

Request for Proposal
To Audit Southeast/South-Central
Educational Cooperative for Fiscal Year 2021

April 19, 2021

Table of Contents

	<u>Page</u>
I. General Information	1
A. Issuing Office	
B. Purpose of Document	
C. Commitment of APA	
D. Projected Timeline and Submission Date for Proposals	
E. Period of Contract	
F. Payment for Services	
G. Inquiries	
H. Pre-award Conference	
I. Verification of Information	
J. Prime FIRM Responsibility	
K. Representation Letter	
L. Cost of Preparing Proposal	
M. Partial Performance	
N. Cancellation	
O. Reciprocal Preference for Kentucky Resident Bidders	
II. Educational Cooperatives - Background and Audit Groups	10
A. Background	
B. Audit Groups	
III. Statement of Work	10
A. General Nature of Services Required	
B. Audit Standards to be Followed	
C. Specific Services to be Performed	
D. Reports to be Issued	
E. Conditions for the Development and Presentation of Reports	
IV. General Conditions	13
A. FIRM'S Responsibilities During the Contract Term	
B. Educational Cooperative's Responsibilities During the Contract Term	
C. APA'S Responsibilities During the Contract Term	
D. Working Papers	
E. Modifications to Statement of Work	
V. Technical Proposal Format	16
A. Responsiveness	
B. Preparation Standards	
C. Binding	

	D. Technical Proposal	
VI.	Preliminary Cost Proposal	20

Section I

General Information

A. Issuing Office

This Request for Proposal (RFP) is being issued by the Southeast/South-Central Educational Cooperative at 300 Bellevue Drive, Richmond, KY 40475.

B. Purpose of Document

The purpose of this RFP is to solicit proposals to audit, in compliance with requirements of the APA, for the 2021 Fiscal Year (July 1, 2020 – June 30, 2021), for Southeast/South-Central Educational Cooperative (SESC) formed in accordance with the Interlocal Cooperation Act, KRS 65.210 to KRS 65.300 from duly licensed, independent certified public accounting firms [FIRM(s)] qualified to do business in the Commonwealth of Kentucky. APA is responsible for the audits of ECs, as mandated by KRS 43.073(1). Auditor will also be required to review 990 tax return for June 30, 2021 and making amendments to return as needed.

C. Commitment of SESC

SESC reserves the right to withdraw this RFP at any time and for any reason. Receipt of proposal materials by SESC or submission of a proposal to the Commonwealth confers no rights upon FIRM nor obligates SESC in any manner.

One or more personal service contracts, based on this RFP, may or may not be awarded. Any contract awarded as a result of this RFP shall not be effective until executed by the parties. Any agreement shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. This RFP and FIRM'S proposal shall become a part of the contract, if and when executed.

D. Projected Timeline and Submission Date for Proposals

The following is a projected timeline for this procurement:

April 19, 2021	RFP Issued
April 4, 2021	Questions Due
May 11, 2021	Proposals Due
April 16, 2020	Contract Awarded
July 1, 2021	Projected Date of Contracts' Effective Date
October 31, 2021	Deadline for Exit Meeting with SESC Staff
November 11, 2021	Presentation of Draft to SESC Board of Directors
November 12, 2021	Submission to APA

To be considered for contract award, copies of the technical proposal requested by this RFP must be received electronically at **sescbids@gmail.com by 3:00 p.m. EDT on Tuesday May 11, 2021. Proposals tendered after these times will not be accepted. Award of the bid will be made by the SESC Board of Directors based on noncompetitive negotiations with bidders.**

E. Period of Contract

If a contract is issued, the term of the contract shall be from or about July 1, 2021 through June 30, 2022, with all work to be performed by FIRM under the contract to be timely and correctly completed on or before October 31, 2021.

F. Payment for Services

1. Payment Procedures

Payment is predicated upon completion of the described work and APA approval of audit documentation. Invoices shall be signed and submitted to Johnda Bales at PO Box 1777, Richmond, KY 40476-1777, with adequate supporting documentation, including but not limited to:

- Period the services cover;
- Detail of hours worked with the hourly rate, and detail of total hours worked on each audit engagement with the number of hours spent on federal (single audit) work, unbudgeted funds work, and component unit work broken out separately.

