

**WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REQUEST FOR PROPOSALS #19089
AUDIT SERVICES**

Table of Contents

Section 1	General Information and Standard Terms and Conditions.....	Page 2
Section 2	Eligibility Requirements.....	Page 5
Section 3	Background Information.....	Page 5
Section 4	Scope of Services.....	Page 7
Section 5	Reporting Requirements.....	Page 11
Section 6	Vendor Information and Qualifications.....	Page 12
Section 7	Bidder Responses and Evaluation Criteria.....	Page 15
Section 8	Additional Information.....	Page 16

Exhibits:

Exhibit A	Vendor Registration Form
Exhibit B	Taxpayer Identification Form W9
Exhibit C	Purchasing Affidavit
Exhibit D	WV Ethics Commission Disclosure Statement
Exhibit E	Agreement Addendum
Exhibit F	Title Page

Attachments:

Attachment 1	Estimated Schedule
Attachment 2	Fee Proposal Form

Questions will be received until January 4, 2019

Proposals will be received until 3:00PM EST, January 30, 2019

**REQUEST FOR PROPOSALS
AUDIT SERVICES
RFP #19089**

SECTION 1: GENERAL INFORMATION AND STANDARD TERMS AND CONDITIONS

1.1 Purpose: The West Virginia Higher Education Policy Commission (Commission) and the WV Council for Community and Technical Colleges (Council), collectively referred to as the “Systems”, along with the institutions and entities under their respective jurisdictions comprise the West Virginia Higher Education Fund (the Fund”). The Systems are seeking firms with auditing experience and expertise to conduct audits of the Fund’s financial statements prepared in accordance with accounting principles prescribed by the Governmental Accounting Standards Board (GASB). These audits are to be in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States.

1.2 Schedule of Events:

Release of RFP:	December 14, 2018
Question Deadline:	January 4, 2019
Addendum/Response to Questions:	January 11, 2019
Proposal Due Date:	January 30, 2019 by 3:00PM EST
Target Award Date:	March 1, 2019

1.3 Bidder’s Point of Contact: The sole point of contact for questions, clarification and inquiries concerning this Request for Proposal (RFP) is:

Mary Blashford
Director of Procurement
WV Higher Education Policy Commission
1018 Kanawha Blvd., E, Suite 700
Charleston, WV 25301
Phone: 304-558-0281 Ext. 241
E-mail: mary.blashford@wvhepc.edu

1.4 Posting of Information: This RFP and any addenda, including answers to questions, will be posted on the webpage address listed below. It is the vendor’s responsibility to check this webpage for current information regarding this RFP.

<http://www.wvhepc.edu/resources/purchasing-and-finance/>

1.5 Questions and Answers: Questions concerning this RFP will be received in writing (via e-mail is acceptable) by the point of contact until the deadline identified in Section 1.2. When submitting questions by e-mail, please reference RFP 19089 Annual Audit in the subject line.

Questions, if any, will be answered by addendum and posted to the webpage identified in Section 1.4 above.

1.6 Proposal Submission: Deliver an original and two (2) copies of the proposal on or before the date required in Section 1.2. The outside of the envelope should be clearly marked with the RFP number, the bid opening date/time and the Director of Procurement's name.

In addition, a digital copy of the proposal should be submitted; the preferred method for submission of the digital copy is by flash/thumb drive which should be included with the original bid.

Proposals received after the due time and date will not be considered. It is the bidder's sole responsibility to ensure timely delivery of the proposal.

1.7 Proposals shall remain in effect ninety (90) days from the submission date.

1.8 Conflict of Interest: By signing the proposal, the bidder affirms that it and its' officers, members and employees have no actual or potential conflict of interest, beyond the conflicts disclosed in its' proposal. Bidder will not acquire any interest, direct or indirect, that would conflict or compromise in any manner or degree with the performance of its services under this contract. If any potential conflict is later discovered or if one arises, the bidder must disclose it to the Commission promptly.

