



TO **Prospective Supplier**

FROM **Kip Smalligan, Sr. Strategic Sourcing Specialist, Procurement Services**
Ph 616/331-3211 Fax 616/331-3287 smalligk@gvsu.edu

DATE **December 6, 2017**

RE **Request for Proposal #218-22 Annual Audit Services**
ADDENDUM #1

Please note that Grand Valley State University will be closed for winter break Monday December 25, 2017 through Monday January 1, 2018.

GVSU RFP #218-22 Annual Auditing Services: Instructions|

Grand Valley State University is accepting proposals for annual audit services for a five year contract period. This RFP closes and supersedes the previous GVSU RFP #213-13.

The services will be for both external and internal audit services. The two services will be awarded to separate suppliers. A supplier may bid on both external and internal services and could be awarded one or the other, but not both services.

If you wish to bid to provide this service, submit your proposal by US mail, parcel, or drop off no later than 5:00 p.m. on Wednesday January 3, 2018 to Attention: Kip Smalligan, Grand Valley State University, 2015 Zumberge Hall, 1 Campus Dr., Allendale, MI 49401-9403. Your proposal must be received by that date and time. No e-mail, telephone, fax, or verbal quotations will be accepted. GVSU is not responsible for late, lost, misdirected, damaged, incomplete, illegible, or postage-due mail.

Please write the RFP number RFP #218-22 clearly on the front of your proposal envelope or package.

1. RFP Schedule:

Proposal Due Date	January 3, 2018, 5:00 pm
Interview Finalists	January 2018
Selection by Finance & Audit Committee	February 2, 2018
Services Commence	March 2018

- Should it become necessary to revise any part of the RFP, notice of the revision will be given in the form of an addendum to all prospective suppliers on record as having received the RFP. Notice will also be posted on the Bid Opportunities page of the GVSU Procurement Services website at <http://gvsu.edu/purchasing/bid-opportunities-35.htm>. Each supplier should acknowledge receipt of addenda in their proposal on the proposal form, but the failure of a supplier to receive or acknowledge receipt of any addendum, shall not relieve the supplier of the responsibility for complying with the terms thereof.
- Grand Valley State University reserves the right to accept or reject any or all proposals.
- Each respondent must submit one signed original proposal, four (4) complete copies of the signed original proposal, and one electronic version on CD or flash drive.

Proposals are to be submitted in a binder or booklet form with appropriate indices. Each proposal should be prepared simply and economically, providing a straightforward, concise description of the service, approach, and ability to meet the University's needs as stated in this RFP. Proposal responses should strive to answer each item as clearly and concisely as possible.

Complete the Proposal Form on page 9 and 10.

5. Supplier must respond to the questions/requirement in the Specifications section. Responses must be clearly numbered and identified as stated in the RFP, and must directly, specifically, and clearly address all questions/requirements. The supplier should provide detailed explanations and/or describe processes fully. The supplier must state any qualification or reservation if the capability cannot be fully met or can only be fully met with significant workaround or adjustment.
6. Include all costs to GVSU in proposal. Provide a cost schedule for optional or variable costs.
7. The Finance & Audit Committee of the GVSU Board of Trustees shall select the proposal to retain the most qualified firm relative to the skill levels and expertise required to provide the best overall services to the University. Evaluation criteria shall include:
 - a. Adequate size of professional staff, their availability, experience, and credentials of all personnel identified in the engagement.
 - b. Cost, structured in such a way to be acceptable to GVSU, meeting the University's financial goals while demonstrating sufficient financial strength to ensure the full and proper performance of the contract through its term.
 - c. Evidence of a firm-wide approach to excellence, particularly the capacity related to specialized experience in university environments.
 - d. Ability to consult on an as-needed basis.
 - e. Indication that the firm is prepared and willing to comply with all RFP requirements, including the ability to meet time tables specified.
8. Supplier may be asked to make a presentation to the evaluation committee.
9. Acceptance of awarded proposal will be made by GVSU purchase order.
10. Grand Valley State University's Michigan sales tax exempt certificate is available upon request (see Popular Pages links on the home page).
11. Suppliers are responsible for all associated costs incurred in responding to this RFP.
12. Contact Kip Smalligan at 616/331-3211 or smalligk@gvsu.edu, with any questions regarding this RFP.

