, the Bond Funds, and the Foundation for the fiscal years 2016-17 through 2019-20.

This RFP, evaluation of responses, and the award of any resultant contract shall be made in conformance with current competitive selection procedures as they relate to the procurement of professional services by the District. A proposal shall be an irrevocable offer for sixty (60) days after the date set for the opening of proposals, until accepted or rejected.

2. Scope of Audit

Education Code Section 84040 requires that Community College Districts shall provide for an audit of the books and accounts of the District and the audit shall include all funds of the district, including instructionally related, student body, and any other funds under the control or jurisdiction of the district.

The AUDIT shall be made in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General of the United States and shall include, to the extent applicable, the audit procedures required by:

- Government Auditing Standards;
- Code of Federal Regulations, Chapter 2, Part 200;
- Contracted District Audit Manual, issued by the California Community Colleges System Office;
- California Community College Auxiliary Organization Accounting Reporting System (related to audit of the Los Rios Foundation); and,
- Other promulgations that might apply

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**B. Proposal Guideline (cont.)**

The scope of the AUDIT shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the Audit Firm, particular circumstances warrant the extension of required audit procedures.

The AUDIT shall include all funds of the District including, but not limited to:

- General Fund
- General Obligation Bond Interest and Redemption Fund
- Bond Projects Fund
- Capital Projects Fund
- Self-Insurance Fund
- Retiree Benefits Fund
- Special Revenue Funds (incl. Student Financial Aid and Child Development Fund)
- Debt Service Fund
- Bookstore Fund (fiscal year-end of April 30)
- Student Body Accounts
- Component Unit: Foundation (including preparation of annual tax returns IRS Form 990 and FTB Form 199)

The District passed a \$265 million general obligation bond, Measure A, on the March 2002 ballot and a second general obligation bond, Measure M, for \$475 million on the November 2008 ballot under the provisions of Proposition 39.

In relation to the general obligation bond, the Audit Firm would be required to perform the AUDIT in accordance with the requirements of Proposition 39. Proposition 39 provisions include, but are not limited to, the following requirements:

- a. Conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
- b. Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

The Audit Firm would be expected to attend meetings to present the annual audit to the District Board of Trustees and the Bond Oversight Committee.

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**B. Proposal Guideline (cont.)**

Typical audit timeline for the District is:

1. Interim (compliance) field work	Audit Firm/District	Mid-June
2. Field (substantive) work	Audit Firm/District	September 11 – 29*
3. Submit <u>draft</u> BOND audit reports to District	Audit Firm	Early November
4. Submit <u>draft</u> audit reports to District	Audit Firm	November 13 <sup>th</sup>
5. Present Bond Audit Report to Oversight Committee	District/Auditor	Late November/Early December
6. Submit <u>final</u> audit report to District	Audit Firm	NLT December 1 <sup>st</sup>
7. Present final audit report to the Board of Trustees	District/Auditor	Currently, 2 <sup>nd</sup> Wednesday of December
8. Present Foundation 990 to Foundation Finance Committee, prior to submitting	District/Auditor	Early January
* Preferred timing, but contingent upon coordination with Audit Firm.		

3. Proposal Due Date

Proposals shall be submitted to General Services **on or before 2:00 p.m. on March 1, 2017** at 1919 Spanos Court, Sacramento, CA 95825. If hand carrying your proposal, you may deliver it to General Services, 2100 Northrop Avenue, Suite 200, Sacramento, Ca 95825

The Board of Trustees intends to select an Audit Firm at its regular meeting on April 5, 2017.

4. Rejection of Proposals

The Board of Trustees reserves the right to reject any and all proposals, or any or all items of any proposal, or waive any irregularities of any proposal.

5. Award of Contract

No contract awarded under this Proposal shall be assigned except with express written approval of the Board of Trustees. Any attempted assignment in violation of this provision shall be voidable at the option of the Board.

6. Mandatory Documents

This RFP requires the mandatory completion of the following enclosed documents:

- a. Proposal Format
- b. Statement of Qualifications

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**B. Proposal Guideline (cont.)**

7. Statement of Qualifications

Audit Firms submitting proposals may furnish other information in addition to the required "Statement of Qualifications" form attached to this proposal. The Board of Trustees is interested in securing the services of an Audit Firm which has demonstrated a high level of auditing experience in California Community College District(s), in order to provide a comprehensive and detailed audit of the District's accounts and records. Selection will be made based on an evaluation of the entire information supplied, including the Statement of Qualifications, and not solely on the basis of lowest price.