All invoices must conform to the requirements of KRS 45A.695(10):
<http://www.lrc.ky.gov/statcomm/contracts/PSC%20INVOICE%20FORM.pdf>

Payment will be made only for hours actually worked.

2. Method of Payment

After an audit report is submitted to S E S C in accordance with Section III.E.3. of this RFP, S E S C shall submit the FIRM's invoice for payment processing of fifty percent (50%) of the contract amount of the submitted audit. S E S C shall not consider an invoice received until the exit conference has been held with S E S C staff and the draft is presented to the S E S C Board of Directors. After APA review and signature by the Auditor of Public Accounts of each complete audit report submitted and the completion of work on the 990 tax report for FY 17, the remaining fifty percent (50%) of the invoice, minus any penalties imposed under Section I.F.3. of this RFP or other charges, shall be processed for payment. Audit work returned by the APA to the FIRM for corrections or completion must be done within 15 calendar days of the APA's return to FIRM. If corrections are not performed timely, penalties may be imposed as set out in paragraph 3 below. Every reasonable effort to provide payment to FIRM within 30 working days after receipt of a properly supported invoice, subject to the terms of this paragraph, shall be made in accordance with KRS 45.453.

3. Penalties

At the discretion of S E S C , FIRM may be assessed a penalty for each calendar day or portion thereof after the due date of the audit's completion as set out in Section I.E. of this RFP that the Audit Reports for each entity

audited called for in Section III.D. have not been delivered to the APA in accordance with Section III.D. and E., or that the audit remains inaccurate or incomplete and, therefore, not timely submitted.

Penalties may be calculated for each day after the audit due date as follows:

Percentage of Incomplete Audits X Total Contract Amount X 2% = Amount of Penalty Assessed Per Day.

Example: Calculation of Penalty for the first day after due date:

Total Contract Amount = \$5,000

$\$5,000 \times 50\% \times 2\%$ = \$100.00

Penalties may be calculated for each calendar day after the audit's due date that any audit remains incomplete, inaccurate, or not delivered. Total penalties assessed shall not exceed the Total Contract Amount.

G. Inquiries

Contact with agents of the Commonwealth for information concerning proposal procedures shall be limited to APA or his appointed representative. All technical inquiries about this solicitation must be made electronically no later than 3:00 p.m. on April 4, 2021 to the address below. All responses will be posted on the SESC website for public use no later than 3:00 p.m. on April 4, 2021.

Johnda Bales, Business Manager
PO Box 1777
Richmond, KY 40476-177
Email: [johnda.bales@sesccoop.org](mailto: johnda.bales@sesccoop.org)

Any verbal representations made or assumed to be made during any oral discussion held between representatives of FIRM and any agent of the Cooperative are not binding on the Cooperative.

H. Verification of Information

SESC may request documentation from FIRM of any information provided in its proposals.

Note: One item of information that is required to be submitted with each technical proposal, but which should not be a part of the proposal itself, is the Affidavit for Bidders, Offerors and Contractors required by KRS 45A.110 and 45A.115. A link to the blank Affidavit form may be found at the following link: <http://auditor.ky.gov/cpatools/Pages/RequestForProposals.aspx>. This Affidavit must be completed, notarized, and submitted in hardcopy (facsimile or emailed .pdf file is acceptable) with each technical proposal tendered to the APA under this RFP.

I. Prime FIRM Responsibility

Proposals from a consortium of FIRMS shall not be accepted.

SESC reserves the right to reject FIRM'S use of any subcontractor. SESC may permit FIRM to substitute a different subcontractor in case of such rejection. During the term of the contract, no subcontractor shall be used without the prior written approval of SESC. Failure to notify SESC of the use of a subcontractor in time to secure SESC approval may result in termination for default.

J. Representation Letter

The proposal shall include a representation letter stating that the audit FIRM is in compliance with auditing standards generally accepted in the United States of America and the provisions of Government Auditing Standards, issued by the United States General Accounting Office, concerning continuing education requirements, independence, and peer review.