GVSU RFP #218-22 Annual Auditing Services: Specifications

1. General Information about GVSU

Established in 1960, the university operates campuses in Allendale, Grand Rapids, and Holland, as well as regional centers in Muskegon, Detroit, and Traverse City. GVSU is listed as one of America's Best Colleges by Forbes magazine, a ranking based on post graduate success, student satisfaction, debt, four-year graduation rate, and competitive awards. Additional university financial information, including prior years' GVSU Financial Statements can be found at www.gvsu.edu/busfin/gvsu-financial-reports-28.htm. Copies of all reports relating to GVSU's last completed year of audit activity are enclosed (see 13F for a complete listing).

2. Scope of External Audit Services

- A. The examination of the financial records, accounts and procedures of the university shall be made in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States and provisions of the Office of Management and Budget (OMB) Uniform Guidance, 2 CFR 200 Subpart F.
- B. GVSU prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Financial statements for its component units, University Properties, Inc., Grand Valley Research Corporation, Grand Valley University Foundation, Lafayette Hastings LLC and 38 Front Avenue, are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB). In accordance with GASB Statement No. 61 and Statement No. 80, all component units are blended in the university's financial reporting
- C. It is expected within the scope of this audit engagement that personnel with the proper expertise would be available during all phases of the audit. This includes availability for recommendations regarding the implementation of new GASB statements, or other technical accounting issues.
- D. Please provide a draft of an engagement letter.

3. Components of External Audit Services

- A. An annual audit, in accordance with generally accepted auditing standards of the Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and Statement of Cash Flows and all supporting statements and schedules along with a review of the University's internal controls. The final audit report will be presented to the Finance and Audit Committee of the Board of Trustees at their Fall meeting. The proposal should include the cost of printing 100 copies, in addition to a providing a final version in electronic format.
- B. The Auditor's Communication with Those Charged with Governance should include recommendations to strengthen internal controls and/or improve operational efficiency. This letter will include all required communication under generally accepted auditing

standards and will be presented to the Finance & Audit Committee at each Fall meeting by the audit firm.

- C. An annual audit of the University's federal programs, in accordance with government auditing standards and the provisions of Office of Management and Budget (OMB) Uniform Guidance, 2 CFR 200 Subpart F with final reports and Data Collection Form completed by December 1. The fee for this work should be stated separately. Please identify the number of major programs to be audited that are included in the stated fee. Please also identify the cost for each additional major program audit beyond those included in the base fee.
 - D. An annual audit in accordance with generally accepted auditing standards of the separate financial statements of WGVU Public Media. Also the completion of the reports required by the Corporation for Public Broadcasting by November 30, although an extension to December 31 is generally available. The fee for this work should be stated separately.
 - E. Certain agreed-upon procedures relating to the University's Intercollegiate Athletics is required every three years by the NCAA to assist the University in complying with the NCAA Constitution 6.2.3.2. These services will be required for the year ending June 30, 2020 with a completion date of December 1. The proposed fee for this work should be stated separately.
 - F. GVSU is included in the State of Michigan Comprehensive Annual Financial Report (CAFR) as a component unit. Certain schedules and footnotes require auditor review for submittal to the State, with a completion date of October 1. The proposed fee for this work should be stated separately.
 - G. An annual audit of 38 Front Avenue, a Michigan nonprofit corporation formed in 2011 for real estate purposes, is a component unit of GVSU. Final reports due by November 1. The proposed fee for this work should be stated separately. The University expects that this entity will be dissolved during the fiscal year ending June 30, 2019.
 - H. An annual audit of the Grand Valley University Foundation (GVUF), a Michigan nonprofit corporation established to solicit, collect, receive, and administer funds on behalf of the university, and a component unit of GVSU. This service will be requested when annual revenues of GVUF exceed \$500,000, and final report due by November 1. The proposed fee for this work should be stated separately.
- 4. Work Performed by GVSU Personnel External Audit Services**
- A. Trial balances of all funds with supporting schedules, when requested.
 - B. Preparation of other schedules requested for audit purposes.
 - C. Preparation of preliminary financial statements, including component units, Management, Discussion and Analysis, Notes to Financial Statements, and Required Supplemental Information.