8. Insurance Requirements

The selected Audit Firm (Consultant), at Consultant's sole cost and expense and for the full term of the Agreement or any extension, shall obtain and maintain at least all of the insurance requirements listed in Section 11: "Insurance Requirements" of the attached Agreement for Professional Audit Services.

All policies, endorsements, certificates and/or binders shall be subject to approval by the Risk Manager of the District as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. Consultant agrees to provide the District with a copy of said policies, certificates and/or endorsements.

Consultant shall satisfy these insurance requirements prior to approval of an agreement.

9. Audit Operations Environment

The operations environment for this audit includes:

- a. The District is a multi-college district with its centralized office located at 1919 Spanos Court, Sacramento.
- b. Employment of approximately 4,500 regular employees, including part-time faculty, with approximately 8,000 W-2's issued.
- c. Enrollment of more than 48,000 full-time equivalent students in four community colleges, six centers and one satellite location throughout the service area, which includes portions of five counties.
- d. A General Fund revenue budget of approximately \$343 million.

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**B. Proposal Guideline (cont.)**

10. Agreement for Professional Audit Services

Included in this RFP is the Agreement for Professional Audit Services. The successful bidder shall be required to execute this Agreement.

**C. Proposal Format (Required)**

Submitted herewith is our proposal to perform the annual audit for the Board of Trustees of the Los Rios Community College District and the Los Rios Foundation for the fiscal years 2016-17 through 2019-20.

We propose to conduct the AUDIT and submit the audit report in compliance with:

- Government Auditing Standards;
- Code of Federal Regulations, Chapter 2, Part 200;
- Contracted District Audit Manual, issued by the California Community Colleges System Office;
- California Community College Auxiliary Organization Accounting Reporting System (related to audit of the Los Rios Foundation); and,
- Other promulgations that might apply.

Following is a list of personnel, by classification, who will be assigned to this audit, indicating the estimated number of hours for 2016-2020 and the rate per hour.

Classification	Hours	Rate	Total Cost	# of Yrs Auditing Comm. Colleges
Partner				
Managing Auditor				
In-Charge Auditor				
Senior Auditor				
Junior Auditor				
Auditors <i>(not listed above)</i>				

The Audit Firm shall assign professional staff to conduct the AUDIT at the Senior Auditor level and above that have a minimum of two years experience in community college audits. A partner of the Audit Firm will participate during the AUDIT and a manager, with a minimum of five years experience auditing community colleges may be assigned to coordinate the activities of all audit staff and shall be the liaison between the Audit Firm and the District. Please specify the amount of time that a partner will be involved in the AUDIT on site at the District Office.

The undersigned agrees to perform the audit services specified in the RFP for the fiscal years and total amounts indicated, including:

- a. all costs of conducting the AUDIT,



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- b. up to forty (40) copies of the Financial Audit Report for the District, fifteen (15) copies each of the Report to the Board of Trustees and Management Comment Letter (if applicable),
- c. up to thirty (30) copies of the Bond Audit Reports (Financial Audit, Performance Audit and Report to the Board of Trustees), and
- d. up to forty (40) copies of the Financial Audit Report of the Los Rios Foundation and fifteen (15) copies of the Management Comment Letter (if applicable).
- e. One (1) unbound copy and one (1) PDF copy of each report listed above.

<b>Fiscal Year</b>	<b>District Audit</b>	<b>Proposition 39 Audit</b>	<b>Foundation Audit and Tax Forms Preparation</b>	<b>Total Cost</b>
<b>2016-17</b>	\$	\$	\$	\$
<i>Anticipated hours:</i>				
<i>Partner</i>				
<i>Managing Auditor</i>				
<i>All Other Staff</i>				
<b>2017-18</b>	\$	\$	\$	\$
<i>Anticipated hours:</i>				
<i>Partner</i>				
<i>Managing Auditor</i>				
<i>All Other Staff</i>				
<b>2018-19</b>	\$	\$	\$	\$
<i>Anticipated hours:</i>				
<i>Partner</i>				
<i>Managing Auditor</i>				
<i>All Other Staff</i>				
<b>2019-20</b>	\$	\$	\$	\$
<i>Anticipated hours:</i>				
<i>Partner</i>				
<i>Managing Auditor</i>				
<i>All Other Staff</i>				

The District has the option to extend this contract for the fiscal years 2020-21 and 2021-22 for the following amounts:

<b>Fiscal Year</b>	<b>District Audit</b>	<b>Proposition 39 Audit</b>	<b>Foundation Audit and Tax Forms Preparation</b>	<b>Total Cost</b>
2020-21	\$	\$	\$	\$
<i>Anticipated hours</i>				
2021-22	\$	\$	\$	\$
<i>Anticipated hours</i>				

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**C. Proposal Format (Required) (cont.)**

The District shall provide notice of extension no later than January 10<sup>th</sup> of the applicable fiscal year.

