



# REQUEST FOR PROPOSALS

## AUDITING SERVICES RFP # 2011-02

RFP RELEASED: December 8, 2010

TECHNICAL QUESTIONS DUE: 3:30 p.m. on December 17, 2010

PROPOSALS DUE: No later than 3:30 p.m. on January 5, 2011

SUBMIT PROPOSALS TO:

San Bernardino Community College District  
ATTN: Benjamin Gamboa, Purchasing Agent  
114 South Del Rosa Drive, San Bernardino, CA 92408  
Phone: 909.382.4089 • Fax: 909.382.4037  
Email: [bgamboa@sbccd.cc.ca.us](mailto:bgamboa@sbccd.cc.ca.us)

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## 1.0 INSTRUCTION TO CONTRACTORS

This section will provide necessary information for CONTRACTORS to qualify as legally “responsive” to this Request for Proposals (RFP). This section should be studied carefully before attempting to respond so that proposals are not rejected on a minor technicality that could have been avoided.

### 1.1 NOTICE FOR INVITING PROPOSALS

Notice is hereby given that the Governing Board of the San Bernardino Community College District (SBCCD) of San Bernardino County is soliciting auditing services for SBCCD’s annual independent and Proposition 39 bond performance audits. SBCCD hereby invites you (CONTRACTOR) to submit a Proposal according to the terms and procedures defined herein no later than 3:30 PM (PDT), Wednesday, January 5, 2011, to the attention of Benjamin Gamboa, Purchasing Agent at 114 S. Del Rosa Dr., San Bernardino, CA 92408 as per the specifications on file with Purchasing Services.

### 1.2 PURPOSE

Education Code Section 84040 requires that community college districts shall provide for an annual financial audit of the books and accounts, and the audit shall include all funds of SBCCD, including the student body, cafeteria funds and accounts, and any other funds under the control or jurisdiction of SBCCD. The audit shall be made in accordance with generally accepted auditing standards and shall include, to the extent applicable, the audit procedures required by the State Chancellor’s Office of the State of California detailed in the publication “Contracted District Audit Manual”, Single Audit Act of 1984, and related provisions of the Office of Management and Budget Circulars A-133 and such other publications on community college district audit procedures of said Office as have been or shall be issued during the period of this contract as well as the Requirements for Compliance Audits of Federally Assisted Programs.

### 1.3 REJECTION OF PROPOSALS

SBCCD’s Governing Board reserves the right to reject any or all proposals or any part of each proposal, to waive any irregularity in any proposal and to determine which, in its sole judgment, best meets SBCCD’s needs to receive an award **after** successful contract negotiations. CONTRACTOR may not withdraw its proposal for a period of **one hundred eighty (180) days** after the opening thereof.

### 1.4 SUBCONTRACTORS

If a subcontractor will be used by CONTRACTOR to comply with any portions of this RFP, that fact must be stated in the proposal. The names of the subcontractors and their duties shall be specified in the proposal.

### 1.5 RFP COMPLIANCE, FORMS, AND CERTIFICATES

#### 1.5.1 ACKNOWLEDGEMENT OF INDEMNIFICATION AND INSURANCE REQUIREMENTS

There are certain indemnifications and insurance provisions which must be included in the final agreement(s) with SBCCD. The CONTRACTOR shall maintain Workers’ Compensation Insurance as required by statute and shall submit a certificate of such insurance with its proposal response. SBCCD requires the following levels of coverage:

- A. Commercial General Liability including personal injury and property damage in the amount of \$1,000,000 and \$5,000,000 aggregate;
- B. Employer’s Liability in the amount of \$1,000,000;

- C. Professional Liability in the amount of \$1,000,000;
- D. Automobile Liability, all automobiles, in the amount of \$1,000,000 for combined single limit.

The foregoing insurance coverage shall be primary and non-contributing with respect to any other insurance which may be maintained by SBCCD.

- A. All policies, except for Workers' Compensation and Employer's Liability and Professional Liability, shall be endorsed to include the San Bernardino Community College District as an additional insured and contain a Cross Liability or Severability Clause.
- B. The Workers' Compensation and Employer's Liability policies shall be endorsed to waive all rights of subrogation against San Bernardino Community College District.
- C. SBCCD does not represent or warrant that the types or limits of insurance adequately protect CONTRACTOR'S interest or sufficiently cover CONTRACTOR'S liability. Failure by CONTRACTOR to maintain the insurance coverage specified herein shall be considered a material breach of this Agreement.
- D. Prior to commencing work, CONTRACTOR will furnish SBCCD with properly endorsed certificates of insurance acceptable to SBCCD which provide that the coverage will not be canceled or materially changed except upon thirty (30) days written notice to SBCCD. All certificates must be faxed or emailed, followed by a hard copy "wet ink" signed original in the mail to: San Bernardino Community College District, Attn: Business Services, 114 South Del Rosa Drive, San Bernardino, CA 92408-0108.

