



# WASHINGTON STATE AUDITOR'S OFFICE

## WORK REQUEST

Audit of Higher Education  
Dedicated Local and Operating Fee Accounts

K418-WR-0414

### *Professional Consulting Services: Work Request*

This Work Request is issued under your Convenience Contract #0313-C-K356 with the Washington State Auditor's Office.

<b>Work Request Number:</b>	<i>K418-WR-0414</i>	<b>Date Issued:</b>	<i>4/16/2014</i>
<b>Service Category:</b>	<input checked="" type="checkbox"/> <b>Subject Matter Expertise</b>	<input type="checkbox"/> <b>Performance Audit</b>	
<b>Number of business days to respond to this request:</b>	<i>19</i>		
<b>Responses are due by 2:00 pm local time on:</b>	<i>5/15/2014</i>		
<i>Late submissions cannot be considered.</i>			
<b>Please have your response submitted via email to:</b>	<a href="mailto:contractmanager@sao.wa.gov"><u>contractmanager@sao.wa.gov</u></a>		
<b>A Pre-Proposal teleconference will be held April 22, 2014 at 10:00 am.</b>	Participants should call Phone-360-407-3780, Pin code 412257#		
<b>Questions regarding this solicitation are due by 2:00 pm local time on:</b>	<i>4/23/2014</i>		
<b>Expected Work Period of Performance</b>			
<b>From:</b>	<i>5/28/2014</i>	<b>To:</b>	<i>5/15/2015</i>

## I. REQUEST FOR SPECIFICATIONS

### A. Title – Audit of Higher Education Dedicated Local and Operating Fee Accounts

### B. Project Background

In the 2014 supplemental budget, ESSB 6002 the Legislature required the State Auditor's Office to audit Higher Education dedicated local and operating fee accounts. This work request is for the audit of the University of Washington.

### C. Project Scope of Work:

The Washington State Auditor's Office (SAO) is currently soliciting proposals for Audit Services to provide an audit of the use of dedicated local and operating fee accounts by the University of Washington.

Proposals should be developed to address the following areas:

The legislature intends that tuition revenue be expended in support of instruction and student support services and that other dedicated fees are expended for the purposes for which they are charged. As a result, the legislature directs this audit to examine the accounting of these accounts; to provide clarity regarding the use of these accounts; and to make recommendations for improvement(s) that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in accordance with legislative intent.

Proposals should fully explain how the contractor proposes to gather the information needed.

### D. Deliverables

The contractor is expected to closely coordinate with SAO in all work performed at the University of Washington (UW). Due to competing priorities, UW personnel may not be fully available at certain times. The contractor will be expected to perform obligations around these other deadlines and schedules.

The expectation for project completion is November 7, 2014. SAO will provide review and oversight of contractor work and reserves the right to modify deliverables, including deleting or modifying tasks. SAO and the contractor will work collaboratively throughout the project to ensure it is completed efficiently and effectively.

The final audit, which must be conducted in accordance with yellow book standards, must include:

(i) For the 2007-2009 through the 2011-2013 fiscal biennia, a thorough examination of the accounting, as required by governmental accounting standards board requirements that govern accounting functions of the office of financial management, of:

- (A) All revenue into these accounts;
- (B) All expenditures out of these accounts; and
- (C) All transfers to, from, and within these accounts;

(ii) A narrative summary of the management and uses of these accounts by the institutions of higher education, including an explanation of the reserve policies implemented by the institutions of higher education that govern fund balances in these accounts; and

(iii) Recommendations to improve current practices that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in a manner that satisfies the governmental accounting standards board requirements that govern accounting functions of the office of financial management and that aligns with the legislature's intended use of these accounts.

The final audit shall be submitted to the governor and the appropriate committees of the legislature by January 1, 2015.

**1. Project updates (to be held weekly at a minimum)**

The contractor will provide regular status updates to the SAO project manager to ensure they are fully informed of the work as it progresses and any issues that unfold. These meetings can be by phone, but plan for some to be in-person. These updates must include, at a minimum, a summary of the work completed, and an outline of the work to be done in the upcoming two weeks. In addition, the contractor will be required to provide a progress report and workpapers created to date for review at least every 6 weeks.