The AUDIT will be performed in accordance with the requirements outlined in the "Proposal Guidelines," and will be performed by the personnel identified in the "Statement of Qualifications." The firm will enter into an agreement with the District in the form submitted with this Request for Proposal.

\_\_\_\_\_  
Name of Audit Firm

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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**D. Statement of Qualifications**

1. Name of Firm: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. Telephone No.: \_\_\_\_\_
4. E-mail Address: \_\_\_\_\_
5. FAX No: \_\_\_\_\_
6. Information on the size and organizational structure of the firm (limit to 1 page).
7. Name of Partner who will have primary responsibility for the AUDIT.
8. Name of personnel, with their classifications, who will be assigned to the AUDIT:

<u>NAME</u>	<u>CLASSIFICATION</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

9. Resumes of the staff members to be assigned to the engagement (limit to 1 page each). The resumes should indicate:
  - a. Position in firm
  - b. Years of experience
  - c. Experience in the area of Community College Districts, governmental auditing, and specifically with GASB 34, 35, 45 and 68.
  - d. Education

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**D. Statement of Qualifications - (cont.)**

Please limit the following responses to no more than two pages for each item.

10. List of California Community College District audits the firm has performed or is under contract to perform (indicate those audits performed by the local office and fiscal year(s) audited or to be audited).
11. List other governmental agency audits performed by the firm or now under contract to perform (indicate those audits performed by the local office and fiscal years audited or to be audited).
12. A statement of the understanding of the work to be performed by the Audit Firm.
13. Statement, in general, of the audit approach to be applied.
14. Statement of the level and nature of support that will be required of the District by the Audit Firm. Include a list of typical work papers the Audit Firm requests of clients. Provide details regarding primary method utilized by Audit Firm to gather workpapers (e.g. email, client portal, etc.).
15. Indicate the percentage of the audit work the firm expects to accomplish in each month:

<b>Month</b>	<b>Percent of Work to be Completed</b>
April	
May	
June	
July	
August	
September	
October	
November	
December	
<b>Total</b>	<b>100%</b>

16. Statement of ability to comply with Other General Requirements.
17. Please provide three references, including contact information, of Community College Districts that the Audit Firm has audited within the last five years. If three Community College District references are not available, please include references from other governmental agencies audited.
18. Additional comments regarding the Audit Firm's qualifications.

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**D. Statement of Qualifications - (cont.)**

\_\_\_\_\_  
Name of Audit Firm

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**E. Other General Requirements**

**EQUAL EMPLOYMENT OPPORTUNITY**

The Bidder must be an Equal Opportunity Employer and comply with provisions stated in Section 12, "Equal Employment Opportunity" of the Agreement for Professional Audit Services.

**ERRORS AND OMISSIONS**

If a bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, they shall immediately notify the District of such error in writing and request clarification or modification of the document. Modifications will be made by addenda. Such clarification shall be given by written notice to all parties who have been furnished an RFP for bidding purposes, without divulging the source of the request for same. Insofar as practicable, the District will give such notices to other interested parties, but the District shall not be responsible therefore.

If a bidder fails to notify the District prior to the date fixed for submission of bids of an error in the RFP known to them, or an error that reasonably should have been known to them, they shall bid at their own risk; and if they are awarded the contract, they shall not be entitled to additional compensation or time by reason of the error or its later correction.

The bidder should carefully examine the entire RFP and addenda thereto, and all related materials and data referenced in the RFP or otherwise available to them, and should become fully aware of the nature and location of the work, the quantities of the work and the conditions to be encountered in performing the work.

**CONTACTS FOR INFORMATION**

Bidders may contact Paula Gordon (Purchasing Supervisor), to obtain additional information. Inquiries are to be sent via email to [gordonp@losrios.edu](mailto:gordonp@losrios.edu).