### **1.5.2 NON-COLLUSION AFFIDAVITS**

Affidavits are required to be completed by the CONTRACTOR declaring that the proposal is in all respects fair and without collusion or fraud. Please see Appendix B.

### **1.5.3 AFFIDAVIT OF CONFIDENTIALITY AND INDEMNIFICATION AGREEMENT**

CONTRACTOR may designate selected portions of its proposal as confidential, such as proprietary information not publicly disclosed about their products/services. However, if a claim to release the confidential portion is made under the California Public Records Act, SBCCD will notify the CONTRACTOR of such a claim but will not defend the CONTRACTOR's rights to privacy.

## **1.6 CONFIDENTIALITY**

The submitted proposals and Response Forms are public records subject to public disclosure pursuant to the provisions of the Public Records Act (Government Code Section 6250). SBCCD will notify the CONTRACTOR of any public request for disclosure of such documents.

## **1.7 PROPOSAL FORMAT**

CONTRACTOR shall use the forms and formats used in the appendices and described herein. The use of other forms may be cause for rejection of proposals. Every effort has been made to make the entry of this information as straightforward as possible, but in a format that can be fairly evaluated for inclusion in the RFP and in the order presented in this RFP. It is the intent of this RFP and the appendices to ascertain full and complete disclosure of all costs related to the successful implementation of the services requested. If there are additional costs or requirements which are not covered in the RFP and appendices it is the CONTRACTOR's responsibility to

present that information during the RFP Window (the time following RFP release and the date the RFP Responses are due). Failure to disclose any of these costs in the RFP Response may constitute disqualification. All proposals should be submitted in the following format to enable SBCCD to fairly evaluate and compare all proposals. Failure to follow this format may constitute disqualification from consideration.

**Section 1.0 EXECUTIVE SUMMARY**

CONTRACTORS are asked to outline briefly the entire scope of the proposal and key elements to which readers should pay particular attention.

**Section 2.0 CONTRACTOR PROFILE**

CONTRACTOR may describe in narrative form the nature and history of its company, relationships with other CONTRACTORS if proposing jointly, etc.

**Section 3.0 LEGAL SPECIFICATIONS**

CONTRACTOR may wish to clarify its responses on the Legal Specifications and its policies with respect to contract negotiations. A blanket rejection of all SBCCD Legal Specifications in lieu of CONTRACTOR standard contract forms will deem CONTRACTOR as non-responsive and may remove it from consideration.

**Section 4.0 PROJECT SPECIFICATIONS**

CONTRACTOR shall outline and describe its proposals following the scope and specifications enumerated in Section 4.0. Specific exceptions to SBCCD specifications should be described and justified here as well as any additional information the CONTRACTOR feels relevant to their proposal. Paragraphs shall be numbered to follow the enumeration of Section 4.0 so as to provide the Evaluation Committee the ability to objectively score each proposal.

**Exhibits:**

The only official response to this RFP is what is submitted in the RFP Response and the exhibits included within. Ancillary and supplemental comments will be considered in the evaluation, but cannot substitute or contradict responses put in the forms.

**Exhibit A – Non-Collusion Affidavit**

This standard form is self-explanatory.

**Exhibit B – Contractor Profile Form & Designation of Names**

This is the official signature page for the RFP Response and where pertinent information is identified.

**Exhibit C – Financial Statements**

Please furnish financial information that accurately describes the financial stability of CONTRACTOR.

**1.8 PROPOSAL SUBMISSION**

CONTRACTOR shall submit **three (3)** copies of the proposal in a three-ring, loose-leaf binder form. All data shall be clearly and legibly written, preferably typewritten, except for signatures. Signatures must be made in the appropriate spaces in compliance with legal requirements.

Changes or erasures must be initialed by the individual signing the proposal. All blank spaces provided must have entries. CONTRACTOR shall also submit **one (1)** compact disc (CD) containing the proposal in a single electronic document formatted in Portable Document Format (PDF).

Proposals must be received in **sealed envelopes or containers** clearly showing the CONTRACTOR name, address and **San Bernardino Community College District, Auditing Services, RFP 2011-02**. No proposals may be withdrawn after public opening.

### **1.9 CONTRACTOR CONDUCT**

During the RFP Window (from release of this RFP to Final award), CONTRACTOR is not permitted to contact any SBCCD employees or members of the Governing Board unless at the request of SBCCD's designated contact person found on the title page of this RFP or to fulfill pre-existing contractual obligations. No gratuities of any kind will be accepted, including meals, gifts, or trips. Violation of these conditions may constitute immediate disqualification.

### **1.10 QUESTIONS REGARDING THIS RFP**

Any administrative or technical questions concerning the requirements presented in this RFP must be directed to the contact on the title page of this RFP via e-mail. Technical questions must be submitted to Benjamin Gamboa no later than 3:30 PM (PDT), Friday, December 17, 2010. The Evaluation Committee will draft responses to be posted as Addenda.