1.9 Independent Proposal: A proposal will not be considered for award if the price in the proposal was not arrived at independently, without collusion, consultation, communication or agreement as to any matter relating to such prices with any other offer or with any competitor. The price quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

1.10 Rejection of Proposals: The Director of Purchasing reserves the right to accept or reject any or all proposals, in part or in whole, at her discretion. The Director reserves the right to withdraw this RFP at any time for any reason. Submission of, or receipt by, the Director confers no rights upon the bidder nor obligates the Commission in any manner.

1.11 Expenses: The Commission will not be held liable for any expenses incurred by any bidder responding to this RFP including expenses to prepare or deliver the proposal or attend any oral presentation.

1.12 Investigation: The Systems may investigate any responding firm, its personnel and operations. Additional information including, but not limited to, financial statements may be requested while proposals are under evaluation. Firms shall provide all requested information and are encouraged to include any additional information they wish to have considered.

1.13 Interviews: Discussions and/or interviews may be held with the bidders under final consideration prior to making a selection for award; however, the RFP may be awarded without such discussions or interviews.

1.14 Oral Statements and Commitments: Any oral representations made or assumed to be made during discussions held between the bidder's representatives and the Commission personnel are not binding. Only the information issued in writing and added to the RFP by an official written addendum is binding.

1.15 Award: It is anticipated that a single contract will be awarded for all audit services. However, the Commission and Council reserve the right to configure the contract in whatever manner is in their best interests.

1.16 Public Record: All documents submitted in response to the RFP and any documents created as a result of this RFP are considered public record. All bids, proposals or offers submitted shall become public information and will be available for inspection during normal business hours at the Commission.

The only exception for public record is disclosure information listed in WV Code § 29B-1-4. Primarily, only trade secrets are considered exempt from public disclosure.

1.17 Contract: The RFP and the bidder's response will be incorporated into the contract by reference. The order of precedence is the contract, the RFP and any addendum and the bidder's proposal in the response to the RFP.

1.18 Contract Term: This contract will be effective upon award and shall extend for a period of five (5) years. By mutual consent of the vendor and the Commission, the contract may be renewed for an additional one (1) year.

1.19 Contract Changes: Any changes to the original contract will be made via a Change Order issued by the Commission. No change is official until a signed Change Order is produced.

1.20 Contract Termination for Unavailability of Funds. If funds are not appropriated or allocated for the services provided under this contract, the Commission may terminate the contract at the end of the affected current fiscal period without charge or penalty. The Commission shall give the vendor written notice of such non-appropriation or non-allocation of funds as soon as possible after the Commission receives notice.

1.21 Contract Termination for Failure to Perform: The Commission may terminate the contract resulting from this RFP immediately at any time the vendor fails to meet the terms of the contract.

1.22 Payment of fees will be made annually upon successful completion of the required services and the acceptance of the required reports. Progress payments for services satisfactorily completed may be made pursuant to a payment schedule which is deemed satisfactory to the Systems and is included in each year's Engagement Letter.

1.23 Invoices: The vendor shall submit invoices, in arrears. State law prohibits payment of invoices prior to receipt of services. State law does not provide for interest payments on late payments. Invoices properly prepared and submitted in accordance with the terms and conditions of the contract are usually paid within thirty (30) days.

1.24 Unless an institution (entity) has its own engagement letter for services beyond the Fund audit, invoices shall be paid centrally by the Systems from Systems' and institutions' accounts as appropriate. Invoices must be prepared in accordance with the requirements of the contract/purchase order issued by the Systems to the successful Firm, and in accordance with the requirements of the State Auditor.

1.25 Governing Law: This contract shall be governed by the laws of the State of West Virginia.

SECTION 2: ELIGIBILITY REQUIREMENTS

2.1 Vendor Registration – WV Code § 5A-3-12. The West Virginia Code requires that all vendors be registered with the WV Department of Administration, Purchasing Division, prior to receiving a purchase order for competitive products and/or services exceeding \$25,000. See Exhibit A.