K. Cost of Preparing Proposal

Costs for developing the proposal are solely the responsibility of FIRM. SESC shall provide no reimbursement for such costs. Any costs associated with any oral presentations to SESC shall be the responsibility of FIRM and shall in no way be billable to SESC.

L. Partial Performance

In the event FIRM fails to comply with the provisions of the contract to the satisfaction of the SESC, payment of the contract may, at SESC's discretion, be withheld and penalties applied as set out in Section I.F.3., until such time as the contract terms have been fulfilled. This condition also allows

for administrative, contractual, and legal remedies as determined by the Secretary of the Finance and Administration Cabinet or the Attorney General of the Commonwealth where it appears that the contractor has violated, breached, or defaulted on the contract.

M. Cancellation

SESC shall have the right to terminate and cancel any agreement executed as a result of this solicitation at any time not to exceed thirty (30) days' written notice served on FIRM by registered or certified mail. In the event of termination, all documents, data, studies, and reports prepared for SESC under the contract shall become the property of the SESC.

N. Reciprocal Preference for Kentucky Resident Bidders

As required by KRS 45A.494(8) and 45A.695(3), the following is made a part of this RFP:

KRS 45A.490 Definitions for KRS 45A.490 to 45A.494.

As used in KRS 45A.490 to 45A.494:

(1) "Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item; and

(2) "Public agency" has the same meaning as in KRS 61.805.

KRS 45A.492 Legislative declarations.

The General Assembly declares:

(1) A public purpose of the Commonwealth is served by providing preference to Kentucky residents in contracts by public agencies; and

(2) Providing preference to Kentucky residents equalizes the competition with other states that provide preference to their residents.

KRS 45A.494 Reciprocal preference to be given by public agencies to resident bidders -- List of states -- Administrative regulations.

(1) Prior to a contract being awarded to the lowest responsible and responsive bidder on a contract by a public agency, a resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.

(2) A resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

(a) Is authorized to transact business in the Commonwealth; and

(b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.

(3) A nonresident bidder is an individual, partnership, association, corporation, or other business entity that does not meet the requirements of subsection (2) of this section.

(4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.

(5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.

(6) The Finance and Administration Cabinet shall maintain a list of states that give to or require a preference for their own resident bidders, including details of the preference given to such bidders, to be used by public agencies in determining resident bidder preferences. The cabinet shall also promulgate administrative regulations in accordance with KRS Chapter 13A establishing the procedure by which the preferences required by this section shall be given.

(7) The preference for resident bidders shall not be given if the preference conflicts with federal law.

(8) Any public agency soliciting or advertising for bids for contracts shall make KRS 45A.490 to 45A.494 part of the solicitation or advertisement for bids.

The reciprocal preference as described in KRS 45A.490-494 above shall be applied in accordance with 200 KAR 5:400.

Determining the residency of a proposing FIRM (bidder) for purposes of applying a reciprocal preference

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit along with its proposal the "Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status," which may be found on the APA's website at this link: <http://auditor.ky.gov/cpatools/Pages/RequestForProposals.aspx>. The APA reserves the right to request documentation supporting a proposing FIRM's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the proposing FIRM or contract termination.

A proposing FIRM that is a nonresident bidder shall submit, along with its proposal, its certificate of authority to transact business in the Commonwealth as filed with

the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that proposing FIRM. If the proposing FIRM is not required by law to obtain said certificate, the state of residency for that proposing FIRM shall be deemed to be that which is identified in its mailing address as provided in its proposal.

Section II

Educational Cooperatives - Background and Audit Groups

A. Background

The creation of ECs is authorized by the Interlocal Cooperation Act, KRS 65.210 to 65.300. An EC is an entity established by two or more local school districts to serve the districts in the areas of procurement, program development, training and professional development, grant application and administration, technology-related services, and other support services. Most of the ECs to be audited under this RFP are non-profit, IRC §501(c)(3)-exempt Kentucky corporations, while a few other ECs are not corporations. The governing Board of an EC is composed of the superintendents or chief administrators of the school districts that make up the EC and that are served by the EC.