### **1.11 CONTRACT DOCUMENT**

Certain contract language acceptable to SBCCD covering all of the services specified in this RFP is detailed in Section 3.0 and the Appendix C related thereto. No terms or conditions can be added or changed by CONTRACTORS after the proposals are received by SBCCD. Attempts to change the terms or conditions specified after the proposals are received by SBCCD may cause a proposal to be rejected as non-responsive. CONTRACTORS may propose alternate and additional language to the terms provided, but are subject to negotiation and acceptance by SBCCD.

### **1.12 EVALUATION**

The SBCCD Evaluation Committee will review proposals and determine those that are responsive. The Evaluation Criteria include, but are not limited to, the following:

#### **A. Responsive:**

- a. Compliance with Required Forms and Certificates,
- b. Adherence to the RFP Response Forms and format,
- c. Acceptance of SBCCD's legal specifications as specified in Section 3.0,
- d. Complete consideration of all project specifications,
- e. Complete cost proposal;

#### **B. Responsible:**

- a. Sufficient references for which similar types of services had been provided,
- b. Proof of financial stability and viability,
- c. Experience of the firm and assigned personnel with the services proposed,
- d. Resources that demonstrate adequate capacity to perform services proposed;

#### **C. Proposal:**

- a. Value and quality of services to be rendered,
- b. Demonstrated knowledge of legal requirements,

- c. Work plan in conformity with scope of project,
- d. Fees and costs;

In the event a single proposal is received, SBCCD may conduct a separate cost analysis of the proposal. Where it is not possible to obtain a valid cost analysis, it may be necessary for SBCCD to conduct an independent cost analysis of the proposal price.

### **1.13 COST OF PROPOSAL DEVELOPMENT**

SBCCD disclaims any financial responsibility for, and CONTRACTOR shall be solely responsible for, any costs incurred by the CONTRACTOR in responding to this RFP, whether or not it is the successful CONTRACTOR, including the costs for bonding, legal costs for any reason, visitation costs, reproduction, postage and mailing, and the like.

### **1.14 RFP INTERPRETATION AND ADDENDA**

Any changes, clarifications, or other interpretations regarding this RFP will be sent by SBCCD to each CONTRACTOR who has received or requested a RFP as well as be published on SBCCD's website. These Addenda will become part of the RFP and will be included by reference in the Final contracts between the CONTRACTOR(s) and SBCCD.

### **1.15 AWARD**

As explained above, any award is subject to successful contract negotiations between SBCCD and the selected CONTRACTOR(s). Selection as the Preferred CONTRACTOR is not an award and the process will be concluded with the execution of the final agreement(s) with all of the CONTRACTOR(s) concerned pursuant to Governing Board authorization.

The final Agreement(s) shall be signed by the successful CONTRACTOR and returned, within ten (10) working days after the Agreement has been mailed or otherwise delivered to CONTRACTOR. No Agreement shall be considered as in effect until it has been fully executed by all of the parties thereto. Failure to execute the Agreement within ten (10) working days after the Agreement has been mailed or otherwise delivered to the successful CONTRACTOR shall be just cause for the cancellation of the award. Award may then be made to the next lowest responsive and responsible CONTRACTOR, or the bid may be re-advertised as SBCCD may decide.

### **1.16 INDEMNIFICATION**

CONTRACTOR agrees to indemnify, defend and hold harmless SBCCD and its Governing Board, officers, employees, agents and volunteers from and against any and all liabilities, costs, penalties, fines, forfeitures, demands, claims, causes of action, suits, and costs and expenses related thereto (including reasonable attorney's fees) which any or all of them may thereafter suffer, incur, be responsible for or pay out as a result of bodily injuries (including death) to any person or damage to any property (public or private), alleged to be caused by or arising from: (a) the negligent acts, errors, or omissions of CONTRACTOR or CONTRACTOR's subcontractor, agents or employees; (b) any violations of federal, state, or local statutes or regulations arising out of or resulting from any negligent act, error or omission of CONTRACTOR or its employees, agents, or subcontractors; (c) the use of any copyrighted materials or patented inventions; or (d) CONTRACTOR breach of its warranties or obligations under this Agreement.

The rights and obligations created by this indemnification provision shall survive termination or expiration of this Agreement.

**1.17 NOTICE OF SUIT OR ACTION FILED**

The CONTRACTOR shall give SBCCD immediate notice of any suit or action filed or prompt notice of any claim made against SBCCD arising out of the performance of this contract. The CONTRACTOR shall furnish immediately to SBCCD copies of all pertinent papers received by the CONTRACTOR. If the amount of the liability claimed exceeds the amount of insurance coverage, the CONTRACTOR shall authorize representatives of SBCCD to collaborate with counsel for the insurance carrier, if any, in setting or defending such claim.

**1.18 PROHIBITED INTEREST**

No Board member, officer, or employee of the San Bernardino Community College District or of a local Public Body during his/her tenure or for one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof. If any such interest comes to the knowledge of any party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4 of Chapter 1 of Division 4 of Title 1 (Sections 1090-1097) of the Government code of the State of California.