Oral communications by departmental officers and employees concerning the RFP shall not be binding on the District and shall in no way excuse the bidder of their obligations as set forth in this RFP.

**BIDDER AGREEMENT**

In compliance with this request for proposal, the bidder will propose and agree to furnish all labor, materials, transportation, and services for the work described and specifications and for the items listed herein.

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**E. Other General Requirements – (cont.)**

A bid is subject to acceptance at any time within sixty (60) days after opening of it, unless otherwise stipulated. Bids cannot be corrected, altered, signed or withdrawn after the due date.

**BID SIGNEE**

If the bidder is an individual or an individual doing business under a firm name, the bid must, in addition to the firm name, be signed by the individual; if the bidder is a partnership, the bid must be signed with the partnership name by one of the partners; if a corporation, with the name of the corporation by an officer authorized to execute a bid on behalf of the corporation.

**BIDDER'S UNDERSTANDING**

It is understood and agreed that the bidder has, by careful examination, satisfied themselves as to the nature and location of the work, the character, quality and quantity of the materials to be encountered, the character of equipment and facilities needed preliminary to and during the execution of the work, and general and local conditions, and all other matters which can in any way affect the work under this contract. No verbal agreement or conversation with any officer, agent or employee of the District, either before or after the execution of this contract, shall affect or modify any of the terms or obligations herein contained.

**INTENT OF SPECIFICATIONS**

All work that may be called for in the specifications shall be executed and furnished by the successful bidder, and should any work or materials be required which is not denoted in the specifications, either directly or indirectly but which is nevertheless necessary for the execution of the contract, the bidder is to understand the same to be implied and required, and shall perform all such work and furnish any such materials as fully as if it were particularly delineated or described.

**EXTRA WORK**

No bill or claim for extra work or materials shall be allowed or paid unless such extra work or the furnishing of such extra materials has been authorized in writing by the District.

**DISPOSITION OF PROPOSALS**

All materials submitted in response to this RFP will become the property of the District, and will be returned only at the District's option and at the bidder's expense.

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**E. Other General Requirements – (cont.)**

The Original Copy shall be retained for official files and will become a public record after the date and time for Final Bid submission as specified. However, confidential financial information submitted in support of the requirement will be returned upon request.



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**F. Agreement for Professional Audit Services**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between Los Rios Community College District, a local agency, (“the DISTRICT”) and Name of Consultant, (“CONSULTANT”).

WITNESSETH:

WHEREAS, DISTRICT requires auditing services for the Annual Financial Audit for fiscal years 2016-17 through 2019-20; and

WHEREAS, by Section 84040 of the Education Code provides in part that “The audits shall be made by a certified public accountant or a public accountant licensed by the California Board of Accountancy.”

WHEREAS, CONSULTANT is qualified and experienced to provide such services and staff members to perform such services are Certified Public Accountants duly authorized to practice and licensed as such by the State Board of Accountancy,

NOW, THEREFORE, the parties agree as follows:

1. **Scope of Work.** CONSULTANT shall perform the consulting services as set forth in CONSULTANT’S Proposal and this Agreement for Professional Audit Services.

THE AUDIT shall be conducted in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General of the United States and shall include, to the extent applicable, the audit procedures required by:

- Government Auditing Standards;
- Code of Federal Regulations, Chapter 2, Part 200;
- Contracted District Audit Manual, issued by the California Community Colleges System Office;
- California Community College Auxiliary Organization Accounting Reporting System (related to audit of the Los Rios Foundation); and,
- Other promulgations that might apply.

The scope of the AUDIT shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the CONSULTANT, particular circumstances warrant extension of required audit procedures.

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**F. Agreement for Professional Audit Services (cont.)**

The AUDIT shall include all funds of the District including, but not limited to:

- General Fund
- Bond Interest and Redemption Fund
- Bond Projects Fund
- Capital Projects Fund
- Self-Insurance Fund
- Retiree Benefits Fund
- Special Revenue Funds (incl. Student Financial Aid and Child Development Fund)
- Debt Service Fund
- Bookstore Fund (fiscal year-end of April 30)
- Student Body Accounts
- Component Unit: Foundation (including preparation of annual tax returns Form 990 and Form 199)

THE PERIOD to be audited shall be the fiscal year beginning July 1, 2016 and ending June 30, 2017, and the three succeeding fiscal years thereafter, concluding with fiscal year 2019-20. The District has the option to extend this contract for fiscal years 2020-21 and 2021-22. The District shall provide notice of extension no later than January 10<sup>th</sup> of the applicable fiscal year.