B. Audit Groups

The fund categories of the EC generally includes the following funds: general, payroll, revolving, sick/leave/retirement, operational, revenue, grant accounts, administrative, professional development, federal, and state/local.

A single audit may be required in accordance with the provisions of the Single Audit Act of 1984, as amended.

Section III Statement of Work

A. General Nature of Services Required

As the agent of SESC, FIRM shall perform the financial statement and compliance audit of the EC for FY 2020 and review 990 tax return for June 30, 2021 and making amendments to return as needed. **A preliminary cost proposal is required to be submitted.**

B. Audit Standards to be Followed

The audits shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits of governmental organizations, programs, activities, and functions contained in Government Auditing Standards, issued by the United States Government Accountability Office.

C. Specific Services to be Performed

1. For FY 2021, FIRM shall perform a financial statement audit to determine: (a) whether the financial statements of SESC present fairly the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America; and (b) results of tests of compliance with laws, regulations, contracts, and grants that may have a material effect on the financial statements and results of FIRM's consideration of the SESC's control over financial reporting.
2. FIRM shall obtain an understanding of processes related to disbursements, receipts, and investment activities. FIRM shall assess control related to disbursements, receipts, and investments and report any internal control and compliance deficiencies.
3. FIRM shall complete the audit and review/amendments to 990 tax return by October 31, 2021. FIRM shall submit audit report to APA and make any necessary adjustments as specified by APA in an accurate and timely manner as specified in this agreement.
4. FIRM shall review SESC's IRS Form 990 and make amendments as required. FIRM shall provide assistance to SESC staff with any penalties or other matters related to submission of the 990 tax return.

D. Reports to be Issued

FIRM shall deliver to SESC and to the APA for issuance under APA cover the following reports by the dates shown:

1. Audited basic financial statements and an opinion thereon shall be furnished to APA no later than November 15, 2021. The independent auditor's report shall also include comments and recommendations for improvement. Depending upon entity characterization, the basic financial statements shall be presented in conformity with standards established either by the Governmental Accounting Standards Board, or by the Financial Accounting Standards Board, including FASB Statement No. 117.
2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards shall be furnished to the APA no later than November 15, 2021.
3. A single audit report on compliance with requirements applicable to each major program and internal control over compliance required by OMB Circular A-133 shall be furnished to APA no later than November 15, 2021. If applicable, FIRM shall be responsible for completing the Federal Audit data collection form (Form SF-SAC), including obtaining the auditee signatures as well as the FIRM's signature, and, upon the APA notifying FIRM of the audit's release, FIRM shall print a copy of the final audit report and mail the submission package to the Federal Audit Clearinghouse.

4. FIRM shall make an immediate, written report to SESC and to APA of any irregularity or illegal act or indications thereof that comes to its attention during the term of the contract.

E. Conditions for the Development and Presentation of Reports

1. The reports described in items D.1. through D.3. shall be presented in the manner prescribed by the AICPA Audit and Accounting Guide, Audits of Not-For-Profit Organizations and/or AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units. The reports shall contain all significant deficiencies and material weaknesses, with material weaknesses being appropriately segregated and identified. Any other matters conveyed to management shall be in writing and be included in the exit conference. Notwithstanding the provisions of the AICPA Audit and Accounting Guide, Audits of Not-For-Profit Organizations and/or AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units, to comply with APA's reporting policy, any other matters conveyed to the EC being audited shall be in writing, and a copy of that correspondence shall be forwarded to APA.

Significant deficiencies and material weaknesses presented as part of the reports, as well as other matters conveyed in a separate management letter, shall be well-developed and shall consist of the following components to the extent practicable:

- A statement of condition
- The criteria for the significant deficiencies
- The cause of the condition
- The effect of the condition
- A recommendation for correction
- Management's response to the recommendation

Each internal control and compliance report shall contain a comment reporting on uncorrected comments and addressing the resolution of recommendations made during the preceding audit.

2. FIRM shall provide a draft copy of the audit report to SESC and discuss its contents with representatives of SESC by October 31, 2021 to satisfy exit conference requirements. Officials' responses to findings shall be included in the exit conference.
3. FIRM shall deliver to APA a copy of draft reports as completed, but no later than November 15, 2021.