**1.19 FINAL CONTRACT**

The following documents are considered part of the final agreement, in order of precedence:

- A. The final agreement between SBCCD and the CONTRACTOR(s);
- B. All schedules, implementation plans, service descriptions, and the like developed during the proposal evaluation phase for inclusion in the Final agreement;
- C. The CONTRACTOR proposal in total, including all addenda and attachments;
- D. This RFP as originally released, with Appendixes, Exhibits, and any addenda released prior to proposal opening;
- E. RFP Response and any addenda released prior to proposal opening.

SBCCD may terminate any resulting Agreement(s) for convenience at any time by giving the CONTRACTOR written notice thereof. Upon termination, SBCCD shall pay the CONTRACTOR his allowable cost incurred to date of termination, and those costs deemed reasonably necessary by SBCCD to effect such termination. The effective date of termination shall be the date of Notice of Termination.

**1.20 TIMELINE**

The anticipated timeline, subject to change, for the complete process is as follows:

<b>Event</b>	<b>Tentative Date</b>
RFP Release – Response Window Opens	December 8, 2010
Technical Questions Due	December 17, 2010
Proposals Due – Response Window Closes	January 5, 2011
Interviews of Selected Respondents	January 20, 2011
Preferred CONTRACTOR selected and contract negotiated	January 28, 2011
Bid awarded and contract approved by Governing Board	March 10, 2011

**2.0 DISTRICT PROFILE**

The San Bernardino Community College District was established in 1926 and serves most of the County

of San Bernardino and a small portion of the County of Riverside. SBCCD includes two comprehensive community colleges, a Professional Development Center and KVCR-TV and FM. SBCCD employs approximately 800 full-time permanent faculty, management and staff and approximately 600 part-time faculty. SBCCD financial information relevant to this RFP may be researched through the California Community Colleges Chancellor's Office website, <http://www.ccco.edu>.

### **3.0 LEGAL SPECIFICATIONS**

SBCCD's Legal Specifications are contained in a sample contract template in Appendix C. This reflects the terms and conditions necessary to be included in the Final agreement(s) for the products and services specified herein. These specifications are to be used as the basis for the Final agreement(s) but are negotiable. The purpose will be to standardize the evaluation of the CONTRACTOR agreements and to augment them where there are provisions required by SBCCD that are not included in the existing CONTRACTOR agreements. SBCCD requires that each of these specifications be addressed in the Final agreement(s) in essentially the language provided or some acceptable substitute language. The inclusion of the CONTRACTOR standard forms and/or boilerplate does not constitute a response to these Legal Specifications.

### **4.0 PROJECT SPECIFICATIONS**

This section will provide necessary information regarding the services SBCCD shall expect outlined and described in a successful proposal.

#### **4.1 QUALIFICATIONS & EXPERIENCE**

This section should establish the ability of CONTRACTOR to exceptionally perform the required work by reasons of demonstrated competence in the proposed services to be rendered, the nature and relevance of similar work currently being performed or recently completed, and competitive advantages over other firms in the same industry.

- A. Provide a general description of the approach CONTRACTOR will take to the audit.
- B. Provide an overview of the capabilities and past-experience of CONTRACTOR in auditing public 501(c) (3) colleges or universities, including California Community College Districts, Proposition 39 Bond funds, and in preparing the required Federal and State tax returns.
- C. Describe history and general capabilities of CONTRACTOR to deliver high quality professional auditing services. Include at a minimum the following:
  1. Length of time CONTRACTOR has been in existence,
  2. Total number of employees,
  3. Average years of experience the assigned audit team has in auditing,
  4. Staff turnover rates,
  5. Size of customer base,
  6. Annual revenue,
  7. Location of most local service office,
  8. Location of headquarters,
  9. Knowledge and experience in audits involving GASB 34/35, financial aid, federal grants, contracts, and OMB Circular A-133,
  10. List number of single audits performed on an annual basis by local service office,
  11. Range of activities performed at local service office in addition to audit services (i.e. tax, accounting, management services, etc.).
- D. Include certified public accounting firm licensing number.
- E. Include a copy of last peer review for CONTRACTOR.
- F. CONTRACTOR shall assign professional staff as appropriate to the conduct of the audits. The Director of Internal Audits shall coordinate the activities of CONTRACTOR and shall be