2.2 Debarment – WV Code §5A-3-33 through §5A-3-33F. Vendors that have been debarred by the federal government are not eligible to offer on or receive contracts to supply goods or services to the state and its subdivision for a specified period of time.

2.3 West Virginia Secretary of State. The vendor must be in compliance with the Secretary of State and should provide a copy of their business license with the proposal. For more information, contact the WV Secretary of State.

2.4 Taxpayer Identification Information. The Internal Revenue Service (IRS) requires the Commission to request a taxpayer identification number (TIN) for tax reporting purposes. IRS Form W9 is used to obtain this information. See Exhibit B.

2.5 Purchasing Affidavit – WV State Code §5A-3-10a. WV State Code requires all vendors to submit an affidavit regarding any debt owed to the State. The Affidavit (Exhibit C) should be completed, signed and returned with the bidder's proposal.

2.6 WV Ethics Commission Disclosure Statement – WV State Code §6D-1-2 requires that for contracts with an actual or estimated value of at least \$1,000,000, the vendor must submit a disclosure of interested parties form prior to contract award. See Exhibit D.

SECTION 3: BACKGROUND INFORMATION

3.1 The Systems, by this Request for Proposal (RFP) seek proposals from qualified firms to perform their external financial statement audits for the next five fiscal years: 2019, 2020, 2021, 2022 and 2023. The Systems' fiscal year begins on July 1st and ends on June 30th.

3.2 The WV Higher Education fund includes the entities under the jurisdiction of the Systems as follows”

The Commission's entities include:

- Bluefield State College
- Concord University
 - Concord University Research Corporation
- Fairmont State University
- Glenville State College
 - Glenville State College Research Corporation
 - Glenville State college Housing Corporation
- Marshall University
 - Marshall University Research Corporation
- Shepherd University
 - Shepherd University Research and Development Corporation
- West Liberty University
 - West Liberty University Research Corporation
- West Virginia Higher Education Policy Commission (Commission)
 - West Virginia Network for Education Telecomputing (WVNET)
 - West Virginia Regional Technology Park (see paragraph.....below)
- West Virginia School of Osteopathic Medicine
- West Virginia State University
 - West Virginia State University Research and Development Corporation
- West Virginia University
 - West Virginia University Institute of Technology
 - Potomac State College of West Virginia University
 - West Virginia University Research Corporation
 - West Virginia University Innovation Corporation

The Council's entities include:

- Blue Ridge Community and Technical College
- BridgeValley Community and Technical College (see paragraph 2.3 below)
- Eastern West Virginia Community and Technical College
- Pierpont Community and Technical College
- Mountwest Community and Technical College
- New River Community and Technical College
- Southern West Virginia Community and Technical College
- West Virginia Council for Community and Technical College Education (Council)
- West Virginia Northern Community College
- West Virginia University at Parkersburg

3.3 The West Virginia Regional Technology Park's real property and improvements are owned by the Commission. The Park is managed by a corporation created by the Legislature and operates as a 501(c)(3) corporation. The Tech Park shall be consolidated under the Commission.

3.4 The Systems' current operations are funded primarily through State appropriations, student fees, operation of self-supporting activities (auxiliary

enterprise operations), federal government programs, local and private gifts and sponsored programs, and investment income.

3.5 A summary of the Fund's revenues, expenses, and changes in net position for the years ending June 30, 2017 through June 30, 2018 may be obtained from:

<http://www.wvhepc.edu/resources/purchasing-and-finance/financial-statements-2018/>

3.5 All entities in the Fund except the Commission, Council, Eastern West Virginia Community and Technical College, West Virginia University and West Virginia University at Parkersburg use the Ellucian Banner System for their general ledger. West Virginia University and West Virginia University at Parkersburg (WVUP) use Oracle general ledger systems. Eastern West Virginia Community and Technical College and the Commission and Council use QuickBooks software for its general ledger systems. Payroll and vendor disbursements as well as deposits are made through wvOASIS for all entities. In most cases, the entities' general ledger systems interface with wvOASIS. wvOasis payroll system is used by all institutions except for Marshall University and West Virginia University. Marshall University and West Virginia University interface required data to the wvOASIS payroll system.