**2. Project work plan (to be completed within one month of signing contract)**

The plan should include:

- a description of the approach, schedule and timeline, and contract staffing for each deliverable, including how SAO staff will be included in the work
- an explanation of the methodology that will be used to gather information to develop the audit universe
- a general description or plan for how each deliverable will be reviewed

**3. Final report to SAO addressing all work conducted with supporting documents (to be completed no later than November 7, 2014).**

The contractor will complete a final report of the results, conclusions, and recommendations based on the work conducted. The report must be accompanied by relevant supporting documentation. The final report is not considered final until approved and accepted by the SAO.

**4. Remain available for future meetings, presentations, and consultations (as needed)**

SAO anticipates the potential need for support in conducting meetings and presentations related to the completed work.

**E. The budget for this work will not exceed \$300,000 including travel.**

## II. VENDOR'S RESPONSE

### A. Work Request Coordinator

The Work Request Coordinator is the sole point of contact at State Auditor's Office for this procurement. All communication between the proposer and State Auditor's Office will be with the Work Request Coordinator, as follows:

Kevin Greene  
 Washington State Auditor's Office  
 Town Square  
 621 8th Ave. S.E. Suite 201  
 P.O. Box 40022  
 Olympia WA 98504-0031

Telephone Number: (360) 725-9730  
 Fax Number: (360) 664-0157  
 E-mail Address: contractmanager@sao.wa.gov

### Physical Address for Hand Delivery or Courier Service:

Washington State Auditor's Office  
 Town Square  
 621 8th Ave. S.E. Suite 201  
 Olympia WA 98504-0022

Any other communication will be considered unofficial and nonbinding on the State Auditor's Office. Proposers are to rely only on written statements issued by the Work Request Coordinator. Communication directed to parties other than the Work Request Coordinator may result in disqualification of the proposer.

### B. A Pre-Proposal teleconference will be held at the date and time specified on page 1.

### C. Work Request Response – Instructions to Vendors

#### Proposal Required Information

The proposal should be concise and contain the following information:

- Name, address, e-mail address, and a primary contact person.
- Hourly rates proposed.
- Statements that the proposed staff members are free from personal and external impairments to independence per AICPA and GAGAS and in good standing with the State Board of Accountancy.
- Staff member(s) qualifications, relevant experience, total hours of audit experience and recent CPE and other professional proficiency for the tasks required.
- A resume for each staff member offered.
- Assurance that the start dates and work hours can be met.

Proposals, which are not postmarked or received by the deadline, exceed the maximum hourly rate or do not contain all required information will be considered unresponsive and will not be evaluated.

Proposals and attachments must not exceed 20 pages.

The following are not included in the 20-page limit: Customer References and Staff Resumes.

Proposals must include a project schedule and budget covering all proposed work.

Proposals must describe qualifications and experience of the firm, and proposed staff, to respond to the specific scope of work. Provide a detailed work plan describing the approach, assumptions, schedule, deliverables, estimated hours, and cost of each deliverable.

Proposers must commit that the proposed staff will actually perform services. By submitting a proposal the bidder agrees not to remove the selected staff person without the prior approval of the SAO Project Manager. The bidder agrees that they will submit the name and résumé (with qualifications and relevant experience) of the proposed replacement. SAO Project Manager approval must be received before the individual may be assigned responsibility for services. Approval will not be unreasonably withheld.

The proposer must provide résumés for the named key staff, and subcontractor employees performing work for the proposer of this contract. Each résumé must include information on the individual’s specific skills related to this project, education, experience, significant accomplishments, and responsibilities assumed on other similar projects as well as any other pertinent information. Subcontractor résumés must display the word “SUBCONTRACTOR” in bold letters clearly printed across the top of the first page.

The proposer must include three relevant customer references and include contact information and brief project description for each.

Questions regarding this work request must be submitted in writing to the Work Request Coordinator by the date and time identified on page one.

Consultants may submit proposals via email. The proposal, whether emailed, mailed or hand-delivered, must arrive at the State Auditor’s Office no later than date and time identified on page one.

The proposal is to be sent to the Work Request Coordinator at the address noted above. The proposal should be clearly marked with the agency work request number **K418-WR-0414** and to the attention of the Work Request Coordinator.

Consultants mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the Work Request Coordinator. Consultants assume the risk for the method of delivery chosen. The State Auditor’s Office assumes no responsibility for delays caused by any delivery service. Proposals may not be transmitted using facsimile transmission.

Consultants should allow sufficient time to ensure timely receipt of the proposal by the Work Request Coordinator. All proposals and any accompanying documentation become the property of the State Auditor’s Office and will not be returned.