- the liaison between CONTRACTOR and SBCCD. Supervising staff of CONTRACTOR shall be Certified Public Accountants currently licensed in the State of California. CONTRACTOR is responsible for the assignment of personnel and shall keep a current Project Organization Chart that indicates the specific personnel assigned to each aspect of the engagement. CONTRACTOR shall file this document with the Director of Internal Audits prior to commencement of the field audit work. In addition, CONTRACTOR shall:
1. Provide a brief resume of the managing partner's and lead auditor's background, training and experience,
  2. Discuss specifically the managing partner's and lead auditor's experience in managing audits of the size and scope of the audit as specified herein,
  3. Discuss the local service office's experience in auditing computerized systems, including the number and classifications of personnel skilled in computer related audit services,
  4. Provide a list of the levels, titles, classifications, licenses, and a copy of the resumes of other accountants who will perform services under the contract,
  5. Include a job description that describes the types of experience, background, training, knowledge, and skill sets required for each of the classifications proposed.
- G. Disclose any personal or business relationship CONTRACTOR has with SBCCD, any of the members of the SBCCD Board of Trustees, or SBCCD officers.
- H. Describe any litigation or professional disciplinary action that might adversely affect the ability of CONTRACTOR to carry out a multiyear audit engagement.
- I. Describe any recent changes in ownership and/or partnership.
- J. Provide a listing of publications of the firm relative to higher education.
- K. Provide current samples of audit reports and management letters prepared for any community college districts in the last two years, including the time schedule taken to achieve the final audit report.
- L. Include a proposed audit time schedule for the audit as specified herein.
- M. List references, including name, title, and telephone number of five (5) school districts which CONTRACTOR has audited in the past six (6) years. At a minimum, one (1) of the districts must be a community college district. One (1) of the districts must be a current client of the local service office. Two (2) of the districts must be former clients of the local service office.
- N. Include any additional information CONTRACTOR deems necessary and appropriate in this section of the RFP. If there is no additional information to present, indicate as such with, "There is no additional information to present" in this section.

## 4.2 SCOPE OF PROJECT

This section should establish that CONTRACTOR understands SBCCD's objectives and requirements by demonstrating its ability to meet those requirements and outlining the plan for accomplishing the specified work.

- A. Scope of the Audit Services: CONTRACTOR shall submit a proposal to provide SBCCD with audit services for a period of one (1) year with the possibility of two (2) additional one-(1-) year extensions not to exceed three (3) years in total to include the services outlined below.
1. Conduct a comprehensive financial and compliance audit for SBCCD as required by the State Of California for all funds listed in Section B below. Additionally, CONTRACTOR shall submit alternative options for each of the following auxiliary organizations of SBCCD: KVCR Educational Foundation, Inc., the San Bernardino Valley College Foundation, and the Crafton Hills College Foundation;
  2. Report on any special areas of emphasis as requested by the Director of Internal

## Audits;

3. Prepare and submit a copy of preliminary audit findings to SBCCD, prior to conducting the exit conference for each of the audits;
  4. Conduct an exit conference with Director of Internal Audits or designated officers;
  5. Attend such meetings with the Board of Trustees and with SBCCD staff as may be required during the audit;
  6. Prepare written drafts relative to any audit findings and recommendations noted before concluding the field audit work, prior to the exit conferences;
  7. Prepare the Return of Organization Exempt from Income Tax (Form 990) and the California Exempt Organization Annual Information Return (Form 199) for the various organizations of SBCCD.
- B. Funds and Account Groups to be audited:
1. Governmental Funds: General Fund, Bond Interest & Redemption Fund, Capital Outlay Projects Fund, Revenue Bond Construction Fund (Measures P & M), Child Development Fund
  2. Proprietary Funds: Bookstore Fund, Retiree Benefit Fund, Employee Load Banking Trust Fund, KVCR TV/FM Fund, Self-Insurance – Dental Fund, Self-Insurance – Liability & Property Fund, Salary Reserve Fund, Worker’s Compensation Fund, Revolving Cash Fund
  3. Fiduciary Funds: Student Body Center Fee Fund, Associated Student Body Trust Fund
  4. Accounting Groups: Fixed Assets, Long-Term Debt
  5. Enterprise Accounts: Bookstore and Cafeteria Fund
- C. Technical Standards: The accounting policies of SBCCD are in conformity with general accepted accounting principles related to governmental units and California Community College Districts. SBCCD recognizes revenues in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred, except for interest on long-term debt, which is recognized when due. CONTRACTOR shall examine financial records, statements, and prepare audits in compliance with:
1. Generally accepted auditing standards;
  2. Current GASB requirements, as specified in Statements on Auditing Standards published by the American Institute of Certified Public Accountants, Office of Management and Budget Circular A-128 and A-133;
  3. The General Accounting Office’s (GAO) Standards for Audit of Governmental Organizations’ Programs, Activities, and Functions; and
  4. Standards specified in the California Community Colleges Contracted District Audit Manual.
- The audit will also require knowledge of bond and debt compliance audit procedures and audit procedures to satisfy requirements of the State of California and the Internal Revenue Service for 501(c) (3) public entities CONTRACTOR shall interpret all laws, regulations, and/or documents referred to herein as the most current laws, regulations, and/or documents relating to audits as specified herein. Furthermore, CONTRACTOR shall automatically update its interpretation of all laws and regulations, as required.
- D. Statements and Reports: Reports of examination of financial statements must state the scope of the examination and confirm that the CONTRACTOR performed the audit in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles. Reports of compliance must include a statement that the firm conducted the examination in accordance with applicable