- D. Retrieval of vouchers, receipts and other documents as required.
- E. Preparation of requested correspondence, including confirmation requests.
- F. Any other additional work, as identified and agreed upon prior to the beginning of the engagement or as conditions require. The audit firm should clearly identify its expectations for GVSU personnel in its proposal.

5. Pricing Information for External Audit Services

- A. Provide detail by year of the fees and hours required for each component of this engagement, as follows:
 - GVSU audited financial statements and the Auditors' Communication with Those Charged with Governance (AICPA AU-C Section 260)
 - Federal Awards report to cover three major programs, in accordance with OMB 2 CFR 200 Subpart F
 - Federal Awards additional "major program" audit
 - WGVU Public Media audited financial statements and reports
 - NCAA agreed upon procedures (every third year)
 - Crosswalk for the State of Michigan CAFR.
 - 38 Front Avenue audited financial statements (Fiscal Years 2018 and 2019 only)
 - Grand Valley University Foundation audited financial statements
- B. Explain the firm's billing policy for inquiries and technical questions and the firm's policy for distinguishing between billable services and those not chargeable.
- C. If the firm is the subject of any litigation or professional disciplinary action that might adversely affect its ability to carry out a multiyear audit engagement, describe the litigation or disciplinary action.

6. Scope of Work for Internal Audit Services

Each year the University and the internal audit firm will review the risk assessments and determine the scope of the internal audits for the following year. Some areas are rotated on a one to three year rotation. Areas include accounts payable, travel, cash receipts, auxiliary revenue, and investments. Typically these audit services comprise 350 to 400 hours of work annually. Deliverables include a written report inclusive of recommendations and management responses that will be provided to the Finance and Audit Committee of the Board of Trustees.

7. Personnel Requirements for BOTH External Audit Services and Internal Audit Services:

The proposed services shall be rendered by or under the supervision of competent accountants who will perform their work with care and diligence and report all irregularities, omissions, and discrepancies in the accounts of Grand Valley State University.

The proposal should set forth the names, qualifications, and home office of the staff members who would have primary responsibility for the audit. The qualifications of the on-site in-charge auditor(s) and the partner must be specifically identified and an estimate of the hours of partner time that will be committed. The audit firm's ultimate reporting and accountability is to the Finance & Audit Committee of the Board of Trustees.

8. Firm Experience

It is required that firms submitting proposals will have the expertise in auditing various Federal programs. Respondents shall list educational institutions and government units for which audits have been completed, providing location and the dates of completion. Experience in federal financial aid programs will be an important consideration in the final selection.

9. Professional Auditing Services

Provide the following information:

- A. Explain your approach to auditing a public university. Include what you see as the biggest issues and risks of this industry.
- B. Include a timetable for expected dates of preliminary and year-end fieldwork in order to complete the audit by the required deadlines.
- C. Identify how frequently you expect the manager and partner to be on-site during fieldwork.
- D. Results of your most recent peer review

10. References

Provide at least three references along with a contact person and brief description of the type of entity the reference represents, including the last year of audit. Also indicate those higher education clients for which services are no longer provided over the past five years and the reasons for the discontinuance.

11. Early Termination

The University may terminate the contract in whole, or in part upon sixty (60) days written notification to the supplier either for the University's convenience or because of the failure of the supplier to fulfill contract obligations. Upon receipt of such notice, the supplier shall:

- A. Immediately discontinue all services affected (unless the notice directs otherwise).
- B. Deliver to the University all data, reports, summaries, and such other information and materials as may have been accumulated by the supplier in performing this contract, whether completed or in progress.
- C. The supplier shall be paid the value of all outstanding services satisfactorily performed prior to the date and time of notification.