IN CASES WHEREIN the CONSULTANT can and does place reliance upon the work of a state agency, another individual accountant or firm of public accountants or certified public accountants, CONSULTANT shall state in their report the extent of such reliance and shall name the agency, accountant(s) upon whose work CONSULTANT relied. Nothing in this paragraph shall be construed to limit the responsibility of the CONSULTANT or to obligate CONSULTANT to accept or perform work, which is not in compliance with the specifications of the engagement.

FORM AND CONTENT of the audit reports shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the California Community Colleges System Office under Section 84040 of the Education Code.

IN RELATION TO the general obligation bond, the Audit Firm would be required to perform the AUDIT in accordance with the requirements of Proposition 39. Proposition 39 provisions include, but are not limited to, the following requirements: a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed and b) conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

The Audit Firm would be expected to attend meetings to present the annual audit to the District Board of Trustees and the Bond Oversight Committee.

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**F. Agreement for Professional Audit Services (cont.)**

IN THE EVENT that circumstances disclosed by the audits indicate that more detailed verification is required, in addition to that which would be sufficient under ordinary circumstances, it is agreed that such extended verification shall be completed at the “estimated average cost per hour, including out-of-pocket costs,” as indicated under Compensation in this Agreement, with the hours required agreed upon by both parties prior to commencing the additional verification.

IN THE EVENT CONSULTANT agrees to provide all ascertainable facts relative to such circumstances, together with an estimate of the additional cost of furnishing a more detailed verification, it is expressly understood that fees relating to such extensions of verification procedures are additional fees as the services relating thereto are not contemplated as being within the scope of services to be performed under this contract.

In the event it is agreed not to employ extended procedures, then, and in that event, the audit report will be subject to qualification with respect to the circumstances involved.

No later than May 1<sup>st</sup> of each fiscal year, the following information will be provided to the District by the Audit Firm:

- Name of Partner who will have primary responsibility for the AUDIT.
- Name of personnel, with their classifications, who will be assigned to the AUDIT:
- Resumes of the staff members to be assigned to the engagement. The resumes should indicate:
  - Position in firm,
  - Years of experience,
  - Experience in the area of Community College Districts, and
  - Education.
- The percentage of the audit work and number of hours the firm expects to accomplish in each month:

Month	Percent of Work to be Completed	Number of Hours
April		
May		
June		
July		
August		
September		
October		
November		
December		
<b>Total</b>	100%	

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**F. Agreement for Professional Audit Services (cont.)**

The following timeline will be adhered to each fiscal year, unless circumstances outside the control of the Audit Firm prevent such timeline being met:

<b>TASK</b>	<b>TIMING</b>
Review of Bookstore inventory process, if mutually agreed review should be performed	End of April
Listing of work papers required, with samples (as needed)	Early June
Interim field work	Mid-June
Field (substantive) work	Mid September
Submit <u>draft</u> BOND audit reports to District	Early November
Submit <u>draft</u> audit reports to District	NLT Third Monday in November
Present Bond Audit Report to Oversight Committee	Late Nov/Early December
Submit <u>final</u> audit report to District	First Monday of December
Present final audit report to the Board of Trustees	Second Wednesday of December <i>(subject to change)</i>
Present Foundation 990 to Foundation Finance Committee, prior to submitting	Early January

The Audit Firm shall assign professional staff to conduct the AUDIT at the Senior Auditor level and above that has a minimum of two years experience in community college audits. A partner of the Audit Firm will participate during the AUDIT and a manager, with a minimum of five years experience auditing community colleges may be assigned to coordinate the activities of all audit staff and shall be the liaison between the Audit Firm and the District. Please specify the amount of time that a partner will be involved in the AUDIT on site at the District Office.

The undersigned agrees to perform the audit services specified in the RFP for the fiscal years and total amounts indicated, including:

- a. all costs of conducting the AUDIT,
- b. up to forty (40) copies of the Financial Audit Report for the District, fifteen (15) copies each of the Report to the Board of Trustees and Management Comment Letter (if applicable),
- c. up to thirty (30) copies of the Bond Audit Reports (Financial Audit, Performance Audit and Report to the Board of Trustees), and
- d. forty (40) copies of the Financial Audit Report of the Los Rios Foundation and fifteen (15) copies of the Management Comment Letter (if applicable).
- e. One (1) unbound copy and one (1) PDF copy of each report listed above.