FIRM shall also deliver completed audit documentation, if requested by the APA, with the draft audit reports. (See Section IV A.8)

APA staff shall complete a report review, including audit documentation, and notify FIRM of discrepancies, if any, to be corrected. FIRM shall correct reported discrepancies in a manner established by APA and in accordance with Section I.F.2. Failure of FIRM to correct reported discrepancies in the manner established by APA and in accordance with Section I.F.2. may result in the imposition of

penalties under Section I.F.3. of this RFP, or other damages.

4. Report Formatting Submittal and Specifications: FIRM shall provide to the APA a copy of the report on a PC-based CD-ROM disk. The report shall be submitted for use in MS WORD 2007 or an earlier version of WORD. Additional formatting shall include FIRM's letterhead and electronic signatures where required. MS EXCEL spreadsheets shall be included in WORD-compatible documents as appropriate, and any MS EXCEL spreadsheet files pasted into or linked to WORD documents shall also be included.
5. If the delivery of any reports required by the Section I.E. due dates is delayed, draft copies of the reports shall be furnished to APA by the Section I.E. due dates.
6. APA is responsible for the review of all draft reports and audit documentation. All final reports shall be released under the APA's cover. Publication, issuance, and distribution of the management letter and the final audit reports shall be the responsibility of APA.
7. The FIRM shall forward a copy of the draft audit report and management letters to the Auditor of Public Accounts for review. The APA office must review the CPA's draft report prior to the release of the audit report.
8. The APA office shall have the right to review the FIRM'S work papers before and after the release of the audit.
9. Any discrepancies found by the APA office after review of the FIRM'S report and work papers shall be corrected prior to release of the audit.
10. The FIRM shall provide the APA office a copy of the final report (Adobe PDF format).

Section IV General Conditions

A. FIRM'S Responsibilities During the Contract Term

1. FIRM shall designate a project manager who shall be the contact with SE SC. The project manager shall oversee all activities for FIRM. Project manager shall provide an e-mail address, fax number, and phone number for daily contact purposes.
2. FIRM shall be responsible for familiarity with appropriate state laws and regulations and with appropriate audit standards.
3. FIRM shall be responsible for personnel, supplies, and equipment.
4. FIRM shall be responsible for all services offered in FIRM'S proposal whether or not FIRM provides such service.
5. FIRM shall have general professional liability insurance or specific professional

liability insurance for this engagement in an amount equal to the contract price and provide APA and SESC with proof of coverage.

6. FIRM shall be responsible for all material errors and omissions in the performance of the contract.
7. FIRM shall notify APA in writing (e-mail or fax is acceptable) when the fieldwork for each audit begins.
8. Upon request, FIRM shall provide one or more copies of audit documentation to APA at no additional cost to the APA, the number and format of such copies to be determined after consultation with the APA's contact for this RFP. Originals of audit documentation shall be retained by FIRM.
9. FIRM shall be responsible for distributing reports to the APA as stated in Section III.
10. FIRM shall communicate no less than monthly with the liaison designated by SESC and the APA.
11. Any changes or substitutions in audit personnel by FIRM, including subcontractors, from the personnel listed in FIRM's proposal must have the prior, written approval of the SESC before the substituted personnel may commence work.
12. Upon completion of fieldwork, FIRM shall conduct a face-to-face exit conference with the appropriate officials of SESC. SESC's responses are to be included for all report comments.
13. FIRM shall be responsible for reviewing all audit documentation and draft reports prior to submission to the APA. Review shall be conducted by someone other than the preparer of the audit documentation and draft reports, and shall be clearly documented on each work paper.
14. In the event the APA does not find the FIRM'S draft report or audit documentation acceptable, and returns it to FIRM for further work, the FIRM shall perform the follow-up work within 15 working days, unless otherwise agreed to by the APA.
15. FIRM shall be responsible for including any audits performed under a contract awarded pursuant to this RFP in the list of audits subject to FIRM's peer review.
16. FIRM shall provide audit work papers before or after release of audit to APA upon request.