SECTION 4: SCOPE OF SERVICES

4.1 Financial Audit: Perform an audit of each entity's statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows, with appropriate notes to the financial statements and required supplemental information in accordance with auditing standards generally accepted in the United States ("generally accepted auditing standards") and the standards applicable to financial audits in accordance with audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and render an independent auditor's opinion and report for each entity as of June 30 for each fiscal year. The audit engagement will also include a review of the supplemental information provided in the Management's Discussion and Analysis.

4.2 The Commission and WVNET shall be audited separately but a single audit report shall be issued for these entities.

4.3 A separate audit of each of the entities under West Virginia University (WVU), except the WVU Research Corporation, will not be required. A separate audit for WVU Research Corporation is required. WVU Research Corporation is then combined into WVU's statements. WVU's Board of Governors Audit Committee requires at least two on-site meetings with the Audit Firm during the course of each year's audit. Please include the cost for these meetings in the fee proposal for WVU. WVU's Institutional Accounting, Reporting & Analysis Staff prepares its own financial statements, including basic

statements, footnotes and Management's Discussion and Analysis, and does not use the proforma provided by the Audit Firm. This should be reflected in the fee proposal for WVU. Also, WVU undergoes a mid-year agreed-upon procedure annually to meet the interim reporting requirements defined by its Board of Governors. This should be reflected in the fee proposal for WVU. In addition to the Audit Firm having face-to-face time with the Board of Governors, WVU requires the Audit Firm to provide a direct line of communication between the accounting staff at WVU and the Audit Firm/audit manager.

4.4 All entities prepare their Management's Discussion and Analysis.

4.5 In order to assist the Financial Accounting and Reporting Section (FARS) of the West Virginia Department of Administration, the Audit Firm will be required to provide relevant schedules used to compile data for the Fund financial statements. The Closing Book instructions and forms may be reviewed at the following website address. Please include a fee for this service as a separate entry in the line provided under the Commission in Attachment 2.

<https://finance.wv.gov/FARS/Pages/default.aspx>

4.6 The Audit Firm is required to participate in one training session with the Fund's entities and FARS, usually held in June at a central location in West Virginia, concerning the State's single audit and Closing Book process.

4.7 Periodic teleconferences shall be held by the Audit Firm and the Commission and Council staff to provide an understanding of the status of each entities' audit. The Commission and Council staff shall determine the frequency of these teleconferences. Periodic teleconferences may also be held with the institutions (entities).

4.8 Pursuant to GASB Statements 14, 39, 80 and amended criteria under 61, provide a review and reliance of each entity's potential component units, including foundations, research and development corporations and other affiliated organizations, for inclusion in each respective institution's issued audit report. All institutions comprising the Fund have adopted these standards, but not all related organizations are reported as component units either due to non-applicability of criteria or immateriality of amounts to the Fund. When and if these related organizations become material, they shall be reported in the appropriate institution's and the Fund's financial statements as discrete component units at no additional cost.

4.9 Perform an audit of statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows, with appropriate notes to the financial statements, in accordance with auditing standards generally accepted in the United States ("generally accepted auditing standards") and the standards applicable to financial audits in accordance with audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) :

- Marshall University Research Corporation (MURC)
- Shepherd University Research and Development Corporation
- West Virginia State University Research and Development Corporation
- West Virginia University Research Corporation

The Audit Firm shall review the Data Collection Form for consistency and accuracy to the audited financial statements and shall assist the institutions with the electronic submission to the Federal Audit Clearinghouse of the form (Internet Data Entry System (IDES)). This assistance shall include an auditor's certification transmitted electronically.

