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West Virginia Higher Education Policy Commission
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WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

REQUEST FOR PROPOSALS (RFP) FOR

AUDIT PREPARATION ASSISTANCE

RFP NUMBER 15185

Table of Contents

Section 1	General Information.....	2
Section 2	Eligibility Requirements	4
Section 3	Project and Services Required	4
Section 4	Proposal Instructions, Content and Evaluation	7
Section 5	Other Requirements	9
Section 6	General Terms and Conditions	10
Section 7	Other Information	11

Exhibits

- Exhibit A – Instruction to Bidders
- Exhibit B – Terms & Conditions
- Exhibit C – Agreement Addendum (WV-96)
- Exhibit D – Purchasing No Debt Affidavit
- Exhibit E – Vendor Registration and Disclosure Form (WV-1A)
- Exhibit F – Request for Taxpayer Identification (W-9)

Questions will be received until 5:00PM, EST, April 24, 2015
Proposals will be received until 3:00PM, EST, May 6, 2015

DIVISION of FINANCE and FACILITIES
(304) 558-0281 phone • (304) 558-0259 fax

**REQUEST FOR PROPOSALS FOR
AUDIT PREPARATION ASSISTANCE SERVICES**

Section 1: General Information

1.1 Purpose. The West Virginia Higher Education Policy Commission (WVHEPC) is soliciting bids on behalf of the Commission as well as the West Virginia Community and Technical College and the institutions and entities under their respective jurisdictions for Audit Preparation Assistance Services.

1.2 Schedule of Events.

Release of RFP: April 8, 2015
Question Deadline: 5:00 PM EST, April 24, 2105
Addendum/Response to Questions: April 29, 2015
Proposal Due Date: 3:00 PM EST, May 6, 2015

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
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard East, Suite 700
Charleston, WV 25301
Phone: 304.558.0281 Ext. 241
Fax: 304.558.0259
Email: mblashford@hepc.wvnet.edu

A Bidder, or anyone acting on a Bidder's behalf, may not make any contact whatsoever with any member of the Evaluation Committee concerning the requested services, terms or conditions set forth in the RFP. Violation of this clause may result in the rejection of the bid.

Only written information, interpretations and instructions issued by the Director of Procurement will be considered official. Bidders shall not rely on oral interpretations, information and instructions.

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 email is acceptable) by the Director of Procurement until the deadline identified above. Only

questions or requests for information received by the Director in writing will be considered official and receive a written response. Any/all questions will be answered by addendum and posted to the purchasing webpage identified in 1.4 above. It is the Potential Bidder's responsibility to check the webpage above for current information regarding this RFP. When submitting questions, please reference RFP 15185 in the subject line of the email. In addition, questions submitted in an attachment should be provided as a MS Word document, not in PDF format.

1.6 Proposal Submission. Please deliver an original and three (3) copies (plus a complete copy in PDF format on a thumb drive) of the proposal in a sealed opaque envelope or package to the following address on or before 3:00 PM EST, May 6, 2015:

Director of Procurement
RFP 15185
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard East, Suite 700
Charleston, WV 25301

The outside of the envelope or package(s) should be clearly marked:

Director of Procurement, WVHEPC
RFP # 15185
Bid Due Date: May 6, 2015

Proposals received after the due time and date will not be considered and will be returned unopened. It is the Bidder's (Proposer's) sole responsibility to ensure timely delivery.

1.7 Interviews. Discussions and interviews may be held with Bidders under final consideration prior to making a selection for award; however, the RFP may be awarded without such discussions or interviews. In the event that mutually acceptable terms cannot be reached within a reasonable period with the most advantageous firm, HEPC reserves the right to undertake negotiations with the next most advantageous firm, etc., without starting a new procurement process.

1.8 Oral Statements and Commitments. Any oral representations made or assumed to be made during discussions held between the Bidder's representatives and WVHEPC personnel are not binding. Only the information issued in writing and added to the RFP specifications file by an official written addendum are binding.

1.9 Rejection of Proposals. WVHEPC shall select the best value solution according to the evaluation criteria. However, the Director of Procurement 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 and for any reason. Submission of, or receipt by the Director confers no rights upon the Bidder nor obligates WVHEPC in any manner.

1.10 Pricing. 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(s) 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 are provided for adjustment in the original contract.

1.11 Proposal Preparation Costs. Neither WVHEPC nor any of its employees or officers shall 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 Multiple Awards. The WVHEPC reserves the right to award an open-end contract to multiple vendors. An open-end contract does not guarantee the vendor will be retained for work, but rather means that the WVHEPC or one of its institutions may contract with the vendor. Contracts for work will come in the form of a Purchase Order referencing this master open-end contract.