- auditing standards. The audit report must state whether the examination disclosed instances of significant noncompliance with laws and regulations. CONTRACTOR must submit findings of non-compliance or ineligible expenditures with sufficient detail for SBCCD administration to be able to understand the findings and implement corrective action.
- E. Deliverables: No later than November 3 each year, CONTRACTOR shall provide forty (40) bound copies each of any and all audit reports required and one (1) electronic PDF copy each of the audit reports required above to the Director of Internal Audits. CONTRACTOR shall file copies of the audit reports with Federal and State agencies, as required.
  - F. Management Letter: CONTRACTOR shall prepare and submit for each audit a separate management letter. The management letter shall include a statement of findings and recommendations affecting the financial statements, internal controls, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material information. Prior to the submission of the final draft of the management letters, CONTRACTOR shall meet with the appropriate management and staff of SBCCD to discuss and review the findings.
  - G. Working Papers: CONTRACTOR shall provide the Director of Internal Audits with a copy of the recommended adjusting detail entries. CONTRACTOR shall retain working papers for the period required by law, unless otherwise specified by SBCCD. Such working papers shall be available for review and audit by SBCCD, representatives of the Federal and/or State governments and other individuals designated by SBCCD.
  - H. Resources Provided: SBCCD will provide the following resources to CONTRACTOR:
    - 1. Prior Years' Records: Copies of prior years' financial statements, budgets and copies of prior years' audit reports are available in Fiscal Services.
    - 2. Staff Assistance: SBCCD shall assign appropriate staff to assist CONTRACTOR by providing required information and explanations. CONTRACTOR is to identify in its engagement letter the level of SBCCD staff assistance anticipated.
    - 3. Working Space: SBCCD shall provide CONTRACTOR with working space for the audit staff. CONTRACTOR shall direct requests for space required to conduct the audit directly to the Director of Internal Audits. The request shall include an estimate of the amount of space needed, special telecommunications needs, and the time the space will be required.
    - 4. District Closing: SBCCD financial records are typically final closed by September 1 of each year. SBCCD requires CONTRACTOR to conduct interim field audit work in June and final fieldwork to be completed no later than September 30.

#### **4.3 SERVICE FEES & COMPENSATION**

Explain your philosophy on charging fees for the services described in this RFP that you will provide to SBCCD.

- A. CONTRACTOR shall propose the maximum annual cost for each the annual independent audit and Proposition 39 bond financial and performance audit for each year (together calculated as the base bid for each year).
- B. CONTRACTOR shall identify separately the maximum annual cost of reimbursable expenses (travel, administrative, printing, etc.) for each of the audit years.
- C. CONTRACTOR shall propose the maximum annual cost for each alternative option for each year.
- D. The supporting data for the maximum cost of the audit services shall include the number of staff assigned, by level, the estimated maximum number of hours assigned to each staff member, and the hourly rate applicable to each level of staff assigned.

- E. CONTRACTOR shall base quotes as specified in this section upon the scope of work specified herein.
- F. Responses utilizing Not Applicable, Included, \$0 or any other similar statement shall qualify the response in its entirety as non-responsive.
- G. SBCCD understands that if the scope of the work is increased and/or decreased, the maximum costs as proposed will be adjusted upwards and/or downwards as appropriate.
- H. SBCCD provides the proposal matrices below for CONTRACTOR to provide its proposals.

	2010-2011 Base Year	2011-2012 Optional Year 1	2012-2013 Optional Year 2
Independent Audit			
Proposition 39 Financial & Performance Bond Audit			
<b>Total Base Bid:</b>			
Reimbursable Expenses			
Alt. 1: KVCR Educational Foundation, Inc. Audit			
Alt. 2: SBVC Foundation Audit			
Alt. 3: CHC Foundation Audit			

Position	# of Hours	Hourly Rate
Partner		
Lead Auditor(s)		
Auditors		
Clerical		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		

**END OF BID DOCUMENT**

**Appendix A****Non-Collusion Affidavit**

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, being first duly sworn, deposes and says that I am  
(Typed or Printed Name)the \_\_\_\_\_ of \_\_\_\_\_, the party submitting  
(Title) (CONTRACTOR Name)

the foregoing RFP Proposal ("the CONTRACTOR"). In connection with the foregoing RFP Proposal, the undersigned declares, states and certifies that:

1. The RFP Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.

2. The RFP Proposal is genuine and not collusive or sham.

3. The CONTRACTOR has not directly or indirectly induced or solicited any other CONTRACTOR to put in a false or sham RFP, and has not directly or indirectly colluded, conspired, connived, or agreed with any other CONTRACTOR or anyone else to put in sham RFP, or to refrain from submitting this RFP.

4. The CONTRACTOR has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the RFP price, or that of any other CONTRACTOR, or to fix any overhead, profit or cost element of the RFP price or that of any other CONTRACTOR, or to secure any advantage against the public body awarding the contract or of anyone interested in the proposed contract.