4.10 Standards are to be established and maintained by the Audit Firm that will ensure that entities are consistent in the reporting of their financial activity so comparative information is readily available to the Commission and Council. When administratively, legally and economically feasible the Audit Firm may employ local CPA firms for support and field assistance. If local CPA firms are employed, the Audit Firm shall oversee, supervise, manage and direct the audit work and shall be fully and solely responsible for its accuracy and completeness.

4.11 The Audit Firm shall make a presentation of the audit findings and reports to each institution's governing board at a regularly scheduled meeting as soon as practicable following issuance of the institution's final report. A presentation of the Consolidated Financial Audit shall be made to the Commission and Council at a regularly scheduled meeting of these bodies as soon as practicable following issuance of the final report. The date of the presentation will be determined in consultation with the Audit Firm.

4.12 System Bond Audits: Conduct an audit of the following outstanding System (Commission) Bonds in accordance with AICPA generally accepted auditing standards for governmental agencies for the purpose of expressing an opinion with respect to the financial statements arising from cash transactions of the following funds. Additional bonds may be issued in the future, and if they are and require separate audits, a fee will be negotiated with the Audit Firm for these audits. If a separate audit is not required, the audit firm shall include the bonds in the Commission's financial statement at no additional cost.

- Series 2017 Revenue Refunding Bonds due through 2027
- Series 2012 A - Revenue Refunding Bonds, due through 2034;
- Series 2012 B - Revenue Refunding Bonds, due through 2034;
- Series 2010 A - Revenue Bonds, due through 2026;
- Series 2010 B - Revenue Bonds, due to 2040;
- Series 2010 C - Revenue Bonds, due through 2018;
- Series 2004 B - Higher Education Facilities Bonds, due through 2034;
- Series 2000 A - University System Bonds, due through 2031; and
- Series 1998 - University System Bonds, due through 2028.

4.13 Institution Bonds Payable: The institutions within the Fund had bonds payable as of

June 30, 2018. For the most current list of these bonds payable, please refer to the Fund's Combined Financial Statement as of June 30, 2018. Institution bonds payable shall be included in the institutions' financial statement; however, a separate bond audit is not required. Additional bonds may be issued in the future, and if they are and require separate audits, a fee will be negotiated with the Audit Firm for these audits. If a separate audit is not required, the audit firm shall include the bonds in the institution's financial statement at no additional cost.

4.14 The Commission and institutions may, from time to time, issue new revenue bonds, refund existing revenue bonds or issue other financial or debt instruments where inclusion of financial statements in the offering documents is prudent and desirable. In these cases, the Audit Firm shall cooperate in all respects to facilitate inclusion of the financial statements and not place an undue burden, demand or restriction in incorporating the financial statements in these documents. The Audit Firm shall be given the opportunity to review these documents prior to issuance and to correct misstatements or factual errors in these documents with respect what is stated in the financial statements. A reasonable fee may be negotiated with the Audit Firm for this service.

4.15 Fund Engagement Letter: By April 1st of each year, the Audit Firm shall draft a single engagement letter for the next Fund Audit for review and approval by the Commission. The engagement letter shall comply in all respects to the terms and conditions set forth in this RFP and the purchase order/contract issued by the Commission. Among other things, the engagement shall identify the partner in charge of the audit, the audit schedule, an itemization of the audit fee by entity, a payment schedule for the audit, and other matters normally included in an engagement letter. Once approved by the Commission, this engagement letter shall serve as the vehicle for providing services for audit of the Fund. Invoices for the Fund Audit shall be presented to the Commission for payment.