Section 2: Eligibility Requirements

2.1 Ineligible Bidders. Current employees of WVHEPC, the ten community and technical colleges that make up the consortium (see Section 3.1), the West Virginia Higher Education Policy Commission, and Bridging the Gap Project partners will be excluded from consideration.

2.2 Participation. WVHEPC encourages participation by Historically Black Colleges and Universities and other minority institutions, as well as small businesses owned and controlled by socially and economically disadvantaged individuals.

Section 3: Project and Services Required

3.1 Introduction.

3.1.1 The West Virginia Higher Education Policy Commission ("Commission") and the West Virginia Community and Technical College Council ("Council"), collective referred to as the "Systems," along with the institutions and entities under their respective jurisdictions comprise the West Virginia Higher Education Fund ("the Fund"), which is a component of the State of West Virginia Fund. The Systems are seeking firms with experience and expertise to assist with the preparation of financial statement drafts and other supporting information used by the Systems' financial auditors to conduct audits of the Fund's financial statements prepared in accordance with accounting principles prescribed by the Governmental Accounting Standards Board. These audits are performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States.

3.1.2 The Systems, by this Request for Proposal ("RFP"), seek proposals from firms to provide assistance with the preparation of financial statement drafts and supporting information for the next five fiscal years, 2014, 2015, 2016, 2017 and 2018. The Systems' fiscal year begins July 1 and ends June 30.

3.1.3 Requirements are stated in the various sections of this document. Other terms and conditions appropriate to the audit assistance services work are explained in the RFP.

3.1.4 Firms will be evaluated on economic effectiveness, technical qualifications, service availability, quality of service and overall management capabilities, and on the completeness of its proposal.

3.1.5 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 consideration. Firms shall provide all requested information and are encouraged to include any additional information they wish to have considered.

3.1.6 The complete review of these documents is required prior to submission of a proposal. By responding, the firm will acknowledge that all of the documents have been read and understood.

Section 3.2 West Virginia Higher Education Fund.

3.2.1 The West Virginia Higher Education Fund includes the entities under the jurisdiction of the Systems as follows:

The Commission's entities include:

- Bluefield State College
- Concord University
- Fairmont State University
- Glenville State College
- Marshall University
 - Marshall University Research Corporation
- Shepherd University
 - Shepherd University Research Corporation
- West Liberty University
 - West Liberty University Research Corporation
- West Virginia Higher Education Policy Commission (Commission)
 - West Virginia Network (WVNET)
- West Virginia School of Osteopathic Medicine
- West Virginia State University
 - West Virginia State University Research Corporation
- West Virginia University (WVU)
 - West Virginia University Institute of Technology (WVUIT)
 - Potomac State College of West Virginia University
 - West Virginia University Research Corporation

The Council's entities include:

- Blue Ridge Community and Technical College

- BridgeValley Community and Technical College (see paragraph 2.2 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

Section 3.3 Financial Background and Financial Information Systems.

3.3.1 The Systems' current operations are funded primarily through State appropriations, student fees, operation of self-supporting activities, Federal Government programs, local and private gifts and sponsored programs, and investment income.

3.3.2 A summary of the Fund's revenues, expenses, and changes in net assets for the years ending June 30, 2001 through 2012 may be obtained from:

<http://www.wvhepc.edu/resources/purchasing-and-finance/financial-statements-2014/>

3.3.3 All entities in the Fund, except the Commission, Council, West Virginia University, West Virginia University Parkersburg and Eastern West Virginia Community and Technical College use the Elucian Banner system for their general ledger. West Virginia University and West Virginia University Parkersburg use Oracle general ledger systems. Eastern West Virginia Community and Technical College uses QuickBooks software for its general ledger system and the Commission and Council uses Microsoft Access for its general ledger systems. The Community and Technical College uses the State's Financial Information System ("OASIS") for its general ledger. Payroll and vendor disbursements as well as deposits are made through OASIS for all entities. In most cases, the entities' general ledger systems interface with OASIS. The Commission, Community and Eastern West Virginia Community and Technical College will begin using this system for their general ledgers in fiscal year 2015. Except for Eastern West Virginia Community and Technical College, the institutions use their general ledger systems for financial reporting purposes and interface to OASIS for invoice payments and cash disbursements.

Section 3.4 Scope of Services.

3.4.1 It is anticipated that multiple contracts will be awarded for the audit assistance services. However, the Commission and Council reserve the right to configure the contract in whatever way is in their best interests. The work completed will comply with the requirements of the firm conducting an institution's audit.

The services to be provided will depend upon the needs for each engagement. The Vice Chancellor for Finance for the Commission and Council will determine the scope of services for

each engagement not requested directly by an institution. For institutions that request services directly of the firm, the scope of services will be determined by the requesting institution. Services may include but are not limited to the following:

- Preparation of supporting schedules and reconciliations
- Preparation of journal entries and adjustments
- Preparation of draft financial statements

<http://www.wvfinance.state.wv.us/FARSmain.htm>

Section 3.5 Engagement Letters.