**2. Compensation.** For its services hereunder, CONSULTANT shall be compensated as set forth below. CONSULTANT shall submit to the DISTRICT invoices for work and/or services performed as indicated below and in the RFP. Within thirty (30) days of final completion of CONSULTANT'S work/services for a given fiscal year under this Agreement, CONSULTANT shall submit to the DISTRICT a request for final payment

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amount. Each request for payment shall include all necessary information to support and back up the request for payment. Upon receipt of a properly submitted and supported payment request, the DISTRICT shall pay the CONSULTANT within thirty (30) days thereof. All of the foregoing is subject to the right of the DISTRICT to audit all requests for payment, including the books and records of the CONSULTANT in connection therewith.

<b>Fiscal Year</b>	<b>District Audit</b>	<b>Proposition 39 Audit</b>	<b>Foundation Audit and Tax Forms Preparation</b>	<b>Total Cost</b>
2016-17	\$	\$	\$	\$
<i>Anticipated hours</i>				
2017-18	\$	\$	\$	\$
<i>Anticipated hours</i>				
2018-19	\$	\$	\$	\$
<i>Anticipated hours</i>				
2019-20	\$	\$	\$	\$
<i>Anticipated hours</i>				
2020-21 (if extended)	\$	\$	\$	\$
<i>Anticipated hours</i>				
2021-22 (if extended)	\$	\$	\$	\$
<i>Anticipated hours</i>				

If at completion of the engagement, the accumulated fees and expenses at the CONSULTANT's standard rates total less than the amount indicated above for the given fiscal year, then this lesser total shall be the amount billed for auditing services.

IT IS FURTHER AGREED that the aforesaid fee shall be billed and paid for on a progressive basis as follows:

- (a) After the end of the first month after starting the audit, a billing may be made of 90% of hours worked during the first month of auditing services.
- (b) Upon the conclusion of each succeeding month, a similar billing may be made of 90% of the hours worked to date. The final billing shall be deferred until the said audit reports have been delivered by the CONSULTANT and accepted by the DISTRICT.

Such billings shall include the hours worked and rate of pay the 90% progress payment is based on.

IT IS FURTHER AGREED that the aforesaid total cost shall include any consultations on the audit report or reports, or any revisions thereof, or the furnishing of any additional

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data in connection therewith, as may be required by the California Community Colleges System Office.

**3. Time.** CONSULTANT shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT'S obligations under this Agreement. Neither Party shall be considered in default of this Agreement, nor be entitled to additional compensation, to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the Party.

**4. Termination For Convenience.** The DISTRICT shall have the right to terminate this Agreement for convenience at any time and for any reason by giving thirty (30) days written notice of such termination to CONSULTANT. Upon notice of termination, CONSULTANT shall immediately cease rendering services pursuant to this Agreement and shall promptly deliver to the DISTRICT copies of all information prepared pursuant to this Agreement. In that event, DISTRICT shall pay CONSULTANT only the following amounts: (A) the hourly rates set forth in this Agreement for all those hours worked up to the notice of termination; (B) the direct costs, if any, actually incurred and/or paid by CONSULTANT for materials, supplies, equipment, apparatus, and the like, used in the direct performance of the work and/or services of the CONSULTANT under this Agreement; and (C) a ten percent (10%) markup on the direct costs as described in the preceding item number "(B)".

**5. CONSULTANT Information**

A. Unless otherwise provided in writing, the DISTRICT shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by CONSULTANT pursuant to this Agreement. CONSULTANT retains the nonexclusive right to use any of this information in the future.

B. All proprietary and other information received from CONSULTANT by the DISTRICT will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to the DISTRICT, the DISTRICT shall give notice to CONSULTANT of any request for the disclosure of such information. The CONSULTANT will then have five (5) days from the date it receives such notice to enter into an agreement with the DISTRICT, satisfactory to legal counsel for the DISTRICT, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by the DISTRICT in any legal action to compel the disclosure of such information under the California Public Records Act. The CONSULTANT shall have sole responsibility for defense of the actual "trade secret" designation of such information. Failure to timely respond or enter into an acceptable agreement shall be deemed to have waived of any rights regarding the information designated "trade secret" by CONSULTANT, and such information will be disclosed by DISTRICT pursuant to applicable procedures required by the Public Records Act.