4.16 Institution Engagement Letter: An institution (entity) may elect to have a separate engagement letter for additional services beyond the Fund audit. This engagement letter shall describe the services and deliverables required to meet the institution's Fund audit obligations as well as other audit services the institution deems necessary for its benefit. If an institution engagement letter is issued, the Audit Firm shall invoice the institution directly and the institutions shall pay all invoices for services in this engagement letter. If an institution desires to have its own engagement letter, the Commission and Audit Firm must be notified by April 30 for the upcoming audit. A copy of the approved engagement letter and subsequent modifications, if any, shall be provided to the Commission.

4.17 Under the auspices of this contract, an entity may engage the Audit Firm to provide additional entity specific auditing and consulting services provided these services do not create a conflict with respect to performing the Fund Audit. The scope of work and associated fees may be negotiated directly between the entity and the Audit Firm. A separate engagement letter shall be provided for the additional services. A copy of the approved engagement letter and subsequent modifications, if any, shall be provided to the Commission.

4.18 Arbitrage Calculations: If engaged by an entity to perform this additional service,

the Audit Firm shall calculate and prepare documentation necessary to rebate excess arbitrage earned under any of the issues identified above, and provide adequate disclosure for all issues relating to penalty elections.

SECTION 5: REPORTING REQUIREMENTS

5.1 Financial Audit Reports: Audited reports for each entity shall be prepared. Bound copies of each institution's report shall be provided to the Commission or Council, as applicable and to the respective institution as identified in the Fee Proposal Form, Attachment 2. The reports shall be provided according to the schedule in Attachment 1. These reports shall include:

- Auditor's opinion on each institution's and research corporation's statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows, with appropriate notes to financials and required supplemental information as of June 30 with prior year's comparable data;
- Title 2 U.S. Code of Federal Regulations audits; and
- Supplemental financial data, including Management's Discussion and Analysis.

5.2 Provide an audited report that combines the audited statements of all Fund entities into an audited consolidated report for the Fund. In addition, provide an audited consolidated report for the Council entities.

5.3 Bound copies of the Consolidated Fund Report shall be provided to the Commission as identified in the Fee Proposal Form, Attachment 2 according to the schedule in Attachment 1. This report shall include the auditor's opinion, statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, with appropriate financial statement footnotes, required supplemental information and Management's Discussion and Analysis, as of June 30 with comparable prior year's data. The consolidated statement shall also include a schedule of supplementary consolidating financial information of the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

5.4 A PDF version of all audited financial statements and reports shall be provided for posting on the websites of the Commission and Council according to the schedule in Attachment 1. At the same time, each institution's audited financial statements and reports shall be provided to the institution for posting on the website of the institution and for publishing in a paper report. Also, the Commission and Council provide various reports to other entities which include financial information from the Consolidated West Virginia Higher Education Fund Report. An electronic copy of the various consolidated work schedules shall be provided in a Microsoft Excel file or other file as stipulated by the Commission and Council which shall enable the Commission and Council to extract financial information and include it in the Commission's and Council's reports.

5.5 When required, a management letter identifying weaknesses in internal controls

discovered as a result of the audit at the institutions shall be provided to each institution and the Commission or Council no later than indicated in the schedule in Attachment 1. A draft of the management letters shall be provided to the respective institutions and the Commission or Council for review, comment and discussion by the date indicated in Attachment 1.

5.6 Bond Audit Reports: As needed and if required by bond covenants, separate audit reports shall be completed for each bond issue required to have a separate audit report and submitted to the Commission in draft form and final form pursuant to the schedule in Attachment 1. Bound copies of the final reports shall be provided to the Commission as identified in the Fee Proposal Form, Attachment 2. In addition, the Commission shall be provided an electronic copy of all reports in PDF format. Also, for bonds issued by an institution's governing board that are required to be audited, a draft of each report and bound copies of the final reports shall be provided to the institution as identified in the Fee Proposal Form, Attachment 2, at the same time the Commission receives its reports.

5.7 Each of the reports must contain, as a minimum requirement, the following:

- Auditor's opinion or review report;
- Statement of Net Position (current and prior year);
- Statement of Revenues Collected, Expenses, and Changes in Net Position (current and prior year);
- Notes to financial statements including debt service amortization schedules; and
- Arbitrage report as required in section 4.18.