12. Confidentiality

So long as this Agreement remains in effect, the supplier may have access to and become acquainted with various trade secrets, consisting of management, financial, and operational materials, and methods and processes, and compilations of information, and records and specifications of University, which are owned by the University and which are regularly used in the operation of the University's business. Supplier acknowledges such information is confidential and that the University disclosed the same to supplier. Supplier shall not disclose any such secrets, directly or indirectly, or use them in any other way either during the term of this Agreement or at any time thereafter, except as required in the course of its performance in accordance with this Agreement. All files, records, documents, drawings, specifications, equipment, and similar items relating to business at the University, whether prepared by the supplier or those acting on behalf of the supplier, shall remain the property of the University, and shall be treated in a confidential manner by supplier so as to safeguard its proprietary nature.

13. Additional Respondent Certifications

- A. Respondent warrants that both in submission of its proposal and performance of any resultant contract, the supplier will comply with all applicable federal, state, local and University laws, regulations, rules, or ordinances.
- B. No respondent providing products or services to the University shall appropriate or make use of the University's name or other identifying marks or property in its advertising without prior written consent of the university.
- C. By submitting a proposal, the supplier certifies that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- D. In submitting its proposal and in operating, the successful supplier agrees not to discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment because of race, color, creed, religion, sexual orientation, national origin, sex, age, handicap or Vietnam era veteran status and must be in compliance with the directives of the Michigan Department of Civil Rights. Any breach thereof may be regarded as a material breach of the agreement.
- E. Enclosures:
 - 2017 GVSU Annual Financial Report
 - 2017 State of Michigan CAFR report
 - 2017 OMB Federal Awards report
 - 2016 Audited Financial Statements and CPB reports for WGVU Public Media
 - 2017 Audited Financial Statements for 38 Front Avenue
 - 2017 Audited Financial Statements for Grand Valley University Foundation
 - 2014 NCAA report



PROPOSAL FORM: RFP #218-22 ANNUAL AUDIT SERVICES

I. The undersigned certifies that to the best of his/her knowledge:

- ☐ There is no officer or employee of Grand Valley State University who has, or whose relative has a substantial interest in any contract award subsequent to this proposal.
- ☐ The names of any and all public officers or employees of Grand Valley State University who have, or whose relative has, a substantial interest in any contract award subsequent to this proposal are identified by name as part of this submittal.

Name(s) _____

II. The undersigned further certifies that their company ____ IS or ____ IS NOT currently debarred, suspended or proposed for debarment by any federal entity. The undersigned agrees to notify the University of any change in this status, should one occur, until such time as an award has been made under this procurement action.

III. Supplier declares the following legal status in submitting this proposal:

- ☐ A partnership
- ☐ A corporation organized and existing under the laws of the State of _____
- ☐ An individual doing business as (DBA) _____

IV. Supplier declares that company is at least 51% owned, controlled and actively managed by (check all that apply):

- | | | |
|--|--|---|
| <input type="checkbox"/> African-American | <input type="checkbox"/> Native American | <input type="checkbox"/> Woman/Women |
| <input type="checkbox"/> Asian American | <input type="checkbox"/> Multi-Racial | <input type="checkbox"/> ADA Disabled Person(s) |
| <input type="checkbox"/> Hispanic American | | |

V. Supplier acknowledges receipt of the following addenda:

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

VI. BASE PROPOSAL SUM: _____dollars

(\$_____) OR attach proposal.

- VII. The undersigned proposes to furnish all labor, materials, equipment, tools and services required to complete the work in accordance with the proposed Contract Documents listed herein, including all addenda issued pertaining to same, for the sum or sums as stated, and agrees that these Documents will constitute the Contract if accepted by Grand Valley State University.

Company Name

Address

City/State/Zip Code

Office Phone No.

Cellular Phone No.

Fax No.

Authorized Agent Signature

Name & Title

Witness Signature

Name

Tax Identification No.

Date

- VIII. ACCEPTANCE: This proposal is accepted by Grand Valley State University

Authorized Agent Signature

Name & Title

Witness Signature

Name

Office Phone No.

Cellular Phone No.

Fax No.

38 1684280
GVSU Tax Identification No.

Date