3.5.1 Commission Engagement Letter: Upon a written request for services, the firm shall draft a single engagement letter 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 assistance services, a schedule of fees, 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 assistance services. Invoices for the audit assistance services shall be presented to the Commission for payment.

3.5.2 Institution Engagement Letter: An institution (entity) may elect to have a separate engagement letter for additional assistance services. This engagement letter shall describe the services and deliverables required to meet the institution's needs. If an institution engagement letter is issued, the Firm shall invoice the institution directly and the institutions shall pay all invoices for services in this engagement letter. A copy of the approved engagement letter and subsequent modifications, if any, shall be provided to the Commission.

Section 4: Proposal Instructions, Content and Evaluation

4.1 Proposals should be prepared following the order and numbering sequence of this RFP.

4.2 Proposals should be on 8.5" X 11" paper and bound in a three ring loose-leaf binder. Additional material may be submitted separately as exhibits and may be included in the same binder following the main proposal. The proposals and exhibits must be reproducible.

4.3 Bidder should submit an original and one copy of the proposal. Also, submit one complete PDF copy of the proposal, including exhibits, on a thumb drive. The PDF copy should be organized and formatted exactly like the paper original.

4.4 The proposal should contain the following:

1. Qualification of Firm: Provide a statement/response to (a) organization and qualifications of the Firm, including the status of each Firm within the public accounting profession, and the status of any adverse legal action that may jeopardize the Firm's long-term

viability; (b) describe any business relationship that the firm currently has and has had in the past five years with the Systems and/or entities; (c) provide results of the Firm's most recent peer review (under PCAOB and/or AICPA Peer Review Program); (f) 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; and (g) indicate if the firm is registered to practice in West Virginia.

2. Relevant Experience of the Firm: A statement of related experience with providing assistance in the preparation of draft financial statements and supporting information for state institutions of higher education and the OMB Circular A-133 audits pertaining to institutions of higher education.
3. Audit Assistance Services Approach/Philosophy: (a) Provide an overview of the Firm's philosophy and approach to the engagement; (b) 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 c) firm's philosophy and approach regarding resolving disputes with entity's management over significant accounting and service issues, internal controls, risk assessment and management letters, policies on partner rotation (both engagement and review partners).
4. Qualifications of Staff: Identification and statement of qualifications of individuals within the Firm to be assigned direct responsibility for the engagement. Describe the experience that key personnel have and the type and extent of training your firm provides its staff in the field of higher education, as well as other relevant audit assistance skills.
5. References/Depth of Client Base: The names, telephone numbers, e-mail 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.
6. Addendum Acknowledgement: The vendor should acknowledge knowledge and acceptance of any Addendum released prior to bid opening.

4.5 Proposals should be prepared simply and economically, providing a straightforward, concise description of Bidder's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

4.6 The proposal will be evaluated on a 100-point scale with points assigned as outlined below. The response proposal shall contain a title page and three (3) sections:

- (a) *Title Page.* Provide the RFP project and number, the Bidder's name, business address, telephone number, name and email address of authorized contact person, and include a signature and date.
- (b) *Section 1: Discussion of Services (40 points).* Describe the process you will undertake to perform the requirements of this project, including addressing the

services required to be performed in Section 3 of this RFP. Provide an overview of the principles and methodologies that will be used.

- (c) *Section 2: Qualifications and Experience (30 points)*. Describe the Bidder's qualification and experience, including:
- (1) A description of the background, experience, and expertise of the staff proposed for this project. Include a resume for all major team members.
 - (2) A list and contact information of three clients for whom similar work was performed and a brief description of the services provided. (Higher Education experience will be given greater weight during the evaluation process.);
 - (3) A list of any actual or potential conflicts of interest related to any work that may be required as a result of the RFP.
- (d) *Section 3: Fee and Expense Proposal (30 points)*. Provide a fee and expense proposal. Travel and related expenses will be paid separately and will be negotiated with the vendor when appropriate.

4.7 The State's Agreement Addendum (Exhibit C) is attached to identify applicable State laws and the guidelines that must be adhered to in any contract presented to WVHEPC for execution. A copy of additional terms and conditions that a firm wishes to offer for consideration should be enclosed with the proposal; however any modification or conflicting terms to the Agreement Addendum requires approval of the West Virginia Attorney General's Office.

4.8 West Virginia State Code § 5A-3-10a requires all vendors to submit an affidavit regarding any debt owed to the State. The Affidavit (Exhibit D) must be completed, signed and returned with the Bidder's proposal.