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- 6. Access to Work Product.** Duly authorized representatives of the DISTRICT shall have right of access to CONSULTANT'S technical plans, files and records relating to the project, and may review the work at appropriate stages during performance of the work.
- 7. Licenses, Permits, Etc.** CONSULTANT represents and warrants to the DISTRICT that CONSULTANT has, and shall keep in effect, at its sole cost, all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required for CONSULTANT to practice its profession or provide any services under the Agreement.
- 8. Independent Contractor Not Agent.**
  - A. CONSULTANT (including CONSULTANT'S employees) is an independent contractor and no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither CONSULTANT nor CONSULTANT'S employees or assigned personnel shall be entitled to any benefits payable to employees of the DISTRICT. CONSULTANT will be issued a Form 1099 for its services hereunder, if appropriate. As an independent contractor, CONSULTANT hereby agrees to indemnify and hold the DISTRICT harmless from claims by any of CONSULTANT'S employees or by any third party, including but not limited to any state or federal agency, asserting that an employer-employee relationship or a substitute therefore exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any services under this Agreement.
  - B. It is further understood and agreed by the parties hereto that CONSULTANT, in the performance of its obligations hereunder, is subject to the control and direction of the DISTRICT as to the designation of tasks to be performed and the results to be accomplished by the services agreed to be rendered and performed under this Agreement, but not as to the means, methods, or sequence used by CONSULTANT for accomplishing such results. To the extent that CONSULTANT obtains permission to, and does, use the DISTRICT facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the CONSULTANT'S sole discretion based on the CONSULTANT'S determination that such use will promote CONSULTANT'S efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the DISTRICT does not require that CONSULTANT use the DISTRICT facilities, equipment or support services or work in the DISTRICT locations in the performance of this Agreement.
  - C. If, in the performance of this Agreement, any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by CONSULTANT. It is further understood and agreed that CONSULTANT shall issue W-2 or 1099 Forms

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for income and employment tax purposes, for all of CONSULTANT'S employees, assigned personnel and subcontractors.

- D. Except as the DISTRICT may specify in writing, CONSULTANT and CONSULTANT'S personnel shall have no authority, express or implied, to act on behalf of the DISTRICT in any capacity whatsoever as an agent or to bind the District to any obligations.

- 9. Disqualified Employees.** CONSULTANT shall ensure that persons who perform services on District or College property have not been convicted of any felony, or any controlled substance offense or any sex offense as those terms are defined by Education Code section 87008-87010. If the DISTRICT, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove such person(s) immediately upon receiving notice from the DISTRICT of the desire of the DISTRICT for the removal of such person(s).

- 10. Indemnity.** To the fullest extent permitted by law, CONSULTANT (defined for this paragraph 10 to include its inspectors, managers, trustees, officers, agents, members, employees, affiliates, consultants, sub-consultants, representatives, or any other legal person for whom CONSULTANT bears legal responsibility) shall defend, indemnify, and save harmless DISTRICT (defined for purposes of paragraph 10 and 11 to include its inspectors, project managers, trustees, officers, agents, members, employees, affiliates, consultants, subconsultants, volunteers, and representatives, and each of them,) of and from any and all claims, demands, suits, causes of action, damages, penalties, infringement of patent rights, violations of employee occupational health and safety laws, costs, expenses, attorneys' fees, losses, or liability, property damage, personal injuries to (including, but not limited to, bodily injury, emotional injury or distress, sickness, or disease) or death of persons, in law or in equity, of every kind and nature whatsoever arising out of, alleged to have arisen out of, or relating in any way to CONSULTANT'S negligence, recklessness, or intentional acts or omissions in the work to be performed under this Agreement.

CONSULTANT'S indemnity obligations shall apply regardless of whether DISTRICT are passively negligent, but shall not apply to any loss, liability, fines, forfeitures, costs or damages caused by the recklessness or willful misconduct of DISTRICT.

- 11. Insurance Requirements.** During the entire term of this Agreement, CONSULTANT shall, at its own expense, maintain, and shall require all subcontractors to maintain insurance as set forth below and shall name the DISTRICT as additional insureds endorsements that name the DISTRICT as an additional insured on the CONSULTANT'S General Liability policy and Automobile Liability policy.