5. All statements contained in the RFP Proposal and related documents are true.

6. The CONTRACTOR has not, directly or indirectly, submitted the RFP price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any person, corporation, partnership, company, association, organization, RFP depository, or to any member or agent thereof to effectuate a collusive or sham RFI.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_.  
(City, County and State)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

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

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

## Appendix B

### Contractor Profile Form & Designation of Names

The CONTRACTOR shall furnish the following information. Failure to comply with this requirement will render the proposal non-responsive and may cause its rejection. Additional sheets may be attached if necessary.

Company Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_ Web Site: \_\_\_\_\_

Type of Firm: Corporation: \_\_\_\_\_ Proprietorship: \_\_\_\_\_  
Partnership: \_\_\_\_\_ Joint Venture: \_\_\_\_\_  
Other (please describe): \_\_\_\_\_

Business License Number: \_\_\_\_\_

Number of years in business under firm name: \_\_\_\_\_

Full names of firm's owners (> 10% ownership), officers and managing employees:

Has the firm changed its name within the past 3 years?

YES  NO

If yes, provide former name(s): \_\_\_\_\_

Have there been any recent (within the last three years) changes in control/ownership of the firm?

YES  NO

If yes, explain.

Have officers or principals of the firm ever had their business license suspended or revoked for any reason?

YES  NO

If yes, please explain.

Name and title of person completing responsible for submission of this RFP and the responses to this questionnaire:

Name & Title: \_\_\_\_\_

Phone #: \_\_\_\_\_

Signature: \_\_\_\_\_

Email: \_\_\_\_\_

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

**Appendix C****PROFESSIONAL SERVICES AGREEMENT**

114 SOUTH DEL ROSA DRIVE  
SAN BERNARDINO, CALIFORNIA, 92408

This agreement is made and entered into by and between the San Bernardino Community College District hereinafter referred to as "DISTRICT", and \_\_\_\_\_, hereinafter referred to as "CONTRACTOR".

**RECITALS**

**WHEREAS**, the DISTRICT needs professional \_\_\_\_\_  
\_\_\_\_\_ ; and,

**WHEREAS**, the CONTRACTOR is professionally and specially trained and competent to provide these services; and,

**WHEREAS**, the authority for entering into this agreement is contained in Section 53060 of the Government Code and such other provisions of California Law as may be applicable,

**NOW THEREFORE**, the parties to this agreement do hereby mutually agree as follows:

**AGREEMENT****1. DESCRIPTION OF SERVICES**

To be determined.

**2. TERM**

CONTRACTOR will commence work under this agreement on \_\_\_\_\_ and will diligently prosecute the work thereafter. CONTRACTOR will complete the work not later than \_\_\_\_\_. CONTRACTOR shall not commence work until the Board has approved the Agreement.

**3. COMPENSATION**

a. Payment(s) shall be made in the following manner:  
To be determined.

b. Billing  
To be determined.

- c. DISTRICT will not withhold federal or state income tax from payments made to CONTRACTOR under this agreement, but will provide CONTRACTOR with a statement of payments made by DISTRICT to CONTRACTOR at the conclusion of each calendar year.

**4. TERMINATION**

This agreement may be canceled by either party without cause by written notice and with fifteen (15) calendar days.

**5. RELATIONSHIP OF PARTIES**

DISTRICT and CONTRACTOR hereby agree and acknowledge that CONTRACTOR, in providing the services herein specified, is and at all times shall be acting as an independent contractor. As such, CONTRACTOR shall have the right to determine the time and the manner in which the contracted services are performed. DISTRICT shall not have the right to control or to determine the results to be attained by the work of CONTRACTOR, nor the details, methods, or means by which that result is to be attained. CONTRACTOR shall not be considered an agent or employee of DISTRICT and shall not be entitled to participate in any employee fringe benefits of DISTRICT. The relationship of the parties will be based on the IRS guidelines (see Attachment A). The DISTRICT reserves the right to make the final determination as to the correct relationship of the parties.

**6. CONTRACTOR'S STATUS**

Contractor expressly represents and covenants that he/she is a \_\_\_\_\_ duly licensed under the relevant rules and regulations of the State of California and that services provided to the DISTRICT are provided pursuant to such rules and regulations.

**7. LIABILITY**

CONTRACTOR agrees to procure and maintain in force during the term of this Agreement and any extension thereof, at its expense, public liability insurance adequate to protect against liability for damage claims through public use of or arising out of accidents occurring from said services, in a minimum amount of \$300,000 combined single limits for bodily injury and property damage. Such insurance policies shall provide coverage for DISTRICT'S contingent liability on such claims or losses. DISTRICT, its officers, agents and employees shall be named as an additional insured. A certificate of insurance shall be delivered to DISTRICT'S Office of Business Services. CONTRACTOR agrees to obtain a written obligation from the insurers to notify DISTRICT in writing at least thirty (30) days prior to cancellation or refusal to renew any such policies.