B. SESC's Responsibilities During the Contract Term

1. SESC shall provide its own financial information and shall make such information available for FIRM'S review.
2. SESC shall make all files and records related to the SESC accessible to FIRM,

on site.

3. SESC may discuss the draft audit report with FIRM and, no later than seven (7) days after receipt, shall provide FIRM a written response to the draft report.
4. SESC shall provide assistance to FIRM, namely, gathering supporting documentation from the files and preparing schedules.
5. SESC shall make appropriate personnel available for interviews and information-gathering purposes.

C. APA'S Responsibilities During the Contract Term

1. APA shall designate, in writing, a liaison to coordinate activities among APA, FIRM, and SESC.
2. APA shall be solely responsible for publishing, issuing, and distributing all reports under APA cover.
3. APA shall review and may comment on FIRM'S audit documentation and draft audit reports. APA shall return the work for corrective action when necessary.
4. APA shall review and provide written acceptance of the final audit reports and provide payment to the FIRM in accordance with Section I.
5. APA shall be responsible for evaluating FIRM's performance under the contract.

D. Audit Documentation

All audit documentation (working papers) and reports must be retained, at FIRM'S expense, for a minimum of six (6) years unless FIRM is notified in writing by APA of the need to extend the retention period. FIRM shall be required to make audit documentation available, upon request, to the designated representatives of APA.

In addition, FIRM shall respond to all inquiries of successive auditors.

E. Modifications to Statement of Work

Any modifications to the statement of work or changes in the time necessary to complete the work shall be thoroughly discussed with FIRM and agreed to in writing by FIRM and APA prior to the implementation of any modification or change. If necessary, the contract amount may be amended to reflect such modification or change.

Section V Technical Proposal Format

A. Responsiveness

In order to be considered for selection, proposals submitted by FIRM shall be completely responsive to this RFP. All conditions printed on the RFP are hereby made a part of the conditions under which the proposal is submitted and shall be incorporated into any contract on this project. Further, all provisions of a proposal not otherwise proprietary and confidential shall become part of any contract resulting from the proposal. Failure of FIRM to accept these obligations may result in cancellation of the selection.

B. Preparation Standards

Proposals shall be prepared simply and economically, providing a straightforward, concise description of FIRM'S capabilities to satisfy the requirements of the RFP. Elaborate bindings, colored displays, and promotional materials are not desired. Emphasis shall be on completeness and clarity of content. Repetition of the terms and conditions of this RFP, without additional explanation, shall not be considered sufficiently responsive.

C. Proposal as Single Document

Each copy of the technical proposal shall be included in a single volume where practical. All documentation submitted with the technical proposal shall be included in that single volume.

D. Technical Proposal

The technical proposal shall respond completely to the requirements stated in this section. In order to permit effective comparisons of competing proposals, the following format shall be followed as closely as possible:

1. Title Page

Specify name of FIRM, local address, telephone number, fax number, email address (if any), name of contact person, and date.

2. Table of Contents

Include a clear identification of the material by section and page number.

3. Transmittal Letter

The transmittal letter shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind FIRM. It shall include:

- a) A statement, indicating FIRM is a corporation, LLP, LLC, or other legal

entity.

- b) A statement that no attempt has been made or shall be made by FIRM to induce any other person or FIRM to submit or not to submit a proposal.
- c) A statement of Affirmative Action that FIRM does not discriminate in its employment practices because of race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or persons with disabilities. In addition, FIRM shall provide a statement of compliance with the requirements of Title VI of the Civil Rights Act of 1964.
- d) A statement that FIRM is a properly licensed certified public accountant.
- e) A statement that FIRM meets the independence, continuing education, and peer review standards of the Government Auditing Standards.
- f) A statement that FIRM has reviewed all relationships and has determined that it meets the objectivity and independence standards of ET sections 55, 101, and 102 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.
- g) A listing of FIRM'S professional relationships involving SESC or any of its component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interests in providing assistance to APA. Prior to contract execution, FIRM may be asked to disclose further information involving relationships with major vendors of the Commonwealth or its components.
- h) A description of FIRM's quality control procedures.
- i) A statement of whether FIRM'S most recent peer review included a review of specific government engagements, together with a copy of said peer review report, including letter of comments, if applicable.
- j) A statement identifying all addenda to this RFP issued by SESC and received by FIRM. If no addenda have been received, a statement to that effect shall be included.
- k) A statement that no cost or pricing information has been included in the technical proposal.
- l) A statement that FIRM certifies that in connection with this procurement: (1) the preliminary cost proposal has been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such preliminary cost proposal with any other FIRM or with any competitor; (2) unless otherwise required by law, the preliminary cost proposal has not been knowingly disclosed by FIRM prior to award, directly or indirectly, to any other FIRM or to any competitor.
- m) A statement that the person signing the proposal certifies that he/she is the person in FIRM'S organization responsible for, or authorized to make, decisions