5.8 A summary report showing debt service reserve requirements for each bond issue, and current balances is required. Certain letters expressing compliance with bond indentures may also be required.

5.9 The Audit Firm shall present the Bond Audit Reports to each institution's Governing Board and the Commission at a scheduled meeting of each Board and the Commission.

SECTION 6: VENDOR INFORMATION AND QUALIFICATIONS

Provide a statement/response to each of the following:

6.1 Identify and provide a statement of qualifications of individuals within the Audit Firm and local firms (if any) to be assigned direct responsibility for the engagement.

6.2 Describe the experience that key personnel have, their length of service with the firm, and the type and extent of training your firm provides its staff in the field of higher education, as well as other relevant audit skills.

6.3 Estimate the level of partner time the firm intends to commit.

- 6.4 Provide statistics on staff turnover/tenure within the firm at the partner, manager, and field auditor levels.
- 6.5 Discuss the organization and qualifications of the Audit Firm and any local firms that are part of this proposal, including the status of each Audit Firm within the public accounting profession, and the status of any adverse legal action that may jeopardize the Audit Firm's long-term viability.
- 6.6 Describe any business relationship that the firm currently has and has had in the past five years with the Systems and/or entities.
- 6.7 Describe the Firm's size, illustrating that the Systems' engagement does not compromise either the Firm's independence or its appearance of independence.
- 6.8 Describe the Firm's client relationships with other businesses or not-for-profit organizations that are of sufficient magnitude to place the auditor in a potential conflict of interest with respect to the Systems' and/or entities.
- 6.9 Provide results of the Audit Firm's most recent peer review (under PCAOB and/or AICPA Peer Review Program).
- 6.10 Indicate the relationship of the responding firm office to firm owner (i.e., independent ownership, corporate ownership, franchise, etc.) and identify any parent company relationships.
- 6.11 Provide evidence that the firm registered to practice in West Virginia.
- 6.12 Describe any related experience in auditing and compiling financial statements for state institutions of higher education.
- 6.13 Describe your experience in managing a system-wide higher education engagement.
- 6.14 Describe your experience in the setting of system-wide technical accounting criteria for use at participating institutions (entities).
- 6.15 Describe your experience in auditing public research institutions and those with an academic health sciences component.
- 6.16 Describe your experience with the OMB Title 2 U.S. Code of Federal Regulations audits pertaining to institutions of higher education including an in-depth familiarity with the audit requirements necessary to issue an Independent Auditor's Report in accordance with Title 2 U.S. Code of Federal Regulations.

6.17 Describe your experience with audits of general computer controls associated with complex and large financial systems including information security, application systems, database management, network support, system software support and information security.

6.18 Provide an overview of the Audit Firm's audit philosophy and approach to the engagement.

6.19 Provide a complete description of how the work will be conducted including all quality assurances that are provided in the firm's process for this type of work, and detail the amount of time and effort that will be required of the entities' personnel. Include in this description an explanation of the tools/technology used to collect/coordinates requested items (i.e., client preparation list, audit selections, etc.) and provide information on the status of testing.

6.20 Describe the utilization of local firms if any, extent of local firm participation, and how local firm participation will be managed to ensure system-wide continuity, compatibility of information, audits and reports.

6.21 Address how the partner-in-charge will take an active role in the audits to ensure that individuals with the necessary expertise and experience will be assigned to the audits at the appropriate point to achieve timely completion.

6.22 Provide a proposed schedule, including an interim work schedule, and audit plan with specific dates shown to ensure completion of the audit and required reports within the time limits in Attachment 1.

6.23 Discuss the firm's philosophy and approach regarding resolving disputes with entity's management over significant accounting and service issues, internal controls, risk assessment, management letters and policies on partner rotation (both engagement and review partners).