**8. WORKERS' COMPENSATION INSURANCE**

CONTRACTOR shall obtain and maintain in full force and effect throughout the entire term of this Agreement full Workers' Compensation Insurance in accord with the provisions and requirements of the Labor Code of the State of California. Endorsements

that implement the required coverage shall be filed and maintained with the DISTRICT throughout the term of this Agreement. The policy providing coverage shall be amended to provide that the insurance shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to DISTRICT. The policy shall also be amended to waive all rights of subrogation against the DISTRICT, its elected or appointed officials, employees, agents, or CONTRACTORS for losses which arise from work performed by the named insured for the DISTRICT.

DISTRICT may, at its sole discretion, and if then permissible under the requirements of the Labor Code of the State of California, permit CONTRACTOR, by acknowledgment herein, to waive Workers' Compensation insurance coverage on himself/herself provided CONTRACTOR does not employ any other persons in his/her business. CONTRACTOR does hereby elect to waive Workers' Compensation insurance coverage on himself/herself while performing services for DISTRICT pursuant to this contract. CONTRACTOR expressly acknowledges that he/she is making the election hereunder with the full knowledge and understanding that he/she will not, under any circumstances, be insured for an "on-the job" injury under the DISTRICT'S Workers' Compensation or other liability insurance policies, in the event CONTRACTOR is injured while performing services pursuant to this Agreement.

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District

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Contractor

**9. HOLD HARMLESS**

CONTRACTOR agrees to defend, indemnify, save and hold DISTRICT, its officers, agents and employees harmless from any liability for any claims, accusations, or suits at law or in equity, or in any administrative proceeding, that may be brought by third persons on account of personal injury, death, or damage to property, or a property of business or personal interest, or for any fine, forfeiture or civil penalty arising from any act or omission by CONTRACTOR, its officers, agents, or employees while performing operations under the Agreement.

**10. AMENDMENTS**

This Agreement may be amended or modified only by written agreement signed by both parties. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a continuous waiver of the right to compel enforcement of such provision or provisions, nor shall such waiver be construed as a release of any surety from its obligations under this Agreement.

**11. ATTORNEY'S FEES**

Should any party violate or breach any term or condition of this Agreement, any other party shall have, without limitation, the right to move for entry of judgment by a court of competent jurisdiction, to seek specific performance thereof, and otherwise exercise all remedies available to him, her or it under the law to obtain redress from injury or damage

resulting from any such violation or breach. In any such legal proceeding(s) brought to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs incurred as a consequence hereof.

**12. ENTIRE AGREEMENT**

There are no understandings or agreements except as herein expressly stated. Any modifications must be in writing.

**13. INDEPENDENT CONTRACTOR**

CONTRACTOR is an independent contractor and not an officer, agent, servant, or employee of DISTRICT. CONTRACTOR is solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subgrantees, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between DISTRICT and CONTRACTOR. Neither CONTRACTOR nor its officers, employees, agents, or subgrantees shall obtain any rights to retirement or other benefits that accrue to DISTRICT employees.

**14. LAW TO GOVERN: VENUE**

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of San Bernardino. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

**15. NOTICES**

All notices herein required shall be in writing and delivered in person or sent by certified mail, postage prepaid, addressed as follows:

**IF TO DISTRICT**

Steven Sutorus  
Business Manager  
114 S. Del Rosa Dr.  
San Bernardino, CA 92408

**IF TO CONTRACTOR**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**16. VALIDITY**

If any terms, condition, provision, or covenant of this Agreement shall to any extent be judged invalid, unenforceable, void, or violable for any reason whatsoever by a court of competent jurisdiction, each and all remaining terms, conditions, promises and covenants of this Agreement shall be unaffected and shall be valid and enforceable to the fullest extent permitted by law.

**17. EXHIBIT AND ADDENDUM INCORPORATED**

Attachment "A" is attached hereto and incorporated into this Agreement by reference.

**18. PUBLIC EMPLOYEE**

If CONTRACTOR is a regular employee of a public entity, all services which CONTRACTOR renders under this agreement will be performed at times other than CONTRACTOR'S regular assigned workday for said entity, or during periods of vacation or leave of absence from said entity.

**19. STRS RETIREE**

CONTRACTOR shall provide DISTRICT with a statement indicating whether or not CONTRACTOR is a retired member of the State Teacher's Retirement System of the State of California.

**20. ASSIGNMENT**

This Agreement is neither assignable nor transferable by either party or by operation of law without the consent in writing of the other party. Consent by either party to one or more assignments or transfers shall not constitute consent to a subsequent assignment or transfer.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement.

\_\_\_\_\_  
Steven Sutorus, Business Manager  
San Bernardino Community College District  
114 South Del Rosa Drive  
San Bernardino CA 92408  
909-382-4000

Date\_\_\_\_\_

\_\_\_\_\_  
CONTRACTOR SIGNATURE

Date\_\_\_\_\_

\_\_\_\_\_  
Name: Print or Type

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City, State and Zip Code

(\_\_\_\_\_)\_\_\_\_\_

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Social Security No. or Tax Payer ID No.