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A. Minimum Scope of Insurance: Coverage shall be:

1. General Liability. \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage; and a \$3,000,000 aggregate. Any combination of General Liability, and Excess Coverage amounting to a minimum of \$3,000,000 in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services Inc.'s (ISO) additional insured, Form B CG 20101001.
2. Automobile Liability. "Any Auto" with \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation. As required by the Labor Code of the State of California, and Employers' Liability Insurance; with limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident.
4. Professional Liability (Errors and Omissions). Insurance against loss due to error, omission or malpractice, unless waived in writing by the District, with \$1,000,000 combined single limit per claim and \$2,000,000 aggregate.

B. Other Provisions: If the above insurance is written on a claims-made form, it shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement and continue for at least three full years following the completion of CONSULTANT'S services/work under this Agreement. Any deductibles, self-insured retentions, or changes in these items must be declared to and approved by the DISTRICT. CONSULTANT'S insurance coverage shall be primary insurance with respect to the DISTRICT. Any insurance or self-insurance maintained by DISTRICT shall be in excess of CONSULTANT'S insurance and shall not contribute with it. Each insurance policy required by this Agreement shall be endorsed to state that coverage's shall not be canceled except after thirty (30) days prior written notice has been given to the DISTRICT. At least fifteen (15) days prior to commencing work under this Agreement, CONSULTANT shall provide the DISTRICT with certificates of insurance and required executed endorsements, evidencing compliance with this section. On request, CONSULTANT shall furnish copies of any and/or all of the required insurance policies.

**12. Equal Employment Opportunity.** CONSULTANT, for itself, its subcontractors, assignees and successors in interest, agrees not to unlawfully discriminate because of race, color, national origin, religion, sex, sexual orientation, handicap, age, veteran status, medical condition (cancer-related) as defined in Section 12926 of the California Government Code, ancestry, or marital status, or citizenship. CONSULTANT agrees to notify its subcontractors of the requirements of this section.

**13. Compliance with Laws; Attorneys Fees; Successors.** CONSULTANT shall comply with all federal, state and local laws and ordinances as may be applicable to the performance of work under this Agreement. This Agreement shall be governed by the laws of the State of California. Venue shall be in the County where the work is

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**F. Agreement for Professional Audit Services (cont.)**

performed. In any civil action brought by either Party to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney's fees and costs. This Agreement shall be binding upon the heirs, successors, executors, administrators, and assigns of the respective Parties hereto.

**14. Integration, Amendments.** This is an integrated Agreement, and contains all of the terms, considerations, understanding, and promises of the Parties. It shall be read as a whole. All amendments to this Agreement must be in writing and signed by an authorized representative of both Parties.

**15. Conflict.** In the event of any alleged, implied, or actual conflict between the express or implied provisions of this Agreement, or any other document included herein, the provisions of this Agreement shall govern. Notwithstanding any express or implied language to the contrary, there shall be no limits on the DISTRICT'S ability to recover damages from CONSULTANT in the event of any claim, action, lawsuit or other legal action by the DISTRICT against CONSULTANT, and any language purporting to impose limits on recovery of damages is null and void, and of no effect, including any language purporting to increase liability for damages in exchange for additional payment or compensation to CONSULTANT.

**16. Notices.** Any notices to Parties required by this Agreement shall be delivered, faxed or mailed, U.S. First Class postage prepaid addressed as follows:

**LOS RIOS COMMUNITY COLLEGE  
DISTRICT**

General Services  
1919 Spanos Court  
Sacramento, CA 95825  
Phone: 916-568-3057  
FAX: 916-286-3636

Name of Consultant

Address 1

Address 2

Phone:

Fax:

CONSULTANT Social Security/Federal ID # \_\_\_\_\_

Check One:  Sole Proprietorship  Partnership  Corporation

Either Party may amend its address for notice by notifying the other Party in writing. Each Party must provide the other with any and all updates to the above addresses.

**17. Solicitation.** CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making this Agreement.

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**F. Agreement for Professional Audit Services (cont.)**

**18. Assignment Prohibited.** No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

**19. Severance.** If any provision of this Agreement proves to be illegal, invalid or unenforceable, the remainder of this Agreement will not be affected by such finding, and in lieu of each provision of this Agreement that is illegal, invalid or unenforceable, a provision will be added as a part of this Agreement as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

LOS RIOS COMMUNITY COLLEGE  
DISTRICT

Date: \_\_\_\_\_

By: \_\_\_\_\_

Theresa Matista  
Vice Chancellor,  
Finance & Administration

Name of Consultant

Date: \_\_\_\_\_

By: \_\_\_\_\_

Consultant signer