6.24 Provide information regarding any publications, seminars, or special reports published by the firm on topics important to the higher education community.

6.25 Discuss the procedures or approach you will use to ensure a smooth and effective transition from the current auditors. Include a discussion of the time that will be involved, the current auditor's requirements, etc.

6.26 Provide the names, telephone numbers and mailing addresses of at least three higher education clients and the contact person from whom references may be obtained for both the firm and the key personnel assigned to the engagement. References should be from clients comparable to the type and scope of services solicited in this RFP.

SECTION 7: BIDDER RESPONSE AND EVALUATION CRITERIA

7.1 Economy of Preparation: Proposals should be prepared simply and economically, providing a straightforward, concise description of the bidder's ability to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

7.2 Proposals should be limited to 50 pages. Additional material may be presented as exhibits to the main proposal.

7.3 A Title Page (Exhibit F) should be provided. The Title Page includes the RFP Number, Addenda Received check boxes, the Bidder's business name, business address and telephone number, a contact name and e-mail address and includes a signature line and date for the individual authorized to obligate the business. Note: The Title Page is the preferred method of providing the bidder's information. If the bidder does not utilize the Title Page, the bid must provide a cover letter with, at a minimum, the signature of an individual authorized to obligate the company and a date.

7.4 The proposal will be evaluated on a one hundred (100) point scale with points assigned as outlined below.

7.4.1 Qualifications, Experience and Company Background – 40 points

Responses to Section 6 will be reviewed and evaluated here.

7.4.2 Services – 30 points

Responses to Section 4 and 5 will be reviewed and evaluated here.

7.4.3 Price – 30 points

The low bid will receive the full 30 points. Each higher bid will receive a percentage of the 30 points on a ratio basis compared to the low bid cost.

NOTE: ALL PRICES ARE TO BE PROVIDED IN A SEPARATE SEALED ENVELOPE LABELED AS PRICING INFORMATION.

7.5 Award will be made to the bidder receiving the highest point total.

7.6 In the event that mutually acceptable terms cannot be reached within a reasonable period of time, with the highest ranked bidder, the Systems reserve the right to undertake negotiations with the next highest ranked bidder and so on until mutually acceptable terms can be reached.

SECTION 8: ADDITIONAL INFORMATION

8.1 By submitting a proposal in response to this RFP, a firm shall be deemed to have accepted all the terms, conditions, and requirements set forth in herein unless otherwise clearly noted and explained in writing. Any exception(s) or additional terms and conditions a firm wishes to offer for consideration must be clearly itemized and explained. Otherwise, the RFP in total shall be incorporated into the contract by reference. The Systems may accept or reject the Firm's proposed exceptions as it deems appropriate and in the best interests of the Systems.

8.2 The State's Agreement Addendum (WV-96) is attached to demonstrate the State law and guidelines which must be adhered to in any contracts presented to the Systems for execution (See Exhibit E). A copy of additional terms and conditions that a firm wishes to offer for consideration should be enclosed with the proposal. The West Virginia Attorney General's Office must accept or reject proposed modifications to the WV-96.

8.3 The Audit Firm's proposal shall include complete and total compensation to the Firm for the Fund Audit. Should an institution, Commission or Council request additional auditing services, or should the Audit Firm believe that additional services are required to complete an audit, then the Audit Firm shall: (a) alert the Systems' Director of Procurement and the institution, if applicable; (b) identify in writing the proposed additional service and the requested compensation; and (c) secure the written approval of the Systems' Director of Procurement and the institution, if applicable, before commencing the additional service. Failure by the Audit Firm to secure such approval in advance may result in forfeiture of any additional compensation that may otherwise be due. If the additional service and the additional compensation are approved by the Director of Procurement, a change order to the contract will be issued authorizing the service. Payment for services cannot be made until a change order for the additional work is issued. If authorized according to this paragraph, additional services may be negotiated and paid on an hourly or stipulated fee basis.