4.9 By signing the proposal, the Bidder affirms that it and its officers, members, and employees presently have no actual or potential conflict of interest, beyond conflicts disclosed in its proposal, and 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 arises, the Contractor must disclose it to WVHEPC promptly.

Section 5: Other Requirements

5.1 Purchasing Vendor Registration. The Successful Bidder must be a registered vendor with the Purchasing Division, West Virginia Department of Administration, and have a valid vendor number. A Bidder is not required to be a registered vendor in order to submit a proposal, but the Successful Bidder must register and pay the fee prior to the award of an actual purchase order or contract. Vendors participating in this process should complete and file a Vendor Registration

and Disclosure Statement (Exhibit E) and remit a registration fee to the address provided on the form.

5.2 W-9 Filing. The Successful Bidder must have a current IRS Form W-9 Request for Taxpayer Identification Number (Exhibit F) on file with the Finance Division, Financial Accounting and Reporting Section, West Virginia Department of Administration, and a valid vendor number.

5.3 No Debarment/Suspension. The Successful Bidder must certify that it is not debarred or suspended from doing business with the State of West Virginia or any entity thereof, and that no entity, agency, or person associated with the vendor is debarred or suspended.

5.4 Contract Release Order. WVHEPC will provide the Successful Bidder with a formal contract release order as notification to proceed with services. The Successful Bidder may not proceed until it is in receipt of an approved signed contract release order purchase order.

Section 6: General Terms and Conditions

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

6.2 Contractor Relationship. The relationship of the Vendor to WVHEPC shall be that of an independent contractor, and no principal-agent or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor, as an independent contractor, is solely liable for the acts and omissions of its employees and agents.

(a) The Vendor shall be exclusively responsible for selecting, supervising, and compensating all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor nor any employees or contractors of the Vendor may be deemed to be employees of WVHEPC for any purpose whatsoever.

6.3 Handling of Confidential Information and PII. The Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless WVHEPC against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor.

6.4 Compliance with Laws and Regulations. The Vendor agrees to comply with the Civil Rights Act of 1964 and all other applicable federal, state, and local laws, ordinances, and regulations.

6.5 Contract Term and Renewals. This contract will be effective upon award and shall extend for a period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of five (5) one-year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time"

period, Vendor may terminate the contract for any reason upon giving WVHEPC ninety (90) days written notice. Notice by the Vendor of intent to terminate will not relieve the Vendor of the obligation to continue providing services pursuant to the terms of the contract.

6.6 Invoices. The Vendor shall submit invoices, in arrears, at the address listed on each approved contract release order pursuant to the terms of the contract. State law prohibits payment of invoices before receipt of services. Progress payments may be approved at the discretion of the WVHEPC. State law does not provide for interest on account of late payments. Invoices properly prepared and submitted in accordance with the terms and conditions of the contract are usually paid within 30 days.

6.7 Contract Changes. If changes in the original contract become necessary, WVHEPC and the Vendor will negotiate the acceptable changes. WVHEPC will create a formal contract change order and notify the Vendor in writing.

6.8 Contract Termination - Unavailability of Funds. If funds are not appropriated or allocated for WVHEPC for the continued use of the services covered by this contract, WVHEPC may terminate the contract at the end of the affected current fiscal period without further charge or penalty. WVHEPC shall give the Vendor written notice of such non-appropriation or non-allocation of funds as soon as possible after WVHEPC receives notice. No penalty shall accrue to WVHEPC in the event this provision is exercised.

6.9 Contract Termination – Other Reasons. WVHEPC may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities.

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

Section 7: Other Information

7.1 Disclosure of Bid and Contract Documents. All documents submitted to WVHEPC related to purchase orders or contracts are considered public records. All bids, proposals or offers submitted shall become public information and are available for inspection during normal office business hours at WVHEPC after the bid opening.

- (a) All public information may be released with or without a Freedom of Information Act request.
- (b) The only exemptions to disclosure of information are listed in West Virginia Code § 29B-1-4. Primarily, only trade secrets identified by a Bidder are exempt from public disclosure. A Bidder's submission of information to WVHEPC as an agency of the State of West Virginia puts the risk of disclosure on the Bidder. WVHEPC will make a reasonable effort not to disclose information that is within the guidelines of West Virginia Code § 29B-1-4 and is properly labeled "proprietary information not for public disclosure." WVHEPC, however, does not guarantee non-disclosure of any information to the public.

7.2 Exhibits. The following Exhibits are a binding part of this RFP and attached to the RFP:

- Exhibit A – Instruction to Bidders
- Exhibit B – Terms & Conditions
- Exhibit C – Agreement Addendum (Form WV-96)
- Exhibit D – Purchasing No Debt Affidavit
- Exhibit E – Vendor Registration and Disclosure Form (WV-1A)
- Exhibit F – Request for Taxpayer Identification (W-9)