as to the prices quoted and that he/she has not participated, and shall not participate, in any action contrary to l) (1) or l) (2) of the above paragraph.

- n) A statement that FIRM'S proposal shall remain valid for ninety (90) calendar days after the closing date of the receipt of the proposals.
- o) A statement disclosing whether the Kentucky Board of Accountancy or any other state's CPA licensing body has taken disciplinary action against the FIRM (or any CPA employed or retained by FIRM who will work on this engagement) within the past five (5) calendar years, and if so, a detailed explanation of the circumstances of the disciplinary action taken.
- p) A statement disclosing those audits currently being performed by FIRM under contract with the APA, and the audits' completion status, with fixed, projected completion dates for these audits.*

*NOTE: Evaluation of FIRM under this RFP will include, as part of the "APA Evaluation of FIRM" criterion, the number of FIRM's audits, if any, currently under contract with the APA that remain due, late, or incomplete as of the date the proposal under this RFP is due.

If the proposal deviates from the detailed specifications and requirements of this RFP, the transmittal letter shall identify and explain these deviations. SESC reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

4. FIRM Background

The details of FIRM background shall cover:

- Date established;
- Location of clientele - local, regional, national, or international; and
- Total number of professional staff.

5. Local Office Background

The details of the local office background shall cover:

- Location of FIRM office that will supply staff;
- Number of partners, managers, supervisors, seniors, and other professional staff employed in FIRM office that will supply staff; and
- Biographical sketch of professional staff, including any subcontractors, who will be assigned to the engagement. Resumes of assigned professional staff detailing professional experience shall be submitted with FIRM's technical proposal.

6. Experience

Describe FIRM-wide experience during 2019, 2020, and 2021 in working on:

- Audits involving Kentucky local governmental units, including ECs and school districts.

Describe experience of individual professionals mentioned in V. D. 5. in working on:

- Audits involving Kentucky local governmental units, including ECs and school districts.

For each audit listed, give the year, engagement partner, total hours, name and telephone number of the principal client contact. If the primary client contact is a former elected official, provide a method to contact the former official, if possible.

NOTE: Any information confidentially disclosed to the APA by FIRM in its proposal that is generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the FIRM, must be clearly marked in the proposal and identified as confidential or proprietary information, or both.

Section VI

Preliminary Cost Proposal

FIRM shall email one copy of a “not to exceed” preliminary cost proposal to sescbids@gmail.com with the subject line “2020 Audit Proposal” by 3:00 p.m. EDT on Tuesday, May 11, 2021.

Preliminary cost proposals shall be submitted as follows:

- Submit a separate preliminary cost proposal
- Preliminary cost proposals must be signed by the same individual submitting technical proposal.

The preliminary cost proposal shall be for the services requested in Section III A. through III E., and shall contain the name of FIRM and classification, time, and rate information as shown in the following schedule format:

Preliminary Cost Proposal for SESC

Audit Year	Audit Hours	Blended Hourly Rate	Cost
Audit for FYE 6/30/21			
Total Audit Hours		Total Costs	

The “not to exceed” preliminary cost proposal shall be binding on FIRM upon execution of a contract with SESC. The same person signing the transmittal letter in the technical proposal shall sign the preliminary cost proposal. Final contract price shall be determined after noncompetitive negotiation.