### **III. EVALUATION AND SELECTION CRITERIA**

#### **MINIMUM QUALIFICATIONS**

##### **Mandatory and Highly Desirable Experience and Qualifications**

Provide information about the contractor (s) who will be directing and conducting the work included within the Scope of Work that demonstrates they possess sufficient professional competencies (skills, knowledge, experience) to accomplish the work.

**1. Mandatory Experience and Qualifications:**

- The firm/staff must possess adequate professional proficiency in governmental audit experience.
- Proposed staff must have 5 yrs. auditing experience.
- It is preferred that the firm has government auditing experience.

A proposer who does not meet these minimum qualifications will be deemed non-responsive and will not receive further consideration.

**2. Highly Desired Experience and Qualifications: Not required, but highly desired is prior experience working with, or for, Washington state institutions of higher education.**

**B. Weight Evaluation Criteria:**

Responsive proposals will be evaluated based on the instructions and information contained in this work request. SAO will create an evaluation team(s) to determine the ranking of the proposals. SAO reserves the right to contact a contractor to clarify any portion of their proposal. At their discretion, SAO reserves the right to conduct oral interviews of the highest scoring proposals to determine the final contract award. The oral interview, if conducted, will determine the apparent successful vendor. SAO reserves the right to contract with more than one vendor to perform this work at their discretion.

<u>PRELIMINARY SCORE</u> <u>REQUIREMENTS/CRITERIA</u>	<b>WEIGHT ASSIGNED</b>
Approach/Methodology/Availability	40%
Qualifications and Experience of Staff	30%
Qualifications/Experience/References of the Firm	20%
Price Proposal	10%
Oral Presentation/Interview (if used)	

**IV. ADMINISTRATION**

**A. Debriefing of Unsuccessful Proposers**

Proposers who submitted a proposal and were not selected will be given the opportunity for a debriefing conference. The Solicitation Coordinator must receive a written request from the unsuccessful proposer for a debriefing conference within three (3) business days after the Notification of Unsuccessful Proposer letter is e-mailed or faxed. The request for a debriefing can be in hard copy or via e-mail. The debriefing will be held within three (3) business days of the request unless the State Auditor's Office schedules otherwise.

Discussion will be limited to a critique of the requesting proposer's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

**B. Protest Procedure and Format**

This procedure is available to proposers who (1) submitted a response to this solicitation document and (2) have participated in a debriefing conference. Upon completing the debriefing conference, the proposer is allowed three (3) business days to file a protest of the procurement with the Solicitation Coordinator. Protests may be submitted by facsimile or e-mail, but must be followed by the original document.

Proposers protesting this procurement will follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to proposers under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests will be addressed to the Solicitation Coordinator.

Only protests stipulating an issue of fact concerning the following subjects will be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator.
- Errors in computing the score.
- Noncompliance with procedures described in the procurement document.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) State Auditor's Office's assessment of its own and/or other agencies' needs or requirements.

Upon receipt of a protest, a protest review will be held by the State Auditor's Office. The State Auditor's Office will designate three individuals who were not involved in the procurement to consider the record and all available facts and issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another proposer that submitted a proposal, such proposer will be given an opportunity to submit its views and any relevant information on the protest to the Solicitation Coordinator. The final determination of the protest will:

- Find the protest lacking in merit and uphold the State Auditor's Office's action; or
- Find only technical or harmless errors in the State Auditor's Office's acquisition process and determine the State Auditor's Office to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide State Auditor's Office options which may include:
  - Correct the errors and re-evaluate all proposals, and/or

- Reissue the solicitation document and begin a new process, or
- Make other findings and determine other courses of action as appropriate.

If the State Auditor's Office determines that the protest is without merit, the State Auditor's Office will enter into a contract with the apparent successful contractor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

**C. The Agency's Option To Extend**

The agency reserves the right to extend the Work Order issued under this Work Request for one (1) one year period at the agency's option.

**D. The Agency's Right to Cancel**

The agency reserves the right to cancel this Work Request at any time, reject any and all responses received, and/or not to execute a Work Order from this Work Request without penalty to the agency. The release of this solicitation document does not obligate the agency to contract for the services specified in this Work Request. The agency shall not be liable for any costs incurred by a Vendor in preparation of a proposal submitted in response to this Work Request, in the conduct of an oral interview, or any other activity related to responding to this Work Request.